



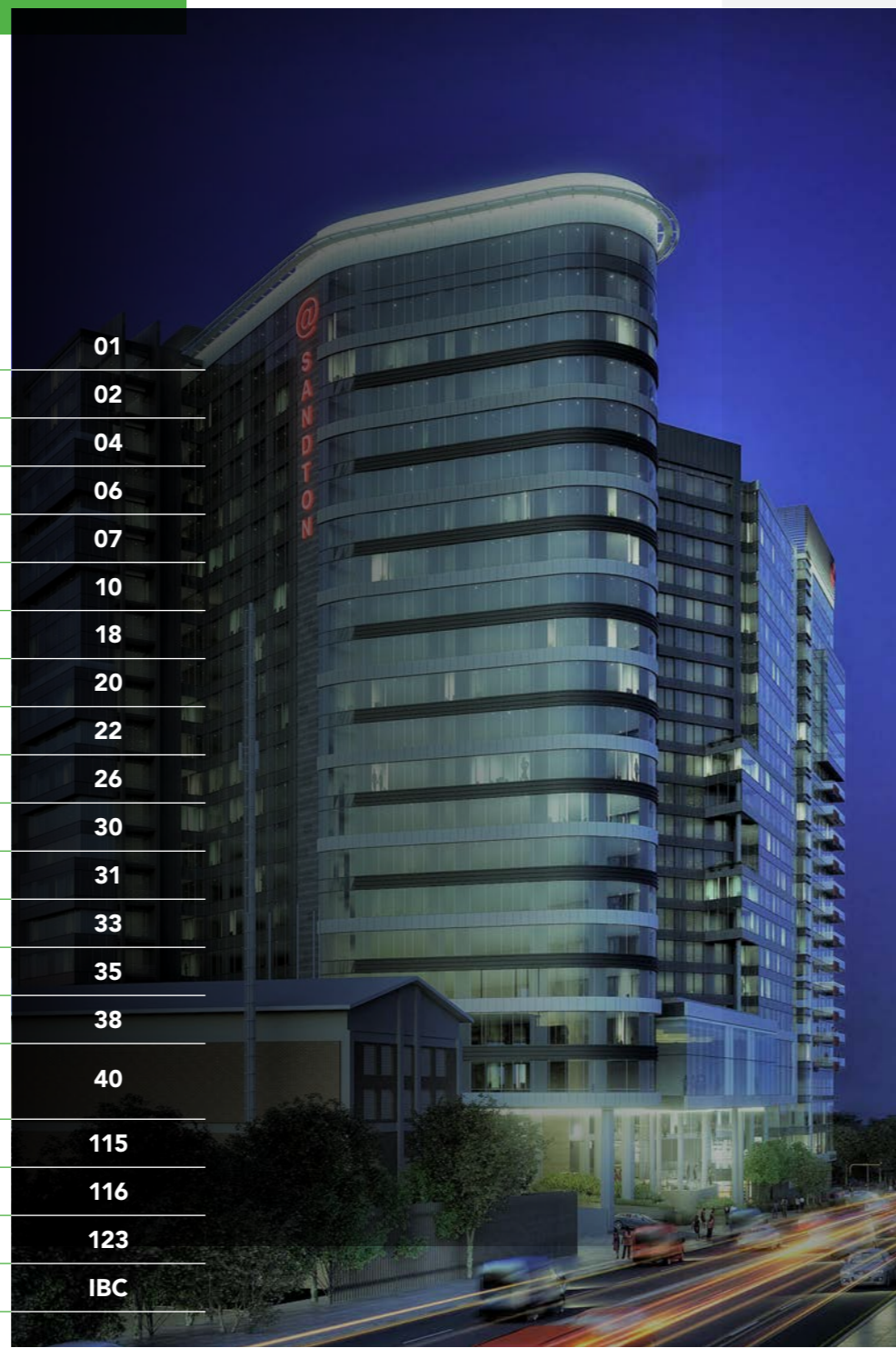
Integrated Report

2022



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Highlights

REVENUE

29% increase from R705 million to

R910 million

HEADLINE EARNINGS PER SHARE

47.91% increase from 71.32 cents per share to

105.49 cents per share

DIVIDEND DECLARED

18 cents per share

NET ASSET VALUE PER SHARE

18.71% increase from 1 795.40 cents per share to

↑ 2 131.38 cents per share

LOAN-TO-VALUE RATIO OF

7.4% and interest cover ratio 16.7 times

TOTAL GROSS LETTABLE AREA

296 232 m²

Excludes developments under construction

SOUTH AFRICAN RETAIL

251 072 m²

SOUTH AFRICAN LIGHT INDUSTRIAL

6 000 m²

INTERNATIONAL RETAIL

39 160 m²

About this report

This is Acision Limited's ("the Company", "Acision", "the Group") eighth integrated report as a listed company. The report has been prepared to provide the reader with an overview of the business since the previous financial year. Acision is listed on the Johannesburg Stock Exchange ("JSE") in the Real Estate Investment and Services sector as a property development company. The share code is "ACS". This report will cover the period from 1 March 2021 to 28 February 2022 during which Acision traded very successfully.

Scope and boundaries

This report covers the reporting period from 1 March 2021 to 28 February 2022 and provides the reader with an overview of the business since the previous financial year. The report is produced by Acision Limited. All the properties are individually held in separate companies that are subsidiaries and are all managed internally by Southern Palace Investments 108 Proprietary Limited (T/A Anaprop Property Management), one of the subsidiaries of Acision Limited.

Frameworks applied

This integrated report has been compiled in line with the guidelines, frameworks and regulations as detailed below:

- International Integrated Reporting Council's ("IIRC") Integrated Reporting Framework
- South African Companies Act 71 of 2008 (as amended)
- JSE Listings Requirements
- International Financial Reporting Standards ("IFRS")
- King IV Report on corporate governance for South Africa 2016 (King IV)*

Board responsibility and approval of the integrated report

The Board of directors acknowledges its responsibility to ensure the integrity of the integrated report as required by the IIRC's Integrated Reporting Framework.

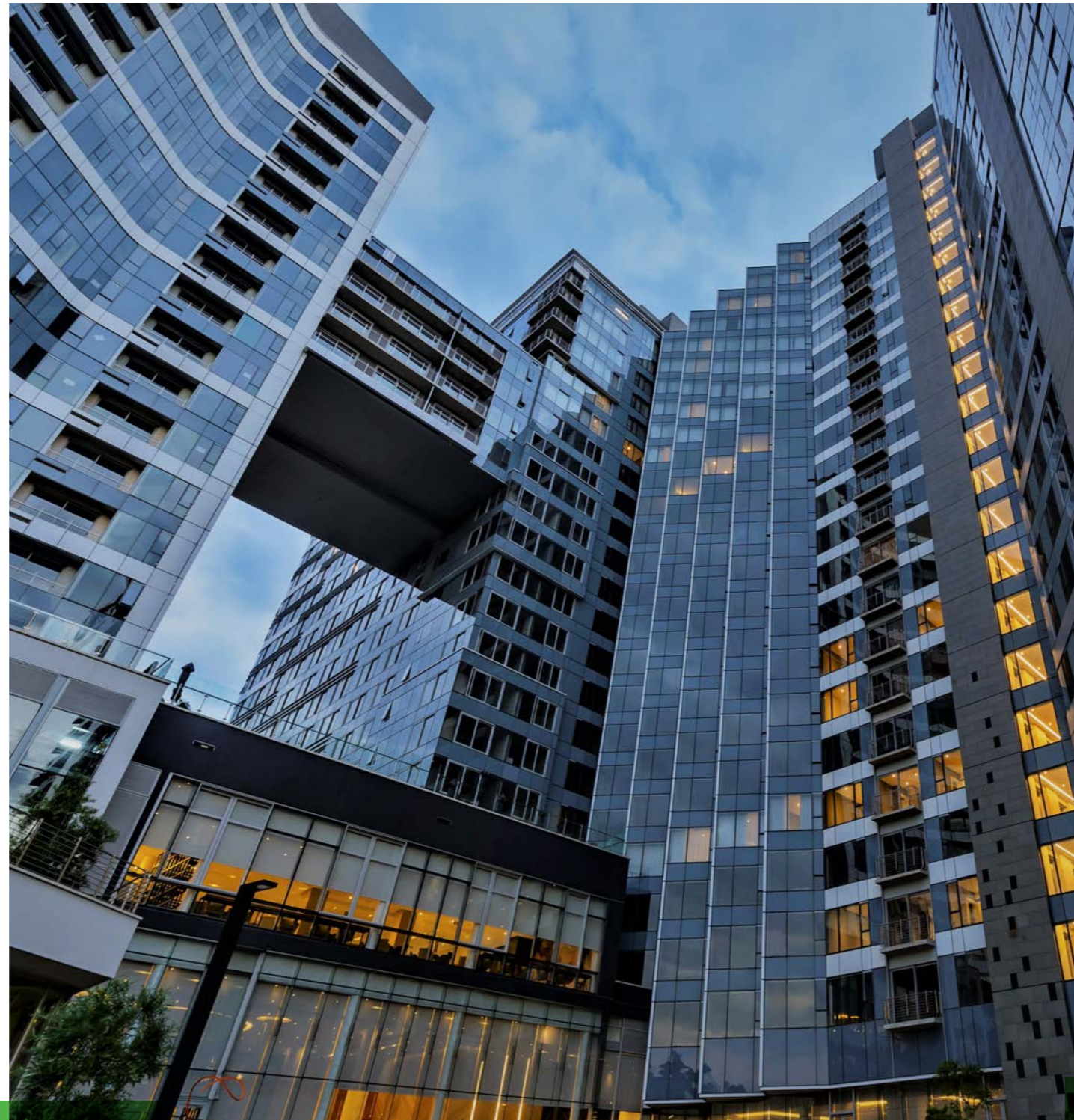
The Board has accordingly applied its mind to the preparation and presentation of this report and believes that it is a balanced and fair representation of the performance of the Group.

Forward-looking statements

This report contains forward-looking statements. There are a number of risks, uncertainties and other factors that are associated with these forward-looking statements where actual results and developments could materially differ from that which are presented in this report.

We used words such as "believe", "anticipate", "intend", "seek", "endeavour", "will", "plan", "project", "could", "may", "estimate", "expect", "forecast", "envision" and other similar expressions which are intended to identify these forward-looking statements, but are not exclusive means for identifying such statements.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking information, whether as a result of new information, future events or otherwise. Investors and stakeholders are cautioned not to place undue reliance on the forward-looking statements contained herein, as they have not been reviewed or assured by Acision's independent external auditor.



Materiality

The matters addressed in this report are considered by the Board and Executive Committee to be material in quantitative and qualitative terms. As the readers of this report are primarily investors and providers of capital, more focus has been placed on these items than some of the other capitals referred to in the Integrated Reporting Framework issued by the IIRC in 2013.

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Who we are

Acision is a **property manager, real estate developer and owner**. Acision is differentiated from Real Estate Investment Trusts ("REITs") in the listed property sector as it focuses on the delivery of superior NAV growth. NAV growth drivers include **enhancing existing properties**, completing the identified development pipeline and obtaining additional future development opportunities.

What we do

Our investment portfolio consists of **eight well established, strategically located retail properties, a light industrial property and a mixed-used development, all located in South Africa, as well as an international retail property situated in Cyprus**. Acision unlocks development profits and then generates annuity income and further capital growth for its shareholders through the active and continued management of its developed property portfolio generating rental income. Acision leverages its stable income stream and **strong financial position to obtain funding for pipeline developments** with the potential to generate above-market returns.

Our values

Ethics is the cornerstone of the Company's business and an unequivocal commitment to the **ethical values**, such as **fairness, transparency and integrity** underpins all facets of the Company's operations.

The name **Acision** is a combination of the Greek word "Axion" – loosely translated as "worth it" and "action" – to **act quickly and make things happen**. This set of results demonstrates that the Company **delivers on main strategy of continued NAV growth** – hence the slogan "**Acision in action**".

About us

Strategy

AcSION Limited is a highly experienced, specialist property developer and property holding company with in-house property and asset management functions. **We are the only JSE-listed company dedicated to property development and reaping the rewards of our own developments as a landlord.**



NEW AND EXISTING PIPELINE DEVELOPMENTS

- 1 Source and secure new property opportunities with potential to deliver required returns
- 2 Assess the commercial viability of newly identified as well as existing pipeline developments
- 3 Acquire or lease strategically located land identified meeting feasibility requirements for future development
- 4 Develop property using 'value engineering principles'

DEVELOPED PROPERTIES

- 1 Manage developed property portfolio to generate annuity income and further capital growth
- 2 Expand existing developments based on feasibility studies and demand
- 3 Renovate developed properties when required to protect property value

The long-term strategy of AcSION is to drive NAV (capital) and income growth for its shareholders, by identifying and investing in value-creating development opportunities, and subsequently leasing and managing such properties over the property life cycle, or where a value creation opportunity exists, selling the development opportunities or the developed properties.

AcSION is well positioned to meet these objectives given the quality of the completed developed investment properties and communicated pipeline, the extensive experience of the internal property development, asset management and property management teams, as well as strong, long-standing relationships with major national retailers, banks, franchises, municipalities and land owners. Access to future development opportunities will also contribute to AcSION's income and capital growth in the medium term which opportunities, given its track record, are anticipated to continue to deliver further capital growth to shareholders.

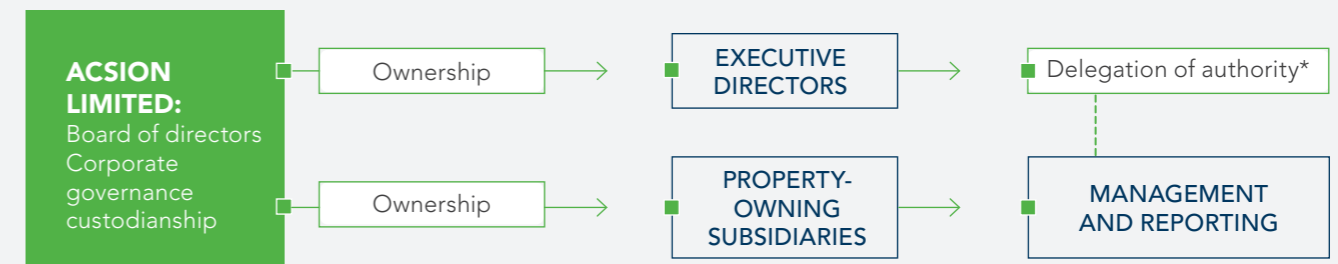
As part of its strategy to bolster the defensive quality of its portfolio, AcSION has implemented measures to diversify into the mixed-use property assets through the development of AcSIOPOLIS in Sandton. Geographic diversification outside South Africa will be continued in partnership with experienced and reputable local partners to pursue property development opportunities internationally.

HOLDING COMPANY



GOVERNED BY THE BOARD

AcSION listed on the JSE in 2014



* Delegation of authority is a formal document, which sets out the limits of transacting powers and persons with such powers.



Anaprop Property Management was formed in 2004

Anaprop develops and manages the properties owned by AcSION.

Anaprop's approach to property development is underpinned by a commitment to create appropriate and affordable developments, which are characterised by cost-effective, aesthetically pleasing designs which cater to the local catchment market needs.

DEVELOPED PROPERTIES

MALL@CARNIVAL Regional shopping centre VALUE (R'000) 2 640 912	MALL@LARNACA International regional shopping centre VALUE (R'000) 2 542 446	MALL@REDS Regional shopping centre VALUE (R'000) 1 435 969	MALL@EMBA Community shopping centre VALUE (R'000) 660 818	MALL@MOUTSIYA Community shopping centre VALUE (R'000) 245 796	MALL@LEBO Small regional shopping centre VALUE (R'000) 568 849
MALL@MFULA Community shopping centre VALUE (R'000) 375 968	MALL@55 Convenience shopping centre VALUE (R'000) 372 592	MORELETA SQUARE Neighbourhood shopping centre VALUE (R'000) 169 514	SIMARLO RAINBOW Light industrial South Africa VALUE (R'000) 46 211	ACSIOPOLIS Mixed-use VALUE (R'000) 892 445	

SERVICES INCLUDE:

Asset management

- Market research, analysis and strategic planning
- Site evaluation and feasibility studies
- Conceptualisation, layout and design functionality
- Leasing and strategic leasing plan
- Development facilitation
- Identification and assessment of property location
- Securing property rights
- Networking with national tenants
- Independent research

Property management

- Leasing
- Facilities management
- Retail management and consulting
- Retail leasing of new developments and upgrades
- Marketing and promotions
- Rental invoicing and collection

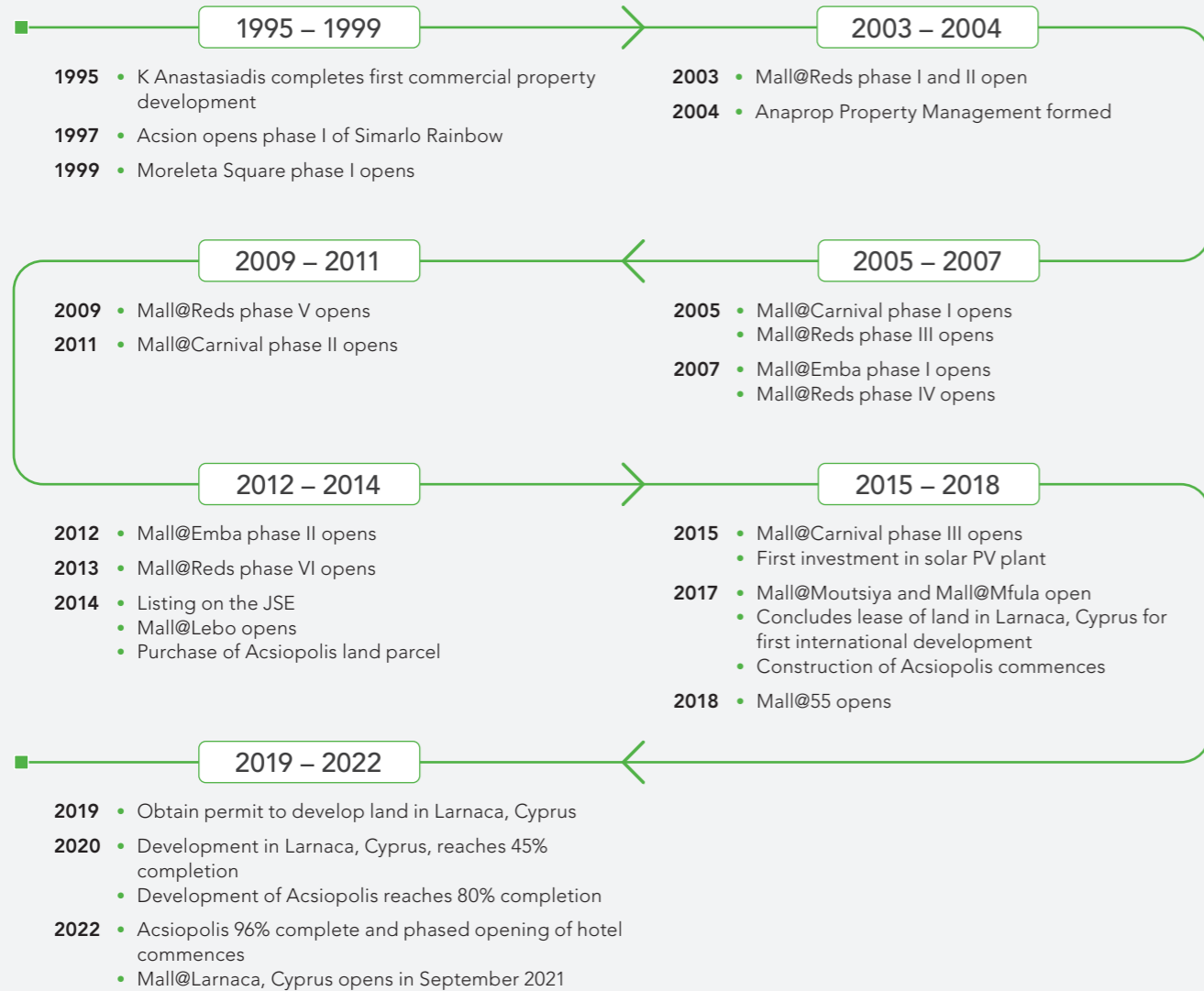
Development project management

- Appointment and co-ordination of professional team
- Tenant co-ordination and administration
- Appointment of contractors
- Project management to completion and commissioning

Key milestones

THE FUTURE

- 1 Acsiopolis fully operational
- 2 Mall@55 Phase II development of 10 000 m²
- 3 Sourcing and securing new development opportunities internationally
- 4 Expansion of existing malls based on feasibility studies



Current property portfolio

COMPLETED DEVELOPMENTS

MALL@CARNIVAL

Regional shopping centre

GLA (m²) 90 579
 VALUE (R'000) 2 640 912



- Cnr Heidelberg Road and Airport Road, Dalpark Ext 5, Brakpan
- Located on N17 opposite Carnival City
- Primary catchment area of approximately 100 000 households
- Fast-growing medium-income residential area

MALL@LARNACA

International regional shopping centre

GLA (m²) 39 160
 VALUE (R'000) 2 542 446



- Only formal retail offering in Larnaca, primary catchment area of approximately 150 000 people
- Full lifestyle offering, including a supermarket, major fashion retailers, branded and independent shops, services, entertainment, modern restaurants and cafes, kids play areas and free Wi-Fi

MALL@EMBA

Community shopping centre

GLA (m²) 24 602
 VALUE (R'000) 660 818



- Cnr eMbalenhle Avenue and Old Provincial Road, eMbalenhle, Mpumalanga
- Only formal retail offering in the area with approximately 300 000 residents
- Nearest formal retail in the Secunda CBD is approximately 15 km away

MALL@MOUTSIYA

Community shopping centre

GLA (m²) 14 703
 VALUE (R'000) 245 796



- Cnr R568 (Zebediela Road) and R573 (Moloto Road), Walkraal, Limpopo
- Strong presence of national tenants
- Taxi rank on premises

Current property portfolio continued

COMPLETED DEVELOPMENTS

MALL@REDS

Regional shopping centre

GLA (m²) 55 143

VALUE (R'000) 1 435 969



- Cnr Rooihuiskraal and Hendrik Verwoerd Drive, Rooihuiskraal Ext 15, Centurion
- Located in the heart of Rooihuiskraal, on a main arterial route
- Dense, fast-growing medium to high-income residential area

MALL@MFULA

Community shopping centre

GLA (m²) 17 955

VALUE (R'000) 375 968



- Cnr N2 (Church Street) and R543 (Brand Street), Piet Retief, Mpumalanga
- Strong presence of national tenants
- Taxi rank on premises

MORELETA SQUARE

Neighbourhood shopping centre

GLA (m²) 8 566

VALUE (R'000) 169 514



- Cnr Garsfontein Road and Rubenstein Drive, Moreleta Park, Pretoria, Gauteng
- Well-established community shopping centre in the Moreleta Park node
- Long lease expiry underpinned by national tenants

SIMARLO RAINBOW

Light industrial South Africa

GLA (m²) 6 007

VALUE (R'000) 46 211



- 118 Edward Avenue, Hennopspark, Centurion, Gauteng
- Close proximity to the N14 and N1 freeways and Hendrik Verwoerd Drive
- Each unit comprises office space with adjoining workshop and storage

MALL@LEBO

Small regional shopping centre

GLA (m²) 23 548

VALUE (R'000) 568 849



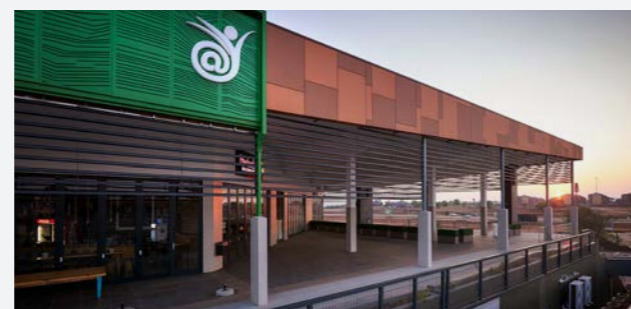
- Cnr R513 and R579, Lebowakgomo, Limpopo
- Only major formal retail offering within a 50 km radius catering for approximately 300 000 residents
- Strong underpin by national tenants

MALL@55

Convenience shopping centre

GLA (m²) 15 969

VALUE (R'000) 372 592



- Cnr R55 and Marais Road, Monavoni, Gauteng
- Direct access off the R55
- Convenience retail offering seven major tenants, groceries, homeware and lifestyle, medical centre, gym and services

DEVELOPMENT UNDER CONSTRUCTION

ACSIOPOLIS

Mixed use

GLA (m²) 67 000

VALUE (R'000) 892 445



- Twenty-storey mixed-use development addressing new micro-living
- 585 short-term stay units/hotel rooms
- 455 residential apartments
- 9 400 m² retail and commercial space

The **Acision Group** is engaged in all facets of **property management and development** consolidated into **one listed entity** and managed by **Anaprop**, our in-house property management company.

Value creation

We believe in order to create sustainable value for all our stakeholders it is paramount that we utilise the capital at our disposal in a responsible and disciplined way.



Financial capital

How we manage and utilise our financial capital is fundamental to our ability to continuously increase the NAV for our shareholders and at the same time ensure sustained value is created for all other stakeholders.

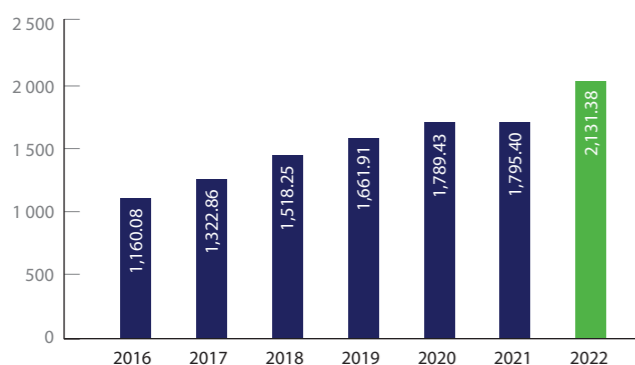
Inputs and business activities

In the current uncertain economic climate, we continue to focus on a strong balance sheet and financial resilience by maintaining a loan-to-value ratio of below the self-imposed 45% and hold a sufficient liquidity buffer. Liquidity risk is managed through the proactive renegotiation of debt maturities, actively monitoring forecast and actual cash flows, and ensuring that an optimal funding plan is in place for each new development or acquisition. The current low gearing puts the Group in a strong position to raise external debt to fund future developments or acquisitions. Debt facilities have successfully been re-negotiated and maturity profile extended to the 2025 financial year.

Funds available to us for utilisation through investment in development of property assets and consist of:

Equity	R8 206 million
Debt facilities	R1 080 million
Unused debt facilities	R200 million

NAV PER SHARE (CENTS)



Key outputs

R480 million Cash generated from operating activities

LTV

7.4%

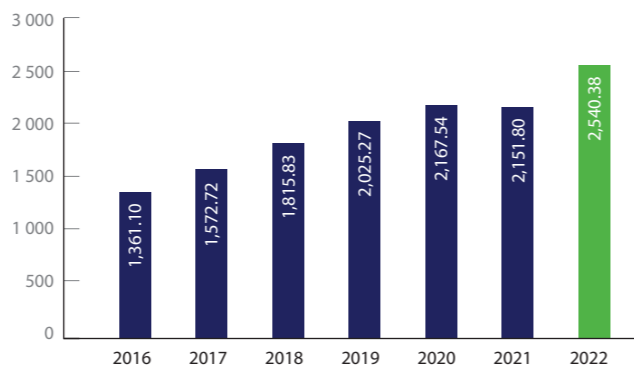
FINANCE COSTS

4.79%

INTEREST COVER RATIO

16.7 times

NAV PER SHARE EXCLUDING DEFERRED TAXATION (CENTS)



Manufactured capital

Our manufactured capital represents the utilisation of our financial capital in the form of our property developments, which can be broken down into:

9 Completed South African retail and light industrial properties

1 Completed international retail asset

1 South African mixed-use asset under development

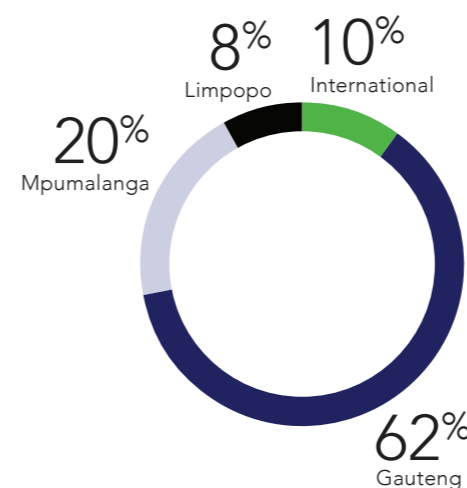
Inputs and business activities

Overview	GLA (m ²)	Metropolitan (m ²)	Rural (m ²)	Vacancy (%)	Value R'000
South African retail	251 072	170 257	80 808	3.81	6 470 418
South African light industrial	6 007	6 007	–	25.57	46 211
International retail	39 160	39 160	–	13	2 542 446
South African mixed-use	67 000	67 000	–	N/A	892 445

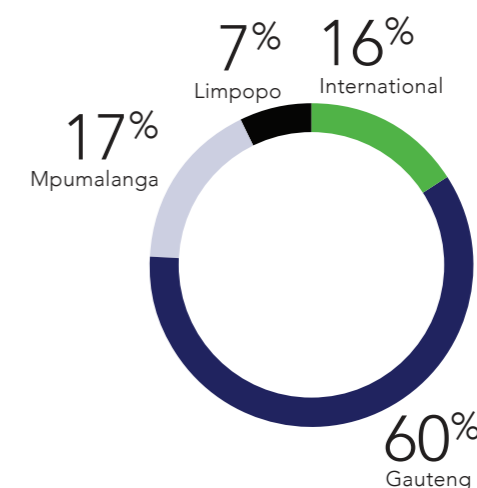
Through our in-house development arm, development profits are realised to the benefit of the shareholders and it enables us to ensure our existing portfolio continuously improves and remains relevant by implementing yield enhancing projects in the form of upgrades and refurbishments.

Key outputs

GEOGRAPHICAL PROFILE BY RENTABLE AREA

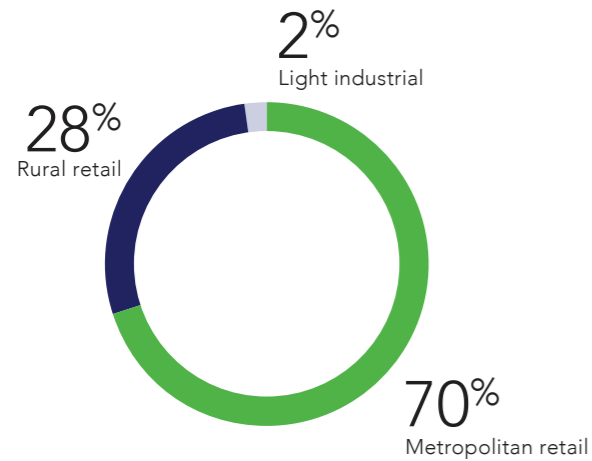


GEOGRAPHICAL PROFILE BY REVENUE

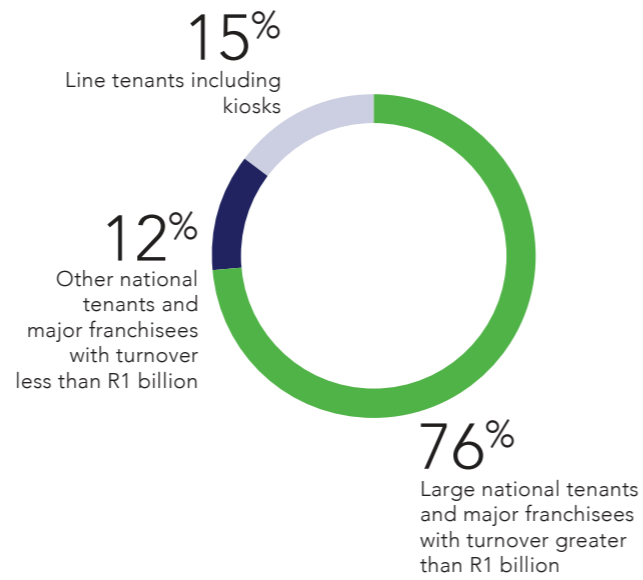


Value creation continued

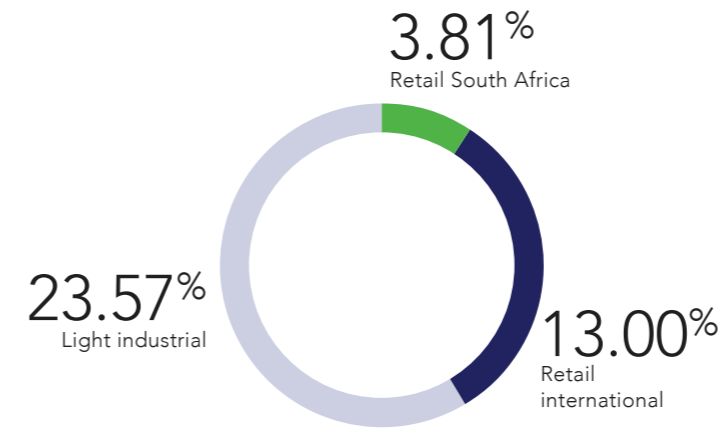
SECTOR PROFILE BY RENTABLE AREA



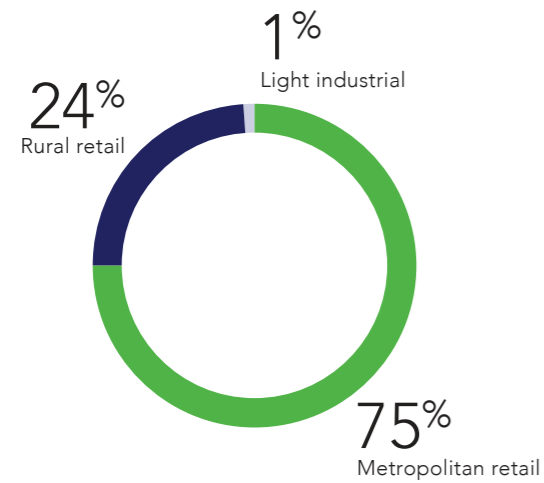
TENANT PROFILE BY RENTABLE AREA



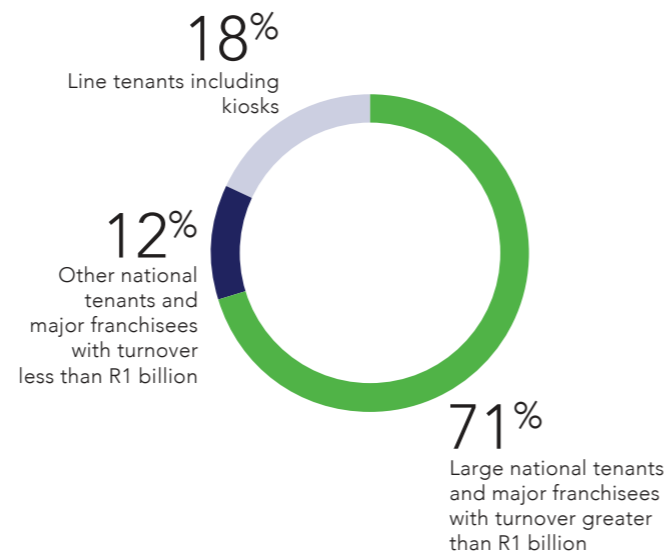
VACANCY PROFILE BY SECTOR, BY RENTABLE AREA



SECTOR PROFILE BY REVENUE



TENANT PROFILE BY REVENUE



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

	2023 %	2024 %	2025 %	2026 %	After 2027 %
Metropolitan retail	37%	24%	18%	13%	8%
Rural retail	41%	29%	15%	10%	5%
Light industrial	63%	35%	2%	–	–

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

	2023 %	2024 %	2025 %	2026 %	After 2027 %
Metropolitan retail	31%	26%	12%	5%	27%
Rural retail	40%	12%	30%	1%	17%
Light industrial	39%	29%	31%	–	–
International	–	1%	10%	6%	83%

Weighted average rental per sqm rentable area per sector

Metropolitan retail	Rural retail	Light industrial
R176.99 ↑ (2021: R171.29)	R186.00 ↑ (2021: R156.21)	R79.97 ↑ (2021: R69.63)

Value creation continued

Average annualised property yield

7.2%

(2021: 5.9%)

Average net rental per sqm (including anchor tenants)

Development	2022 Euro	2022 Rand	2021 Rand
Mall@Carnival		186.15	174.80
Mall@Emba	–	167.98	174.80
Mall@Lebo	–	161.69	154.73
Mall@Moutsiya	–	133.29	129.77
Mall@Mfula	–	151.76	151.06
Mall@Reds	–	162.31	161.87
Mall@55	–	141.84	142.21
Moreleta Square	–	115.41	117.05
Simarlo Rainbow	–	86.52	69.63
Mall@Larnaca	111.00	–	–

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

Metropolitan retail	Rural retail	Light industrial
7.2%	7.9%	8%



Human capital

Inputs and business activities

Our team

Southern Palace Investments 108 Proprietary Limited (T/A Anaprop Property Management) is the internal management company that oversees the major areas of Acision's business property management function including leasing, finance, operations and marketing, asset management and developments, with a total employee count of 143 as at year-end. We believe that our employees are the catalyst of our success. With their dedication, knowledge and skills we are able to quickly adapt to an ever-changing environment and ensure the business remains sustainable in the future.

Attracting, retaining and developing appropriately skilled employees who are passionate about the industry and committed to Acision's values and culture is fundamental to Acision's future success. The remuneration policy was finalised and is detailed on page 31.

Training and development

The Company believes in a culture of innovation and continuous improvement. We develop our employees to give them the skills required for internal promotion to senior positions. A formal training and development policy is in place where the Company will assist with the costs of meaningful further education to develop those that wish to study and grow their skills and knowledge of the industries we partake in.

Key outputs

The Company is managed by an experienced, well-rounded, professional and committed management team with a balance of skill, experience and energy consisting of:

- a fully resourced internal team with an in-depth knowledge of all aspects of property development across its lifecycle including the identification and securing of large development opportunities, design, project management, capital raising, 'value engineering', leasing, asset management and property management of its developed assets to deliver superior development returns without compromising on quality and functionality;
- a proven track record of identifying and implementing value enhancing property development opportunities, having developed the R9.059 billion completed investment properties in-house;
- long-standing relationships and support from banks, tenants (major national retailers and franchises), municipalities and land owners;
- a reputation in the industry for its ability to develop quality properties in a cost-effective manner, while subscribing to standards of sustainable development and construction practice; and
- a track record of successful development in both metropolitan and rural growth areas.

Number of employees	143
Female employees	45%
Average age	33 years
Number of bursaries granted to employees and their related parties	5
Average tenure	4 years





Social and relationship capital

Our stakeholders are broadly defined as those people or organisations that are impacted by or that impact Acision as a business.

Inputs and business activities

We do not operate in isolation and unfortunately South Africa's slow economic growth and increasing inequality present challenges that ultimately impact our operating environment. We see social and relationship capital as the integral link between our property assets and the broader societies in which we operate. Symbiotic relationships functioning effectively as ecosystems is the key denominator.

Corporate social responsibility

As a retail property owner, one of the most effective ways Acision helps make a difference is to provide worthy causes with a platform from which to launch their campaigns to thousands of visitors. To this end, the Company continues to make available free space to our enterprise development suppliers. We believe in assisting entrepreneurs and focus on providing space to market their start-up businesses.

During the past financial year the Acision Group set out to engage with their respective communities by becoming actively involved in corporate social activities, utilising Company resources to benefit and empower communities, mainly by means of marketing initiatives. These projects aim at uplifting communities in such a way that the quality of life and any specific problematic situations are generally improved. Acision believes in focusing mainly on the care of children and animals, as well as cancer patients.

Key outputs

Acision has created formal communication channels through which stakeholders can engage to understand the changing needs and continue to create value.

Number of bursaries awarded to external individuals	2
Number of schoolchildren assisted with school funding	30



Intellectual and organisational capital

We believe that sustainable economic value is not generated solely by our property assets but also by how we manage these assets to create and extract value for all stakeholders.

Inputs and business activities

Our intellectual capital is made up of:

- the way we do business through effective property management function performed by Anaprop and leveraging of technology and innovation;
- agile asset management to ensure our strategy can be redirected if required and then effectively executed; and
- our ability to adapt quickly to ever-changing environments.

The Acision brand

It will be part of Acision's aim in the years ahead to build its brand by giving useful timely information to the market so that its stakeholders learn more about its business and understand its differentiators.

Key outputs

The management company also holds the copyright for "Mall@" which it has used extensively throughout the portfolio so that customers and tenants can identify with the Group.

The Company employs a specialist property software package and numerous application programming interfaces ("APIs"), that integrates the accounting, customer relationship management ("CRM"), facilities management and budgeting processes. In this way, it has integrated many of their internal processes, as well as automated many manual processes to ensure consistency and accuracy in reporting.

Value engineering

The Company has consistently used the term 'value engineering' which is a methodology of looking at every part of the development lifecycle and analysing it to ensure that the best possible solution is found. This is specifically utilised in the design process where the development designs are reconfigured continuously until a solution can be found that gives the lowest possible cost without compromising quality or any engineering aspects. 'Value engineering' does not only apply to this aspect of the process but to raising finance, tenant installation solutions, etc.

The property and asset management functions are also performed in-house by the management company (Anaprop Property Management), so that it can build good client relations with tenants, shoppers, suppliers and other stakeholders. This also allows it to manage costs more effectively.



Natural capital

Natural capital consists of environmental resources we use to create value.

Inputs and business activities

The Board of directors is ultimately responsible for matters surrounding sustainability and acknowledges its responsibility to manage the impact that it has on the environment around it. Acision aims to improve the sustainability of our properties by investigating new technologies and solutions to reduce energy and water consumption. The Social and Ethics Committee has been delegated the responsibility of overseeing and giving guidance in this area.

Utility costs continue to escalate faster than inflation during the last few years. This has put significant pressure on the tenants, which had a direct impact on rentals. As owners, Acision understands the importance of assisting tenants in finding solutions to these escalating costs and ensuring reliable supply of utilities.

Water is fast becoming a scarce resource and we recognise the importance of responsible consumption to ensure a lasting supply.

Green considerations are always included in the design and construction of new buildings where they make commercial sense. The following are incorporated generally across the portfolio:

- The use of a building management system to control electricity usage effectively;
- Value engineering HVAC designs and the use of natural ventilation as far as possible;
- The use of natural lighting as far as possible and where not possible, ensuring the use of energy-efficient light fittings;
- The installation of "dry-gardens" to all landscaped areas, which require very little water.

Key outputs

- All buildings over 20 000 m² have areas where on-site sorting and recycling of waste is performed;
- Solar PV systems are fully operational at seven of our completed South African properties and generated approximately 12.4 million kWh during the year;
- We have installed a 360 kl per day waste water recovery plant at the Aciopolis development. Similar initiatives, including the harvesting of rainwater, are currently being investigated at the other property sites.

Investment and growth strategy

The **long-term strategy** of Acision is to drive NAV (capital) and income growth for its **shareholders**, by identifying and investing in **value-creating development opportunities**, and subsequently leasing and managing such properties over the property life cycle, or where a **value creation opportunity** exists, selling the development opportunities or the developed properties.

Acision is well positioned to meet these objectives given the quality of the completed Developed Investment Properties and communicated pipeline, the extensive experience of the internal property development, asset management and property management teams, as well as strong, long-standing relationships with major national retailers, banks, franchises, municipalities and land owners. Access to future development opportunities will also contribute to Acision's income and capital growth in the medium term, which opportunities, given its track record, are anticipated to continue to deliver further capital growth to shareholders. At any one time, Acision is reviewing an average of between 20 to 30 development opportunities at various stages of maturity.

As part of its strategy to bolster the defensive quality of its portfolio, Acision has implemented measures to diversify into the mixed-use property assets through the development of Acsiopolis in Sandton. Geographic diversification outside South Africa will be continued in partnership with experienced and reputable local partners to pursue property development opportunities internationally.

Acision offers its shareholders access to superior annual NAV.



Acision's strategy to achieve the above objectives is set out below:

- 1** The roll-out and unlocking of the communicated listing pipeline over a three-year period
- 2** Sourcing and securing new developments that form part of future development opportunities
- 3** Delivering rental income and capital growth through continued ownership and management of existing Developed Investment Properties and associated contractual rental escalations

It is envisaged that the strategy will provide investors with NAV uplift that is largely uncorrelated to traditional REITs' growth through its highly-experienced management team via:

- the ownership and development of commercially viable property projects in a cost efficient manner, with a target first-year development yield in excess of 15%;
- the ownership, leasing as well as property and asset management of developed properties for rental income;
- the sourcing, assessment and, if commercially viable, acquisition and ownership of strategic land opportunities for further development;
- solar energy supplementation to the four largest buildings, as well as future developments that will allow such technology;
- the further expansion of Developed Investment Properties; and
- to a lesser extent, the acquisition of existing yield-producing property assets for renovation or if additional bulk exists.

In some cases, and in order to maximise value for Acision and its shareholders, some property developments may be undertaken for sale.

This strategy is underpinned by the identification of land opportunities for development, and the subsequent development, tenancing, and ownership of its entire Developed Investment Properties.

The Group's strength lies in its ability to leverage off in-house planning, development, project and construction management, cost management, value engineering and an internal leasing function, to maximise cost efficiencies and maintain a hands-on approach to the entire development and property management process. These functions are often outsourced by other property developers.

Chairperson's review



David Sekete
ACTING BOARD CHAIRPERSON

The Group has rendered a stellar performance increasing its NAV by 18.71%. Revenue increased by 29.11% and operating profit before tax excluding fair value adjustments increased by 186.14%.

The property market and Acision's performance

The retail, residential and industrial property market commenced recovery from the initial impact of COVID-19 in the 2022 financial year. This recovery has been faster in the residential property market largely due to the impact of low interest rates since the advent of COVID-19, and somewhat slower in the case of retail and industrial property. However, hotel property has only now begun to recover from the pandemic and office property has not recovered. The last two mentioned property sub-sectors have continued to weigh negatively on the property market as a whole, a trend which is expected to continue for at least the forthcoming year. The net effect of these factors in the different sub-sectors of the property market together with South Africa's well-publicised economic structural constraints have led to a reasonably poor performance of the listed property sector as reflected in the negative 3.53% return on the JSE-listed property index over one year to the date of this report.

In comparison, Acision Limited has rendered a stellar performance in the FY22, increasing its NAV by 18.71%. Revenue increased by 29.11% and operating profit before tax excluding fair value adjustments increased by 186.14% on the back of reduced credit loss impairments and operating expenses. The increase in operating profit is particularly satisfying given the fact the Group not only increased revenues but decreased costs.

The increase in fair value adjustments is mainly attributable to an increase in the value of the new developments completed and the value recovered by the South African assets from the COVID-19 impact. The Group's spread of retail malls between rural and urban areas has also served shareholders well and although rental increases are constrained, vacancies have been significantly reduced and South African retail vacancies now stand at only 3.81%.

Properties in development

The Group's mixed-use development in downtown Sandton, Acsiopolis, is opening in phases with the first phase having opened shortly before the current financial year-end. It is envisaged the hotel-residential and retail components will be fully operational by September 2022. Initial hotel and residential unit occupancy rates, indicate that development will be a positive contributor to Group's profit earlier than envisaged.

Our employees

On behalf of the Board of directors, I thank our employees for an excellent performance in very difficult circumstances. Our employee base has expanded significantly in the current year mainly as a result of the opening of Acsiopolis.

Corporate governance

Adherence to King IV, the Companies Act, JSE rules and the Memoranda of Incorporation of all Acision Group entities was maintained throughout this reporting period. An expansion of the Board to six members, four being non-executive independent directors, is planned for 1 July 2022.

The Chairman of the Board, Mr Thabani Jali, who has been a member of the Board since 2014, resigned as Chairperson with effect from 22 May 2022. A new Chairman, Mr Hector Zarca, has been appointed with effect from 1 July 2022 and Ms Leora Osrin-Karp has been appointed as an additional independent non-executive director from the same date, bringing the Board back to its full complement as prior to the COVID-19 pandemic. In the current year, the Audit Committee Chair, Ms Modi Hlobo, retired at the 2021 Annual General Meeting ("AGM") and Ms Marianne Kok was appointed in her stead. Mr Chris Jansen van Rensburg has been appointed financial director with effect from 1 November 2021.

Dividends

The Company declared its third dividend since listed on the JSE of 18 cents per share payable to shareholders on 18 July 2022. Details of the dividends are contained in the Annual Financial Statements.

The forthcoming year and beyond

The Group is focusing attention on opportunities that enable sectoral diversification and offer attractive returns that meet our investment criteria.

Management and the Board are acutely aware of changing consumer buying patterns and to this end the Board is not only seeking a more diversified portfolio locally and internationally but also actively considering innovative approaches to enhancing the use of the Group's portfolio.

Appreciation

The Board of directors thank our former Chairman, Mr Thabani Jali and Ms Modi Hlobo for their invaluable contribution to the Company. We also wish our new directors an interesting and fruitful future with Acision.

We are actively pursuing a future in which the Group will continue to take care of our employees, to grow, to seek profit opportunities for shareholders and to contribute to the countries in which we operate as good corporate citizens.

David Sekete
Acting Board Chairperson

Chief Executive Officer's review



Kiriakos Anastasiadis
CHIEF EXECUTIVE OFFICER

The Group has diversified its asset developments with the Acsiopolis mixed-use development and its development in Cyprus. This strategy allows the Group to diversify its revenue and to mitigate the risks of portfolio concentration, as well as providing avenues for further growth and expansion.

The Group

The Acsion Group is engaged in all facets of property management and development consolidated into one listed entity and managed by Anaprop, our in-house property management company. We have chosen to remain a property development company on the JSE as this aligns with our long-term strategic objective of delivering net asset value growth to our stakeholders. Acsion is differentiated from REITs in the listed property sector as it focuses on the delivery of superior NAV growth.

NAV growth drivers include enhancing existing properties, completing the identified development pipeline and obtaining additional future development opportunities.

Value engineering, not financial engineering

Acsion's unique value engineering approach to development starts at the negotiation phase when acquiring land parcels for development and continues throughout the construction and tenancing phase. Significant cost savings are realised through this hands-on and innovative approach while maintaining excellent quality in construction. The Group strives to obtain a first-year development yield of between 15% and 20% and this is a key consideration prior to commencing with any project.

The Group's in-house development function and 'value-engineering' approach to development, significantly enhances returns to shareholders as evidenced by this year's results.

Delivering growth

The Group is excited to report that it has achieved its targeted growth rate over the last five years to achieve a NAV of R2 131.38 cents per share. The focus on 'value engineering', operational performance and prudent financial stewardship have ensured the exceptional returns and growth since the listing of the Group. The Group has also begun to successfully implement its strategy where we investigate applying a portfolio tilt approach towards other sectors, with a focus on optimising gearing and return on investment ("ROI").

The Group has diversified its sector asset developments with the Acsiopolis mixed-use development and geographically with its development in Cyprus. This strategy allows the Group to diversify its revenue and to mitigate the risks of portfolio concentration, as well as providing avenues for further growth and expansion.

Green value

The Group has over the years invested in renewable energy generation through the installation of solar PV generating capacity across its portfolio in South Africa as part of its commitment to a sustainable future for all stakeholders. In addition, the investment in renewable energy generation mitigates against the continuously increasing electricity costs, the effect of which is not only an increase in the costs of operating shopping centres, but also an increase in the cost of occupancy of tenants.

This substantial investment in renewable sources of energy serves also to mitigate against energy shortages and to allow for operational cost-efficiencies. Our installed PV capacity across the South African portfolio generates over 1 110 000 kWh of energy per month contributing to our objective of reducing our carbon emissions.

The total production of electricity of the Group is equivalent to **9.511 metric tons** of carbon dioxide offset translating to a saving of **4 773 168 kilograms** of coal burned

We are in the process of commissioning a solar PV installation at the Metropolis Mall@Larnaca which will further contribute to reducing our carbon footprint and increasing our clean energy generation capacity. The 360 kl per day water treatment facility installed in Acsiopolis is due to be fully operational in September 2022, thus broadening our endeavours in the sustainable use of natural resources.

Increasing our solar energy footprint, investigating the feasibility of battery storage, optimising water use and improving the management of utilities within the portfolio have become key focus areas.

Operating environment

The SA economy is still deteriorating, as challenges with service delivery and structural reform changes continue to hamstring the country and the property sector's ability to generate growth. Deteriorating municipal infrastructure as highlighted in the recent report of the Auditor-General is a rising concern which, coupled with unsustainable increases in municipal property rates, contributes to a challenging operating environment.

Inflation and higher interest rates cause further downward pressure on disposable household income as consumer

spending is impacted on by rising costs of essential items such as food, fuel and electricity which in turn leads to less spend in the shopping centres.

The uncertainty in the international economy, the increase in the cost of fuel, the upward trajectory of interest rate hikes and the ominous signs of escalating inflation are the key risks that we continuously monitor and assess in terms of our Risk Enterprise Framework.

The Group is focusing on areas within our portfolios to better enhance the return potential of each asset as we address these challenges. Growth remains the key to solving South Africa's social and economic woes, and the time to focus on this is now.

Diversifying our portfolio

The Acsiopolis development in Benmore, Sandton, is progressing well and the delays previously experienced have been addressed. The goal is to be fully operational by the end of September 2022.

The Acsiopolis development was open for business in early 2022 using a phased approach for the hotel and residential components of the business. In this first phase, the occupancy rates for the hotel and residential apartments are above expectations and this is particularly encouraging in the current economic climate and as the world recovers from the COVID-19 pandemic. The building has been designed as a twenty-storey mixed-use development, situated in Sandton. Acsiopolis addresses the new micro-living trend, which is developing in the commercially dense Sandton node, allowing people to live and work in close proximity, while taking advantage of premium amenities, and making Acsiopolis a city within a city, where individuals will gain value from a stress-free lifestyle.

The site measures approximately one hectare and is well-positioned on Benmore Drive, upon which 147 000 m² of GBA, 67 000 m² of GLA and 1 400 parking bays have been developed. The majority of this has been earmarked for short-term residential letting which supports Acsion's strategy of sectoral diversification.

The 39 000 m² GLA Metropolis Mall@Larnaca in Larnaca, Cyprus has been completed and commenced trading during September 2021. It is the Group's first international retail development.

Mall@Larnaca is the dominant and only formal retail mall in Larnaca, catering for approximately 150 000 people. With a full retail offering, including a supermarket, major fashion retailers, branded and independent shops, services, entertainment, modern restaurants and cafes, kids play areas and free WiFi,

Chief Executive Officer's review continued

it is Larnaca's ultimate lifestyle and shopping metropolis. This project has given us the foundation and impetus for further developments in Europe, and we are currently assessing various opportunities. Acsion is forecasting double-digit yields on this project, the effect having already provided a considerable uplift to our net asset value based on lease agreements signed to date. This development also enhances geographical and currency diversification for the Acsion portfolio.

Financial performance

During the financial year, the Group recorded a 29% increase in revenue to R910 million (2021: R705 million) and a significant increase in net profit after tax of R1.219 billion (2021: R67.685 million)

The increase is largely attributable to the successful completion of and opening of Mall@Larnaca, Cyprus during September 2021 and the value recovery of the South African portfolio from the COVID-19 impact.

The tough and uncertain operating environment forced the team to focus on containing operating expenditure resulting in a decrease of 8.1% from the prior year. Mindful management of expenses was exercised. However, some expenses are not within management control, for example, rates and taxes and utility charges, which impacted negatively on cost containment.

The overall effect of the above resulted in NAV inclusive of deferred tax increased 18.71% to 2 131.38 cents

The overall effect of the above cumulated in the 18.71% increase in NAV per share. It is indicative of the company's ability to quickly adapt in a changing environment and quality of the of the portfolio to recover from the COVID-19 impact.

Loan-to-value remain very conservative at 7.4% well within the self-imposed limit of 45%. We are of the opinion that the low debt levels and Acsion's diversified asset portfolio will enable the Company to withstand the expected impact of higher inflation and increased interest rates.

Liquidity of the Acsion share

The share price continues to trade at a significant discount to the NAV and the Group is aware that this is much more a function of liquidity of the share than it is related to the performance of the Group.

The tradability of the share price is evaluated regularly by the Board and the executives. Mechanisms and strategies have been debated to better align the share price with the tangible NAV of the underlying properties. With Acsiopolis expected to be fully operational in the coming year and the significant contribution of Mall@Larnaca to the 2022 results, after being operational for only six months, we will continue to stay the course with the current structure.

The listed Company continues to see considerable value in its own shares and will continue to repurchase shares in the open market.

Prospects

As the acute phase of the COVID-19 pandemic recedes and life returns to an adjusted normal, disturbing developments in the volatile international order and the prospect of rising inflation pose new challenges. The strong results reported are extremely positive and position the Group well to face the headwinds and we are confident that we have the means to face the oncoming challenges. The Group has a strong base from which to fund further expansion, to consider further opportunities for diversification and to maintain its strong operational performance.

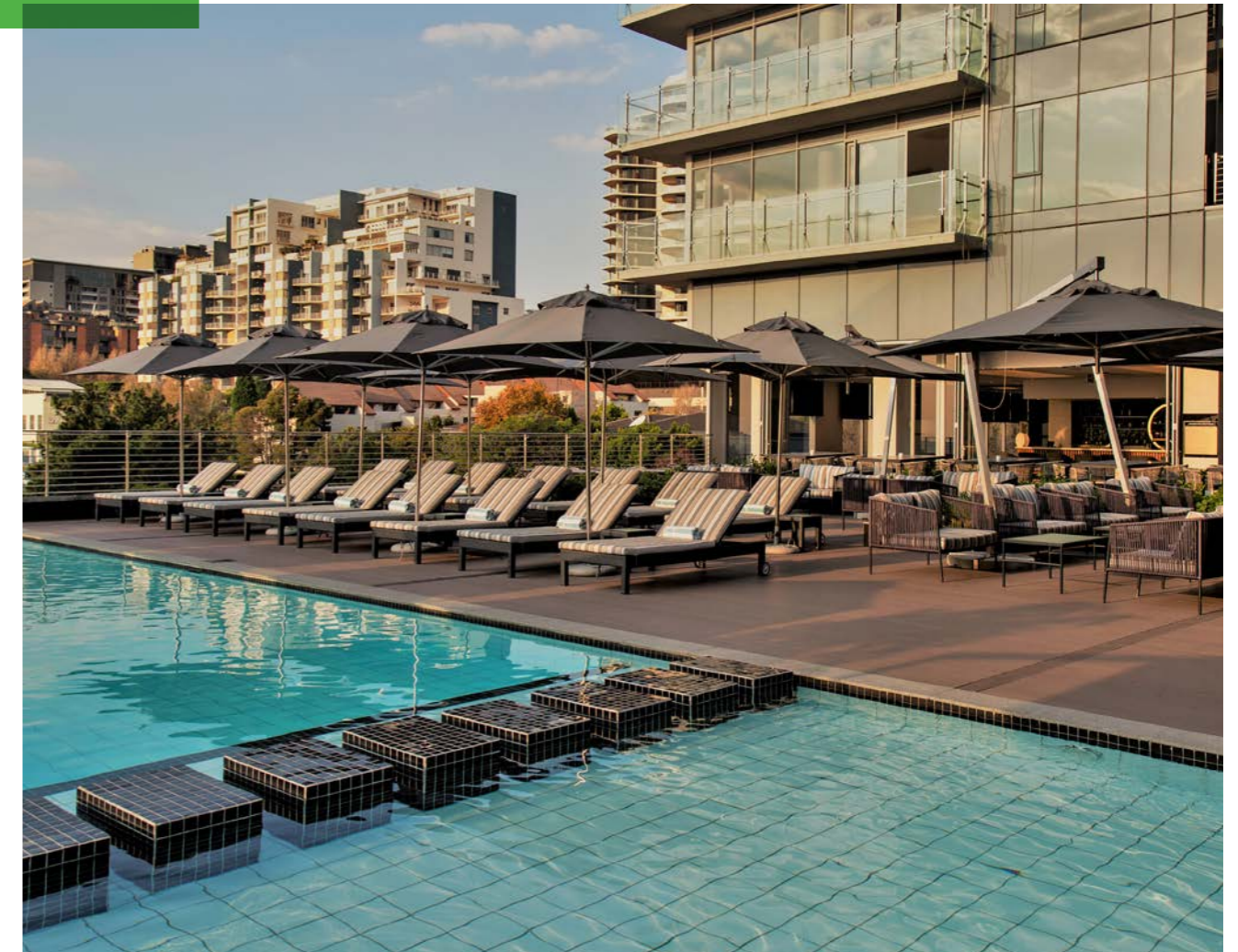
The Group continues to evaluate offshore development opportunities and property acquisitions where the required ROI is available. The strategic consideration of new uses of property, an expanded property portfolio of property categories to be able to keep up with changes in business and consumer behaviour and, optimal use of gearing within the Group are key areas of focus.

Appreciation

My thanks goes to the Board, my team and staff for their guidance and support during a challenging year under review. Finally, I would like to thank our tenants, customers and shareholders for their commitment and support. We are excited about the future and believe Acsion is on track to deliver according to all stakeholders' expectations.



Kiriakos Anastasiadis
Chief Executive Officer



Governance

The Board of directors

The Board members are the custodians of governance within the Group. The Board is constituted in terms of the company's MOI and in line with King IV. The Board's functions include the following:

- Obtains an understanding of and directs strategy development, management policy, financial and business performance models.
- Approves executive management appointments and delegates duties and responsibilities to them so as to ensure they have appropriate role clarity and authority.
- Evaluates both executive and non-executive director and collective Board performance using appropriate tools to do so and explores potential improvements.
- Monitors financial performance and stakeholder criteria achievement and explains and reports on digression from the goals of shareholders and other stakeholders.
- Monitors and controls all Board Committee activities.

During the year under review, the board of directors comprised five directors, three of whom were non-executive directors, who bring diversity to Board meetings and ensure commitment to

The composition of the Board of directors and Board Committees during the year and as at the date of this report are:

NON-EXECUTIVE DIRECTORS



Acting Board Chairperson

DR DAVID SEKETE

BSc (UNIN) MBChB (Natal) MSc (Wits)

Chairperson: Social and Ethics Committee

David is a Medical Practitioner with 34 years' experience in this field. He has held various directorships at subsidiary level of the listed entity over the past 11 years and prior to this, he was a director at several companies including Meditech, Buhle Waste, Liseko Healthtek and Razorite Healthcare (RH) and Rehabilitation Fund, managing R2.5 billion developing hospitals. He is a member of the HPCSA (Health Professional Council of SA) and SAMA (South African Medical Association).

Date of appointment: 17 September 2014



Chairperson: Audit and Risk Committee

MARIANNE KOK

B Com Accounting (Hons), M Com, CA(SA)

Chairperson: Audit and Risk Committee

Marianne is a Lecturer at Wits University's School of Accountancy. She holds a master's degree in accountancy from Wits. Her research interests include auditing, corporate governance, financial reporting and integrated reporting. She started her career as an academic article clerk at KPMG followed by 12-year post article experience in the South African banking sector as head of internal audit and later as chief financial officer at the then South African Bank of Athens. She was appointed to Acision's Board on 1 September 2021 as a non-executive director and is currently the Chairperson of the Audit and Risk Committee.

Date of appointment: 1 September 2021

the highest standards of governance, ethics and integrity. The reduced size of the Board followed on from cost-cutting required to weather the COVID-19 storm. While all statutory and JSE requirements were adhered to, notwithstanding the reduced size of the Board, the Chairman of the Board also served on the Remuneration Committee, which does not accord with the recommendations of King IV. This has been remedied with the appointment of two new independent non-executive directors with effect from 1 July 2022.

The Board has delegated certain of its responsibilities to various committees:

- Audit and Risk Committee
- Remuneration Committee
- Social and Ethics Committee
- Investment Committee

The functions of the Nominations Committee have been absorbed by the Board of directors.

All the committees have adopted charters and policies and direct their activities to meet the goals and objectives set out in the said documents.

EXECUTIVE DIRECTORS



Chief Executive Officer

KIRIAKOS ANASTASIADIS

PR Eng, MSc Eng (Structural)

Kiriakos started the first development that forms part of the Group, now known as Acision, approximately 23 years ago. He holds a master's degree in BSc Structural Engineering and is a registered professional engineer with over 40 years' construction and property development experience.

Date of appointment: 17 September 2014



Chief Financial Officer

CHRIS VAN RENSBURG

B Compt (Hons), CA(SA)

Chris holds a B Compt Accounting (Hons) degree and qualified as a chartered accountant in 2006. He is a member of the South African Institute of Chartered Accountants (SAICA).

Chris joined Acision in November 2021 from an institutionally-backed real estate investment business focused on the affordable markets, where he served as the Chief financial officer.

Prior to that, he spent 12 years in the insurance and construction industries and gained experience in financial management, accounting and financial and regulatory reporting.

Date of appointment: 1 November 2021



Company Secretary

MICHAEL REYNOLDS

BCom Hons, CA(SA), BA, C.IFRS, RA(SA)

Michael was previously the company's audit partner at MWRK Auditors Inc. between 2005 and 2012. He completed his articles at Deloitte & Touche in 1986 after which he joined the South African Revenue Services ("SARS") for five years before leaving as a deputy director to start his own practice with a partner. Thereafter he spent six years in public practice followed by eight years in commerce. Michael and his consortium partners listed a building facility management company on the JSE where he served as Financial Director and Managing Director in the late 1990s. This was followed by a financial directorship at Command Holdings Limited and a chief financial officer appointment at RMB Properties before he returned to public practice where he has been engaged for the past 15 years.

Directors who resigned or retired

- Ms Modi Hlobo (Retired 19 August 2021)
- Mr Thabani Jali (Resigned 22 May 2022)

Ms Modi Hlobo retired as a director and Audit Committee Chair at the group's annual general meeting in 2021. Ms Marianne Kok was appointed in her stead. Mr Thabani Jali resigned as a director and Chairman of the Board with effect from 22 May 2022. Dr David Sekete served as Acting Chairman in his stead until Mr Hector Zarca was appointed Chairman with effect from 1 July 2022.

- RC Remuneration Committee
- NC Nominations Committee
- SEC Social and Ethics Committee
- ARC Audit and Risk Committee
- IC Investment Committee

Board Committee and Board meeting attendance record

Board member	Designation	Board Committee		Audit and Risk Committee		Remuneration Committee		Social and Ethics Committee		Nominations Committee	
		Total	attended	Total	attended	Total	attended	Total	attended	Total	attended
David Sekete	Independent non-executive acting chairperson	5	5	5	5	2	2	2	2	2	2
Marianne Kok ⁽¹⁾	Independent non-executive director	3	3	3	3	2	2			1	1
Thabani Jali ⁽²⁾	Independent non-executive chairperson	5	5	5	5	2	2	2	2	2	2
Modi Hlobo ⁽³⁾	Independent non-executive director	2	2	2	2						
Kiriakos Anastasiadis	Chief Executive Officer	5	5					2	2	2	2
Chris van Rensburg ⁽⁴⁾	Chief Financial Officer	3	3								
Sandarie le Roux ⁽⁵⁾	Chief Financial Officer	2	2							2	1

* Total means total after appointment.

⁽¹⁾ Appointed 1 September 2021.

⁽²⁾ Retired 22 May 2022.

⁽³⁾ Resigned 19 August 2021.

⁽⁴⁾ Appointed 1 November 2021.

⁽⁵⁾ Resigned 1 November 2021.

Non-executive independent directors with effect from 1 July 2022

- Mr Hector Zarca (Chairman and member of the Remuneration Committee)
- Dr David Sekete (Remuneration and Social, Ethics Committee Chair, member of Audit and Risk Committee)
- Ms Marianne Kok (Audit Committee Chair and member of the Remuneration Committee)
- Ms Leora Osrin-Karp (Member of Audit and Risk and Social and Ethics Committees)

The duties and functions of the non-executive directors are set out in this report under the King IV compliance feedback.

Executive directors

- Mr Kiriakos Anastasiadis (Chief Executive Officer and member of the Social and Ethics Committee)
- Mr Chris Jansen van Rensburg (Financial Director)

The Chief Executive Officer takes overall responsibility for the strategic direction of the Group with input from the Board of directors, the management of the Group, delivery of profits to shareholders and serving the needs of all stakeholders in and of the Group within the laws of the countries in which the Group operates, but also with cognisance taken of the primary motive of any group or company being maintenance and growth of profitability.

The Financial Director takes overall responsibility for financial reporting, management and the provision of financial information to both the executives and non-executives to enable them to perform their functions. Additionally, the financial director is responsible for compliance with all laws and regulations applicable to the Group in preparing and distributing financial information.

Principal officers

- Mr Michael Reynolds (Company Secretary serving on an outsourced contract)
- Mr Tony Kyriazis (Chief Operating Officer)
- Mr Astrino Nicoloudakis (Chief Investment Officer)
- Mr Yanni Anastasiadis (Chief Development Officer)
- Mr Dimitri Thomas (Head: European Operations and Group Leasing)

The Company Secretary issues meeting agendas together with Board or committee information packs ahead of meetings to ensure all directors are prepared before meetings. He also attends all meetings, ensures that corporate governance procedures and JSE rules are adhered to. He participates, where appropriate, in discussions at these meetings and ensures minutes are taken, reviewed by all directors and are signed.

Business management is entrusted to the executive directors of Southern Palace Investments 108 Proprietary Limited, generally known as Anaprop, who are also the principal officers of the

Group and subsidiary directors are invited to join Acision Board and Board Committee meetings to ensure there is no disjunction between execution of governance principles and policy and the setting and monitoring thereof.

The aforementioned executive directors include people with academic qualifications and extensive experience in finance, accounting, electrical and civil engineering and construction and property management.

The executives are ably assisted by the manager of human resources, Ms Nomfundo Khumalo.

Report on Committee and Board of directors' performance

The Board of directors is satisfied with the performance of the Board Committees when measured against their goals and purposes.

In accordance with paragraph 16.20 (g) of the JSE Listings Requirements, the Board of directors confirms that its Board representation of its black South African directors has been reduced to 16.67%. Its compliance with the BEE codes has been actively pursued during the year under review by its Chief Operating Officer, Tony Kyriazis and its Human Resources Manager, Nomfundo Khumalo. The Group's BBBEE scorecard is available for inspection on the Company's website (www.acsionsa.co.za) and comparison with the previous BBBEE scorecard will demonstrate progress made.

An assessment of individual director performance is in progress.

Company Secretary

In accordance with the updated JSE Listings Requirements the Board of directors reports that it has satisfied itself that the Group Secretary, Mr. Michael Reynolds, a chartered accountant with prior JSE-listed company experience as a director and sound knowledge of Acision Limited, having acted as former external audit director to the Group's current subsidiaries, has adequate qualifications and experience to fulfil the requirements of a Group company secretary appointment to Acision Limited.

All directors have unfettered and direct access to the Group Secretary for such purposes as they may deem necessary and likewise have the same access to all documentation and employees as they deem fit to perform their duties in complete compliance with all applicable laws and regulations.


King IV compliance

Acision is set upon a course of complying with the first 16 principles and supporting practices set out in the King IV Report with the intention of achieving best governance practices, please refer to page 36 for details of the current application of the principles.

Executive power is limited by Board oversight, a delegation of authority adopted by the Board of directors and a governance framework, together with core processes within the paradigm

used as a guide to implement practices over time and to ensure they are monitored and remain effective.

The Board has assessed that both it and its committees have complied with their purposes and ancillary functions set out on page 26 and pages 30 to 35.



Michael Reynolds

B Com B Com Hons CA (SA) RA (SA) BA (Sociology) C IFRS MDPB-BBEE

Company Secretary

We have chosen to remain a **property development company** on the JSE as this aligns with our long-term strategic objective of delivering NAV growth to our shareholders. **Acision** is differentiated from Real Estate Investment Trusts ("REITs") in the listed property sector as it focuses on the delivery of superior NAV growth.

Audit and Risk Committee

Members

Marianne Kok (Chairperson)

David Sekete

Thabani Jali (resigned 22 May 2022)

Modi Hlobo (resigned 19 August 2021)

The Audit and Risk Committee is nominated by the Board and elected by shareholders at the AGM on an annual basis. The Board is satisfied that each member of the committee has adequate, relevant knowledge and experience to equip the committee to perform its functions, as required in terms of the Companies Act. The committee's full report commences on page 42.

Purpose and ancillary functions

- Compiles the accountability and report monitoring protocols;
- Assesses and monitors corporate risk, advises on risk minimisation policies and assesses policy implementation;
- Ensures reporting enables informed assessment of performance in the short, medium and long term;
- Manages risk governance so as to support the executives in setting and achieving strategic objectives;
- Manages risks by ensuring they are identified and managed;
- Makes certain that information technology is used as a driver of strategic objective achievement, performance measurement and risk management;
- Governs data produced by information technology to protect the data and its integrity and to ensure privacy laws and norms are enforced and respected;
- Monitors compliance with laws, rules, societal codes and standards required to be a good corporate citizen;
- Monitors and ensures all external reporting complies with International Financial Reporting Standards (IFRS);
- Monitors and ensures all JSE Listings Requirements are adhered to in terms of reporting;
- Directs implementation of assurance services and a good internal control environment to ensure information integrity on which internal decision making and external reporting are sound;
- Decides on, and recommends to the Board, the appointment of the external auditors and the terms and conditions attendant thereto and approves any non-assurance services furnished by the external auditors or their related parties;

- Decides on, and recommends to the Board, the appointment of the internal auditors and the terms and conditions attendant thereto and approves any non-assurance services furnished by the internal auditors or their related parties;
- Reviews the efficacy of the finance and accounting team;
- Assesses the key audit matters identified by the Group's external auditor;
- Reviews and approves the annual financial statements, interim financial statements and integrated report and all reporting required in terms of the JSE Listings Requirements and recommends their approval to the Board of directors;
- Monitors solvency and liquidity on a regular basis and also at specific key reporting dates;
- Recommends and monitors remedial action with regard to any risk, financial and control deficiencies;
- Ensures all related party transactions are appropriately managed and vetted in accordance with law, regulations and best practice including King IV standards;
- Approves the delegation of authority policy and implementation.



Marianne Kok
Chairperson
Audit and Risk Committee

Remuneration Committee

Members

David Sekete (Chairperson)

Marianne Kok

Thabani Jali (resigned 22 May 2022)

Other regular attendees by invitation:
Chief Executive Officer, Head of Human Resources,
Chief Operating Officer and external auditor

Purpose and ancillary functions

The committee is responsible for:

- Recommending the remuneration policy and standards for all employees at aggregate level;
- Recommending the remuneration policy and standards for Group employees employed in foreign countries;
- Making recommendations to the Board in respect of remuneration of the executive directors and prescribed officers;
- Making recommendations on non-executive directors' fees;
- Reviewing the standard conditions of service benefits;
- Reporting on remuneration policies and implementation in terms of King IV, the Companies Act, International Financial Reporting Standards (IFRS) and the JSE governance rules.

The Chief Executive Officer and other executives may attend meetings of the Remuneration Committee by invitation but do not participate in discussions regarding their own remuneration and benefits and do not have a vote. The Chief Executive Officer contributed in the discussions about the remuneration of the executives during the current year.

The Company is committed to engaging shareholders on its remuneration policy.

At the AGM held on 19 August 2021, shareholders considered the policy and implementation report in respect of 2021 financial year. We are pleased that both the policy and the implementation report received 95.78% approval.

In accordance with King IV and the JSE Listings Requirements, the remuneration policy and the implementation report will be put to non-binding advisory shareholder votes at the upcoming AGM. In the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights, Acsion will provide an invitation to such dissenting shareholders, in its voting results announcement, to engage with the Company, also providing details and timing of such engagement.

Overview of the remuneration policy

Policy goal 1: To attract talented people to join Acsion

The Group's policy is, firstly, to attract talented people at all levels of its organisation, specially at leadership levels. Remuneration is one of the most important attractions to people seeking new career and work opportunities and hence the Group offers market related remuneration where the assessment of the market remuneration is based on skill, qualifications, experience and the geographic area where the person is being employed by the Group. Market-related

remuneration is determined by review of on-line resources, management discussion of current market experience and by modification of remuneration offers in response to the job applicants' feedback.

Policy goal 2: To create diversity in the workplace

In hiring talented people, the Group also seeks to create age, ethnic and gender diversity in the Group as research has shown Company performance improves when the Company's employees are diverse.

For historic reasons Acsion's employee profile is not sufficiently diverse, although there have been improvements in this regard over the last few years. In these circumstances, the Company has a transformation policy which still ranks talent and skill as a first priority, but then favours underrepresented groups required to achieve designated diversity goals and to comply with employment equity laws, where applicable.

Further, in seeking to achieve diversity and promote upliftment in the interests of reducing inequality, the Company also considers potential when recruiting.

Policy goal 3: To retain talented people within the Acsion Group

Once good staff members are hired, policy is focused on retaining the best, creating an appropriate staff turnover amongst the rest so as to prevent stagnation and infuse new ideas, and motivating employees to create value as part of a disciplined team. To retain the best, the Company encourages those who enjoy the environment through remuneration adjustments and participation in leadership meetings and groups. This is important as cultural fit produces happy employees and good productivity and enhances institutional knowledge which is vital to a functioning enterprise.

Key performance indicators (KPIs) are used to measure employees and remuneration is based on that measurement to ensure performance measurement objectivity which is a pillar of employee retention. Key performance indicator measurement has been implemented at senior levels and is now being rolled out to personnel below management.

Policy goal 4: Independent and responsible decision making

In keeping with the Group's value engineering policy, all remuneration is cost-to-company-based, with the exception of bursaries offered to employees earning less than a Board designated threshold. Employees are expected to ensure they provide for their own retirement and health (medical aid) funding, save and except in jurisdictions where the provision of these benefits is compulsory in terms of law in which case these benefits are paid by the Company.

Policy goal 5: Board oversight

The Board of directors retains oversight of remuneration policy and its implementation and obtains and reviews increases and adjustments at an aggregate level for non-executive committee members with the right, in exceptional circumstances, to query specific cases should a Board member believe that is required.

In the case of senior executive directors, the Board reviews their salaries and may interrogate the remuneration with the Chief Executive Officer where the Board members believe the remuneration in question to be inappropriate.

Policy implementation

Non-executive director remuneration

Non-executive director remuneration is reviewed by the Remuneration Committee with reference to market norms, inflation and, on occasion, recommendations of the Company Secretary as the Secretary is tasked with remaining up-to-date with these trends as part of corporate governance oversight.

Their remuneration is then recommended by the Board of directors and approved or rejected by the shareholders at the Group's AGM. In the current year, the Board has recommended that fees be increased in line with inflation. Fees were not increased in the prior year.

Director and senior Executive Committee member remuneration

Director remuneration is decided upon by the Remuneration Committee.

Subsidiary director remuneration is decided upon by the shareholder of that subsidiary.

Executive directors, subsidiary directors and senior Executive Committee members are granted incentive opportunities linked to wealth participation. They are invited to buy minority shares in Group subsidiaries for particular developments upon their commencement. Once the development is completed, they are permitted to exchange their subsidiary company shares for shares in Acision Limited listed on the JSE. This opportunity drives wealth creation for the Group's leaders.

Employee remuneration

Employees other than directors and senior executive managers are remunerated in accordance with policy goal 1. Annual increments are granted on employment anniversaries and are based on the prevailing inflation rate and key performance indicators. During the year under review, all staff, other than directors and senior Executive Committee members received on average a 5% increase. Bonuses are based on key performance indicators when available and a management compiled scale in all other cases. Staff were paid annual cash bonuses in December 2021 of R788 638 in aggregate.

Employees in foreign-based operations

The Group believes in recruiting personnel resident in countries where the Group operates as they are most familiar with operations in the country where trade is conducted and can be trained in Acision philosophy, policy and procedure.

However, given the value the Group places on its personnel, where an employee based in either South Africa, or another country where the Group trades, wishes to relocate to another country where the Group has a presence, Acision will give preference to that employee if his or her experience, skills and character suggest suitability for the vacant position.

Where an employee relocates from one country to another country by agreement with the Group Chief Executive Officer, pursuant to a desire by the employee to relocate, no relocation costs are paid for by the Group. If such relocation occurs at the behest of the Group and the employee agrees to the relocation, such costs are paid by the employer.

In all cases, foreign-based employees are remunerated in accordance with the policy used for South African employees. Hence, the Group offers market-related remuneration where the assessment of the market remuneration is based on skill, qualifications, experience and the country where the person is being employed by the Group. As market remuneration is determined with reference to conditions applicable in a country where the Group trades, there is no currency indexing in determining remuneration or fringe benefit modification between countries as this is not needed.

Market-related remuneration is determined by review of on-line resources in the applicable country, management discussion of current market experience and by modification of remuneration offers in response to the job applicants' feedback. When necessary, external recruitment advice is sought.

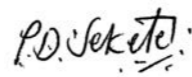
Tracking remuneration policy success

The success of remuneration policy and policy implementation is judged by the success of the Group and its individual subsidiary components, as a company "is only as good as its people" (Kathryn Minshew; Brainy Quotes.com 2020).

Company performance since JSE listing, and indeed prior thereto, has been successful and hence the Group believes its remuneration policy is also successful.

Remuneration paid to directors and prescribed officers

Please refer to page 103 of the integrated report for the full disclosure of remuneration paid to directors and prescribed officers.



David Sekete
Chairperson
Remuneration Committee

Members

David Sekete (Chairperson)

Thabani Jali (resigned 22 May 2022)

Kiriakos Anastasiadis (Chief Executive Officer)

Other regular attendees by invitation:
Head of Human Resources, Chief Operating Officer

Purpose and ancillary functions

The Social and Ethics Committee will meet at least twice during the financial year and will assume the following statutory responsibilities as set out in Regulation 43 of the Companies Act 71 of 2008 (as amended):

- Establishes Group ethics, integrity and supporting policies and monitors implementation thereof;
- Institutes fairness and transparency protocols;
- Decides on the key components of the Group's corporate citizenship and designs;
- Delegates duties and responsibilities of the Board to individual directors so as to maintain independence and an adequate balance of power between members of the Board as well as to ensure that no single director has an excess of or unfettered power;
- Adopts and approves policies which will balance the needs of all Acision's stakeholders and ensure that they all receive information relevant to their needs and legal rights and that management takes account of all stakeholders in executing their responsibilities;
- Establishes and monitors black economic empowerment (BEE) practices and progress and oversees its scorecard implementation and scorecard reporting;
- Establishes and monitors gender diversity practices and progress and oversees its implementation and reporting; and
- Establishes and implements corporate and social responsibility programmes including bursaries for staff and their dependants, tertiary, secondary and primary school programs for outreach programmes.

Report of the Social and Ethics Committee

During the year under review, the Social and Ethics Committee met twice. The committee particularly considered corporate social investment where it set targets for the donation of space within the malls to worthy organisations.

The Group awarded bursaries to underprivileged individuals to obtain a degree at one of the leading universities in South Africa in a field that would add value to Acision. On successfully obtaining the degree, the individual has been given an opportunity start their career with Acision. The Group awarded in total seven bursaries to individuals in an effort to give back to the local community. The Group also supports its own employees through providing study funding to the employees to enrol and complete degrees that would add value to Acision. The study funding is not repayable if the employee passes the degree.

Various other charitable organisations are supported throughout the year by way of financial contribution. Some of these organisations include CANSA, SANBS, Santa Shoe Box and Cupcakes for cancer to name but a few.

The committee's focus in the coming year will be on education and sports in the communities we operate in and on formalising the various aspects that it oversees with specific focus on the company's strategy regarding employment equity and Broad-Based Black Economic Empowerment ("B-BBEE"). The Group currently promotes BEE empowerment through engaging with local businesses and entrepreneurs as partners at local level (at Mall@Emba, Mall@Lebo, Mall@Mfula and Mall@Moutsiya).

Company ethics

The committee has oversight of organisational ethics, regularly reviews the company's code of conduct and ethics and continuously monitors the fraud and ethics hotline. The committee is satisfied that there has been no material breach of the code of conduct and ethics and that no material issues have been reported via the fraud and ethics hotline.

Sustainable development

The Group deployed solar technology at some of its developments in an effort to curb energy usage from burning of fossil fuels. In this way the Group illustrates its commitments to the environment in a way that also makes financial sense to shareholders. The solar initiative also aids municipalities to provide much needed electricity to the communities that the Group operates in by lowering the electricity demand that the Company requires for its developments. At year-end, seven plants totalling 10 892 kWp of generation capacity were operational. We are excited about the positive impacts the 360 kl per day water treatment plant will have on the environment.

Stakeholder engagement

The Company is committed to open and honest communication with stakeholders and treating them with respect, integrity and honesty. The committee is satisfied that the company's engagements with all stakeholders have been satisfactory.

Shareholders

Communication with shareholders occurs through our integrated report, results announcements, and SENS announcements.

Employees

We strive to keep the culture of the Company strong through solid communication and interaction with all employees. Our strategy is to attract, retain and promote talent by remunerating employees fairly, continues development, setting realistic KPIs regular feedback sessions.

Tenants

We aim to understand the needs of our tenants in order to assist where possible so they can maximise their performance. We do this through regular meetings with the tenants and site visits to all properties.

Suppliers

Solid long-term relationships with suppliers from the areas in which we operate, ensure that we do not compromise on quality and effectiveness. We strive to make our procurement process as broad-based as possible without jeopardising sustainability.

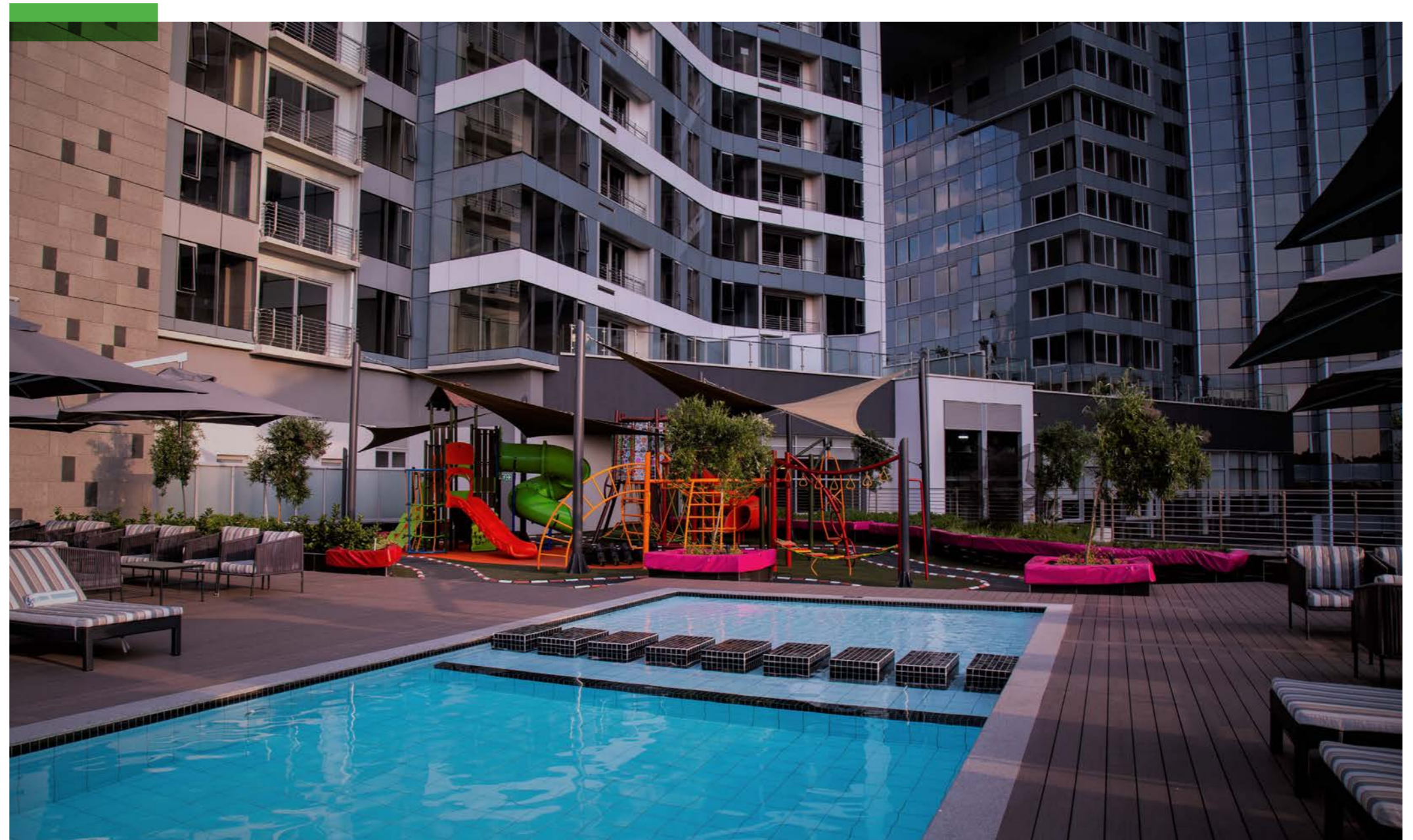
Community

We support the communities in which we operate through providing employment to the community members as well as providing support to local schools. The following lists highlights some of the support provided by the Group to the community:

- Supporting the local sports teams through sponsorship of sports gear for local tournaments. The Group also provides soccer fields for the community to utilise for practice and tournaments.
- Supporting the local businesses through the purchasing of their goods or services for events held by the malls.



David Sekete
Chairperson
Social and Ethics Committee



Members:

David Sekete (Chairperson)

Thabani Jali (resigned 22 May 2022)

Kiriakos Anastasiadis (Chief Executive Officer)

Astrino Nicoloudakis (Chief Investment Officer)

Chris van Rensburg (Chief Financial Officer)

Other regular attendees:

Prescribed officers of the Company

The Investment Committee evaluates and appraises potential investment, development and disposal opportunities to ensure they are responsible, create value and are properly governed in accordance with Acision's governance principles.

No Investment Committee meetings were held during the year.

KING IV application register

Principle

Our response

<p>1 The governing body should lead ethically and effectively.</p>	<p>Ethical and effective leadership complement one another. The Board of directors has set high ethical standards and leads with integrity, competence, responsibility, accountability, fairness and transparency in all business-related decision making. The Board holds management accountable for implementation of the Group's ethical framework.</p>
<p>2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The Board has a fiduciary duty to act in good faith and in the best interest of the Company and its stakeholders. Ethical procedures have been established throughout the Group by adopting the Code of Business Ethics. This includes a whistle-blowing policy through which any fraudulent or unethical behaviour is reported. The Executive Committee adheres to these principles and key members attend Social and Ethics Committee meetings.</p>
<p>3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p>	<p>Acsion strives to be a good corporate citizen by operating sustainably to the benefit of its stakeholders. The Company continues to initiate sustainable projects such as developing solar PV and water treatment plants. The Social and Ethics Committee oversees community programmes, BBEEE progress, the promotion of ethics in its dealings with the communities where it operates and promotes South Africa where the bulk of its investments have been made.</p>
<p>4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>Acsion's value engineering process was established upon founding of the companies, which were combined to form the Group upon listing in 2014 and this core principle ensures value creations for all stakeholders. The Board approves and monitors the implementation of business plans and policies in accordance with the company's strategy. Risks and opportunities are integral to our business. Our appropriate governance structures support the Board in the identification and response to risks and opportunities.</p>
<p>5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.</p>	<p>The Board is committed to providing accurate and complete information to its stakeholders. Through the Audit and Risk Committee, the Board oversees that the interim results, the audited financial statements and integrated report comply with the relevant requirement and that all material matters are disclosed to all stakeholders.</p>
<p>6 The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The Board is the custodian of good corporate governance and is committed to compliance with all relevant legislation and regulations. The executive management is responsible for the operational management of the Group. Although certain responsibilities are delegated to committees and the executive management, the Board is not discharged from its obligations regarding these matters. Board meetings are held at least on a quarterly basis and when required, thus Board members receive information and updates regarding governance and operational matters on a regular basis.</p>
<p>7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>Acsion has a unitary Board with the majority directors being independent non-executive members. There is a clear distinction between the Chairman and the CEO and they operate independently from each other. The Company fully complies with the Companies Act 71 of 2008 and partially complies with JSE Listings Requirements and King IV recommendations. It departed from these practices in that the Chairman also served on the Audit Committee, which is not the recommended guideline. This was an emergency cost containment measure adopted during COVID-19 and has been addressed effective 1 July 2022.</p>
<p>8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.</p>	<p>The Board has structured its committees to develop and monitor policy and policy implementation. The Board maintains the following sub-committees:</p> <ul style="list-style-type: none"> • Audit Committee and Risk Committee. • Remuneration Committee. • Social and Ethics Committee. • Investment Committee. <p>The Company does not have a Nominations Committee and the Board itself is responsible for appointing the sufficient number of directors with the appropriate skills and experience.</p> <p>It has put a detailed delegation of authority document ("DOA") in place which is strictly adhered to by the Executive Committee, which manages the operations of the Group.</p>

Principle

Our response

<p>9 The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>The Board is in the process of undergoing internal valuations of its directors, Chairman, Company Secretary and committees and are expected to be completed in the second half of the 2022 calendar year.</p>
<p>10 The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.</p>	<p>The Social and Ethics Committee ensures there is a balance of power and diversity on the board and at executive level and executive action is monitored at Board and Board Committee meetings where management are regular invitees. Through the delegation of authority document ("DOA"), the Board delegates authority to the executive management to manage the daily operations of the Company. The Board is satisfied that the DOA document clarifies the roles and responsibilities to ensure effective operational management.</p>
<p>11 The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p>	<p>The Board remains responsible for the management of risk and opportunities; it has delegated the function to the Audit and Risk Committee. The Audit and Risk Committee oversees risk and a risk officer maintains a risk register and manages and reports on risk. The monitoring of risks and opportunities is formally allocated to the audit and risk committee. However oversight of risks and opportunities is evident in all Board sub-committees.</p>
<p>12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>The Board is aware of the importance of technology and the associated risks of protecting information. Technology is managed by a designated official of long standing with an ethical record, in accordance with IT controls established by the executive and information management in terms of the laws of the Republic and are managed by the human resources department. The Audit and Risk Committee continues to monitor developments and implementation of technological solutions utilised by the Group.</p>
<p>13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>The Board is responsible for compliance with applicable laws and recognises that compliance is imperative. The Group has engaged a registered third-party tax practitioner to ensure tax compliance and an independent company secretary to monitor compliance with the laws of the country and the JSE Listings Requirements. The Board has delegated the responsibility for implementing compliance to the executive management. The Audit and Risk Committee through the internal audit function, assists the Board in monitoring of compliance. Reports and processes are reported on to the Board.</p>
<p>14 The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>Responsibility of remuneration governance has been delegated to the Remuneration Committee. The Remuneration Committee is responsible for setting director remuneration and the broad parameters and framework for Group remuneration practices. The committee ensures remuneration is fair, responsible and transparent. Refer to page 31 for the remuneration policy and implementation report.</p>
<p>15 The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<p>The Board of directors has established an Audit and Risk Committee to facilitate recommendations to appoint and monitor external and internal auditors and other inspectors to ensure the Board is capacitated to implement and monitor assurance services for assessing the quality and integrity of the Group's external reporting. The internal audit function is outsourced to MWRK Accountants and Auditors Incorporated.</p>
<p>16 In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</p>	<p>The Board and its committees are cognisant of the fact that framing policy and activity around all stakeholders is beneficial for the future sustainability and growth of the Group. Policy and policy implementation have been managed and overseen with this core truth in mind. The Board strives to apply a stakeholder centric approach and to provide stakeholders with relevant information that is accurate, complete and timely.</p>

Material risks and opportunities

- ↑ Risk/opportunity increased since 2021
- ↓ Risk/opportunity decreased since 2021
- ↔ Risk/opportunity stayed broadly the same since 2021

Enterprise risk management

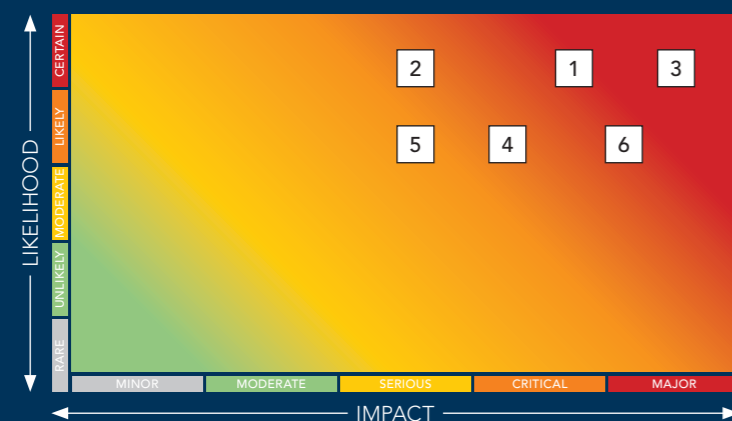
Although risks and opportunities have always been managed within the business, it is now required, as part of the JSE Listings Requirements, that this process is formally bedded down with effective tools being used to actively track and manage specific and enterprise-wide risk.

The responsibility of overseeing risk has been delegated to the Audit and Risk Committee, a sub-committee of the Board. The Board believes that the most efficient and effective way for Acision to manage risk is for the Executive Committee to manage it in conjunction with mitigation plans. During the year, Makama Malematja resigned as Risk Officer and the vacancy was temporarily filled by the Executive Committee of the management company in the Group, Southern Palace Investments 108 Proprietary Limited. Subsequent to year-end, a new risk officer, Harry Gouvelis, was employed and he will be responsible for maintaining the risk register. This register is reviewed twice by the Audit and Risk Committee during the year, together with monthly reviews by the Executive Committee so that the risks identified are sufficiently managed and mitigated to the satisfaction of the Board and executives.

Acision is committed to addressing and dealing with risk in a proactive way. To this end, an Internal Audit division has been established to provide assurance around the control environment and in the process also assist in identifying risks. The Audit and Risk Committee has to ensure that a combined assurance model is effectively implemented. The internal auditors report to an independent firm of registered auditors, MWRK Accountants & Auditors Incorporated of which the Company Secretary is a director.

Information Technology ("IT") governance is also an area of responsibility for the Board according to King IV. At this stage, due to the relative size of the business and simplicity thereof, a separate steering committee has not been formed and IT risk management forms part of the overall risk management process. Internal Audit is tasked with perform testing around IT governance and making size and complexity appropriate recommendations for the improvement of the environment. The IT environment includes:

- MS Windows operating system;
- specialist property management application software ("MDA") that includes customer relationship management ("CRM") finance modules; and
- payroll software ("Sage VIP").



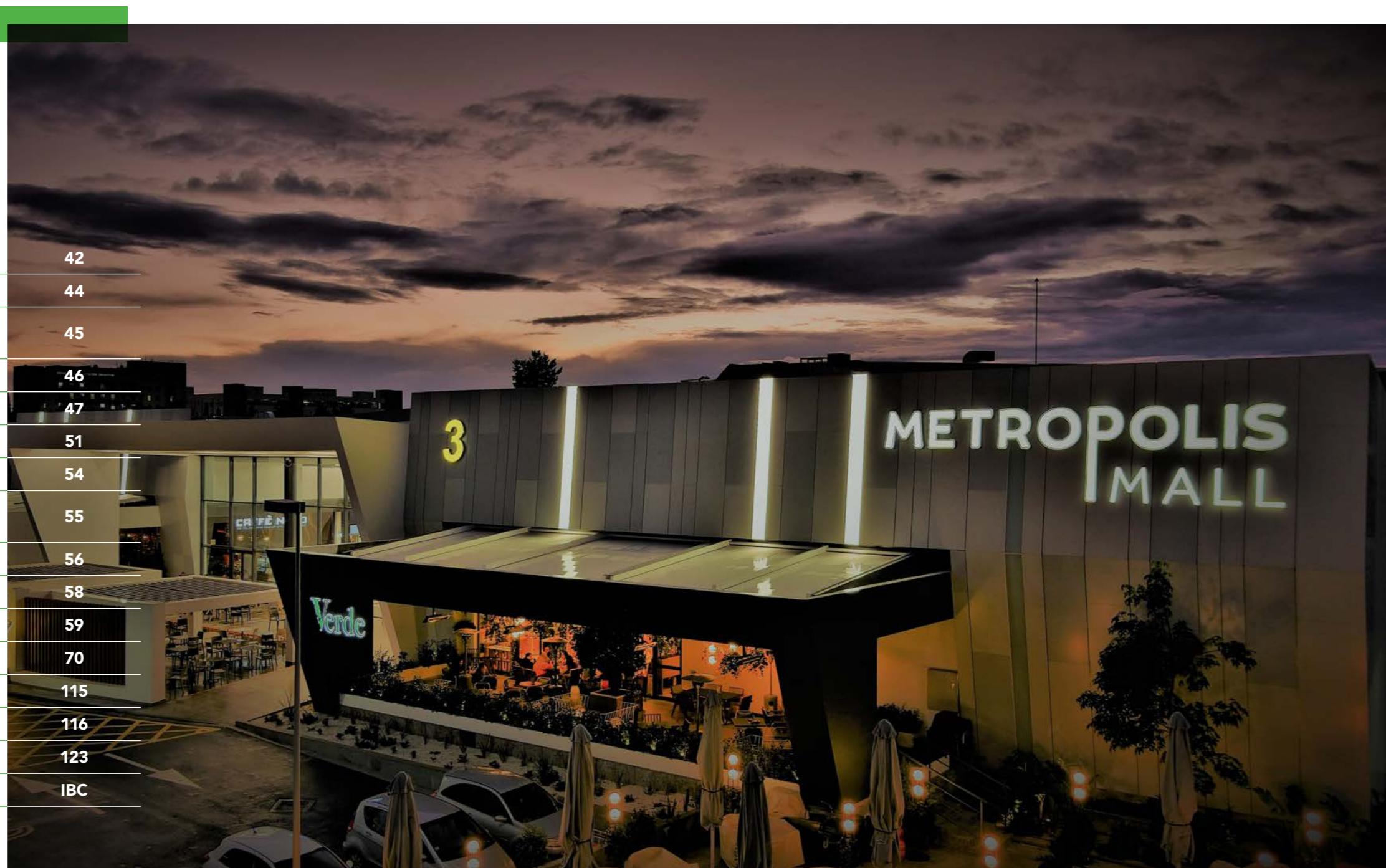
Risks	Possible impact	Mitigating factors and opportunities	Risk	Opportunity
1 MACRO-ECONOMIC	<ul style="list-style-type: none"> Increase in inflation and interest rates may have an adverse effect on consumer spending and downward pressure on rentals. The high unemployment rate coupled with political instability may lead to social unrest and a reoccurrence of the large-scale civil disorder. The low growth and high interest rate environment is indicative of 'stagflation' that may lead to delays in the collection of rents and a rise in tenant insolvencies. 	<ul style="list-style-type: none"> Gearing levels are well below our Peer Group of JSE-listed Property Funds. Staying consistent with our 'value engineering' approach and prudent financial stewardship. Proactive management of our portfolio by our experienced leasing and operations teams. Nurture good relationships with current and future tenant bases. Diversification of assets into mixed use and abroad. Ensuring positive relationships are maintained with local communities. Maintain and enhance adequate insurance cover. Continuously monitoring and assessing risks, and liaising with the appropriate authorities. 	↑	↔
2 ADMINISTERED PRICES	<ul style="list-style-type: none"> Aggressive increase in municipal costs, especially rates. Rise in fuel prices with resultant knock-on effects on provision of goods and services. Unsustainable increase in the price of basic utilities such as electricity and water. Cost of occupancy could become uncontrollable with more financial pressure on landlords and tenants. Landlord's inability to pass on additional costs, diluting net operating income and ultimately property values. 	<ul style="list-style-type: none"> Ensure efficient cost recovery. Monitor and react to unsustainable increase in municipal valuations. Continue monitoring and managing operational costs, and implement efficiency measures. Leverage technology to manage demand and supply of utilities. 	↑	↔
3 PUBLIC INFRASTRUCTURE	<ul style="list-style-type: none"> Rapid deterioration of economic infrastructure and weakened service delivery capabilities from municipalities and state-owned enterprises. Insufficient funding to address backlogs in repairs and maintenance of infrastructure. Inefficient administrative processes leading to inordinate delays in resolving matters with municipalities. 	<ul style="list-style-type: none"> Installation and expansion of solar PV and water treatment plants where feasible. Participation in initiatives to contribute to the improvement of infrastructure. Innovative interventions to manage consumption. Active monitoring and management of municipal administration matters. 	↑	↔
4 DIVERSIFICATION	<ul style="list-style-type: none"> Diversification of portfolio has been initiated with the completion of the new developments. Cost of finance is increasing as a result of the central banks globally raising interest rates. International developments or acquisitions may be impacted by volatile geopolitical developments which could lead to potential investments being less attractive. 	<ul style="list-style-type: none"> Current gearing levels allow us to access potential large headroom facilities when required at reasonable interest rates. Continued focus on unlocking opportunities only where there is real uplift within the exciting portfolio and optimising ROI. Material increase in NAV due to completed developments in mixed use asset and overseas asset ensures strong position to face potential headwinds. Experienced executive team to continue investigating opportunities to diversify across market sectors, asset classes and geographies. 	↔	↑
5 SUSTAINABLE USE OF NATURAL RESOURCES	<ul style="list-style-type: none"> The effects of climate change may negatively impact on the resilience of our assets. Increasing social and regulatory pressure to minimise our environmental impact. Mounting demands for ESG reporting by a wide range of role-players. 	<ul style="list-style-type: none"> Increase investment in green energy through expansion of solar PV capacity. Investigate feasibility of battery installations to assist demand management and reduce dependency on the grid. Explore wheeling arrangement of green power and use of land adjacent to our developments. Active management of water usage including installation of water treatment plants where feasible. Introduce ESG framework into our business model and operations. 	↑	↑
6 DATA AND SYSTEMS SECURITY	<ul style="list-style-type: none"> Growing sophistication and frequency of cybersecurity attacks and breaches. Reputational damage as a result of information theft of third parties or data protection breaches. Disruption in business operations and financial loss due to ransomware and malware attacks, or systems breakdown 	<ul style="list-style-type: none"> Continuous investment in systems, software and implementation of best practices. Disaster recovery plan in place and introduction of a business continuity programme in cases of attack or breach. Leverage the investment in systems and software to utilise data to analyse relevant trends, enhance operations and provide value to stakeholders. 	↑	↑

Audited consolidated and separate annual financial statements

for the year ended 28 February 2022

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Audit and Risk Committee report

for the year ended 28 February 2022

The Audit Committee is pleased to present its report for the financial year ended 28 February 2022, in accordance with the Companies Act 71 of 2008, the JSE Listings Requirements, King IV and other applicable regulatory requirements. The committee is accountable to both the Board of directors and the Group's shareholders. The committee operates within the parameters of the committee's established charter including its statutory duties and delegated authority of the Board. In essence, the committee's main objectives are to assist the Board in fulfilling its oversight responsibilities and to evaluate the adequacy and efficiency of accounting policies, internal controls, combined assurance arrangements and financial and corporate reporting processes. In addition, the committee assesses the effectiveness of the internal auditors, the independence and effectiveness of the external auditor and considers and recommends the appointment of the external auditor.

This report aims to provide details on how the committee satisfied its various obligations (statutory and governance practices) during the period and addressed some of the significant matters to support the integrity of the Group's financial reporting.

Composition of the committee and meeting procedures:

Non-executive directors	Appointed	Meeting attendance	Regular invitees
Mr TSB Jali BA, LLB, LLM	11 August 2020 Resigned: 22 May 2022	100% 4/4 meetings	Chief Executive Officer Chief Financial Officer Chief Operating Officers External auditor Internal auditors
Mr PD Sekete BSc, MBChB, MSc	11 August 2020	100% 4/4 meetings	
Ms M Kok CA(SA), Master's in Accounting	1 September 2021	100% 2/2 meetings	
Ms M Hlobo CA(SA), Master's in Finance	29 October 2018 Retired: 19 August 2021	100% 2/2 meetings	

The committee met on four occasions. Meetings were scheduled in line with the Group's financial reporting cycle. Two ad hoc meetings were held during the year dealing with the approval of the Group's interim financial results and the appointment of a new external auditor. The committee Chair has regular contact with members of management to discuss relevant matters.

Discharge of duties for the financial year

The following section provides a breakdown of the key focus areas and activities of the committee during the financial year.

Key focus was placed on the following areas:

- Selection and support of the incoming Chief Financial Officer ("CFO"), Mr Chris Jansen van Rensburg and his induction and onboarding process.
- Alignment of a risk-based internal audit approach to the strategic objectives of the Group.
- Conceptual development of an enterprise risk management framework.
- Consideration of findings per the general proactive monitoring report issued by the Johannesburg Stock Exchange ("JSE"), as well as the investment property common findings report issued on 9 November 2021, and ensuring that appropriate actions were taken to apply the recommendations made by the JSE.
- Specific focus was placed on valuation of the Group's mixed-used property investment, Acsiopolis, which required close attention. An independent valuator was assigned to value the property. The expert's competency, qualifications and objectivity were assessed along with industry standards.
- The Group's offshore investment property, Mall@Larnaca, opened for trading in September 2021, so it was deemed appropriate to also appoint an independent Cyprus-based valuator to perform the valuation of this property.

As part of the execution of the committee's statutory duties in accordance with its terms of reference, time and attention were spent in the following areas:

Finance function

Expertise, resources and experience

The committee reviewed the expertise, resources and experience applied to finance-related functions. The committee is comfortable with the expertise and experience of Mr Chris Jansen van Rensburg (appointed 1 November 2021) to fulfil the responsibilities of the position as CFO. Ongoing consideration was given to the quality and effectiveness of the Group's finance function, its resources to meet the Group's growing needs and continued accountability and maintenance of suitable internal financial controls. The committee ensured that the finance team had properly applied accounting policies and principles in the preparation of interim and annual financial statements and that the Group has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated Group IFRS financial statements, to ensure that it has access to all the financial information of the Group to allow the issuer to effectively prepare and report on the financial statements of the Group.

Evaluation of financial reporting and accounting practices

The committee reviewed the integrity of the interim results for the six months ended 31 August 2021 and annual financial statements for the year ended 28 February 2022. Specific attention was focused on ensuring that:

- the financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the provisions of the Companies Act and the JSE Listings Requirements;
- significant accounting policies, key estimates and assumptions and the supporting disclosure thereof, were appropriate;
- the assumptions and input used in the valuation of investment properties, the estimated credit loss allowance and revenue recognition principles, were reviewed in depth;
- disclosure of shortcomings as noted in the JSE proactive monitoring report pertaining to common findings dealing with fair value inputs, leases, financial instruments and general disclosure, were taken into account in preparing current financial statements;
- the financial systems, processes and resource requirements relating to the newly developed Acsiopolis, which is nearing completion, were reviewed;
- the going concern assumptions, taking into account budgets and the liquidity profile of the Group to confirm the appropriateness of the basis of the preparation of the financial statements, were reviewed;
- the appropriateness of the key audit matters reported in the external audit opinion were deliberated on; and
- an assessment of the impact of weaknesses, risks and recommendations communicated by the Group's external auditor was made.

Significant financial reporting and accounting practices

As briefly discussed above, the following is a summary of the significant financial reporting and accounting practices that the committee deemed crucial and relevant:

- revenue recognition during COVID-19,
- recognition of lease liabilities,
- methods, input and assumptions used in the valuation of investment property,
- risk of default, expected life of financial instruments and the reasonableness of supporting forward-looking information to support these assumptions.

External audit-related matters

In accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the committee deliberated on the suitability of PKF Octagon ("PKF") for appointment as the Company's independent external auditor, with Henico Schalekamp as the designated individual auditor.

On behalf of the Audit and Risk Committee

M Kok
Audit and Risk Committee Chairperson

Centurion
Friday, 10 June 2022

Directors' responsibilities and approval

for the year ended 28 February 2022

The directors are required in terms of the Companies Act of South Africa 71, of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the audited consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the audited consolidated and separate annual financial statements fairly present the state of affairs of Acision Limited ("Acision") and its subsidiaries ("the Group" and "Company") as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS.

The consolidated and separate annual financial statements are prepared in accordance with IFRS and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the Companies Act, 71 of 2008 ("Companies Act") applicable to companies reporting in terms of IFRS and the JSE Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are satisfied that the Company has complied with the provisions of the Companies Act, relating to its incorporation and is operating in conformity with its memorandum of incorporation ("Mol").

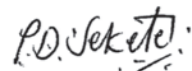
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the audited consolidated and separate annual financial statements. However,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

The directors have reviewed the Group's cash flow forecast for the period to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the Group has or had access to adequate resources and will negotiate to replace any expiring facilities in order to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the Group's external auditor and the report is presented on pages 51 to 53.

The audited consolidated and separate annual financial statements set out on pages 54 to 114, which have been prepared on the going concern basis, were approved by the Board on 10 June 2022 and were signed on its behalf by:

Approval of financial statements



P D Sekete
Acting Chairman

Centurion
Friday, 10 June 2022



K Anastasiadis (CEO)
Chief Executive Officer

Chief Executive Officer and Financial Director's responsibility statement

for the year ended 28 February 2022

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

- the annual financial statements set out on pages 54 to 114, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- 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;
- 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 annual financial statements of the issuer; and
- 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 controls;

Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken the necessary remedial action.

We are not aware of any fraud involving directors.



K Anastasiadis
Chief Executive Officer

Centurion
Friday, 10 June 2022



C R J van Rensburg
Chief Financial Officer

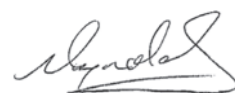
Company Secretary's confirmation

for the year ended 28 February 2022

Directors' report

for the year ended 28 February 2022

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



Michael Reynolds

BCom (Wits) BCom Hons (Wits) CA (SA)
BA (Unisa) CIFRS (Wits) MDPB-BBEE(Unisa)
RA(SA)
Company Secretary
Centurion
Friday, 10 June 2022

To the shareholders of AcSION

We have pleasure in presenting the separate and consolidated annual financial statements of AcSION and its subsidiaries for the year ended 28 February 2022.

1. Nature of business

AcSION is an investment entity incorporated in South Africa with interests in the property holding and development industry. The Company's trade is limited to investigate activities and all of its operating activities are undertaken through its principal subsidiaries. At present, the Group operates in South Africa and in Cyprus. AcSION explores potential opportunities outside the borders of South Africa.

2. Review of financial results and activities

Revenue for the Group increased 29% (2022: R910 million; 2021: R705 million). In the first half of the year, revenue was below expectation as a result of rental rate decreases and the continuous effects of COVID-19 on tenant operations. Vacancy rates have started to stabilise. However, the deterioration of the South African economy remains a concern.

Operating expenses were well contained with an 8.1% decrease from the 2021 financial year (2022: R301 million; 2021: R328 million). Mindful management of expenses was exercised. However, some expenses are not within management control, for example, rates and taxes and utility charges.

Profit for the year was R1 219 million (2021: R67.7 million) and headline earnings increased to 105.49 cents per share (2021: 71.32 cents per share) representing a 47.9% increase (2021: 8.7% increase). Net asset value ("NAV") increased 18.5% to 2 131.38 cents per share (2021: 1 795.40). The increase is partially attributed to continuous cost containment and the opening of Mall@Larnaca in Cyprus in September 2021.

The Company uses NAV per share as its key performance measure for JSE Trading Statement purposes.

3. COVID-19 pandemic and unrest in South Africa

The continued effect of the COVID-19 pandemic remains relevant in the general public's spending behaviour and demand for products and services. COVID-19 has fast-tracked the need for digital transformation in retail, highlighting the need to operate and serve the public differently. On the assumption that the new COVID-19 regulations gazetted under the National Health Act on 5 May 2022 remain in place, trading levels should continue to improve. In the event of a fifth COVID-19 wave, the Group's past learning curve will aid in the suitable response and interactions with tenants.

Nevertheless, the Group's investment property value has not decreased as a result of the pandemic or the unrest and the provision for credit losses reduced from its previous high levels in 2020 and 2021 as some stability in tenant's rental obligations has been noticed.

4. Stated capital

			2022 Number of shares	2021 R'000
Authorised			209 169	167 808
Ordinary no par value shares			10 000 000	10 000 000
	2022 R'000	2021 R'000	2022 Number of shares	2021 R'000
Issued				
Ordinary no par value shares	3 979 956	3 979 956	394 960	394 960
Treasury shares	(45 732)	(12 738)	(9 920)	(1 698)
	3 934 224	3 967 218	385 040	393 262

Refer to note 14 for details of the movement in issued share capital.

5. Authority to buy back shares

At the last annual general meeting ("AGM") held on Thursday, 19 August 2021, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the South African Companies Act 71 of 2008, by way of special resolution, for the acquisition of its own shares. As this general approval remains valid only until the next AGM, the shareholders will be asked at the next AGM to consider a special resolution to renew this general authority until the next AGM.

A total of 8 222 291 (2021: 95 827) shares were repurchased at an average price of R4.01 per share during the current year in terms of this authority, bringing the total treasury shares held to 9 920 311.

Directors' report continued

for the year ended 28 February 2022

6. Dividend distributions

The Board of directors has declared a final cash gross dividend (No. 3) of 18 cents per ordinary share, payable out of income reserves to all shareholders of Acision Limited. The dividend per share is calculated based on 394 959 976 shares in issue as at the date of the dividend declaration and, therefore, amounts to R71 092 795.68 in aggregate.

The net dividend amount, excluding South African dividend tax of 20%, which equates to 3.6 cents, is 14.4 cents per share for those shareholders that are not exempt from dividend tax.

Acision's income tax reference number is 9794017161.

In compliance with the requirements of Strate, the Company has determined the following salient dates for the payment of the final dividend:

Last day to trade cum dividend	Tuesday, 12 July 2022
Shares commence trading ex dividend	Wednesday, 13 July 2022
Record date	Friday, 15 July 2022
Payment date	Monday, 18 July 2022

Shares may not be rematerialised or dematerialised between Wednesday, 13 July 2022 and Friday, 15 July 2022, both days inclusive.

No dividend was declared in the 2021 financial year.

7. Directorate

The directors in office during the year were:

Directors	Office	Designation	Nationality
PD Sekete	Social and Ethics Committee Chair, Remuneration Committee Chair and Audit and Risk Committee member	Non-executive Independent	South African
M Hlobo	Audit and Risk Committee Chair (retired)	Non-executive Independent	South African
TSB Jali	Chairperson, Audit and Risk Committee member and Remuneration Committee Chair (resigned)	Non-executive Independent	South African
M Kok	Audit and Risk Committee Chair (appointed)	Non-executive Independent	South African
H Zarca	Chairperson, Remuneration Committee member (appointed)	Non-executive Independent	South African
L Osrin-Karp	Social and Ethics Committee member and Audit and Risk Committee member (appointed)	Non-executive Independent	South African
K Anastasiadis	Chief Executive Officer	Executive	Greek
CRJ van Rensburg	Chief Financial Officer (appointed)	Executive	South African
S Le Roux	Chief Financial Officer (resigned)	Executive	South African

The following Board changes were effected during the year:

- M Hlobo retired as Audit and Risk Committee Chair and director on 20 August 2021. On 1 September 2021, M Kok was appointed in the said position.
- S Le Roux resigned as Chief Financial Officer on 1 November 2021 and CRJ van Rensburg was appointed in the said position.
- TSB Jali retired on 22 May 2022 as Chairperson, Audit and Risk Committee and Remuneration Committee Chair and director.
- PD Sekete was appointed as Acting Chairperson with effect from 22 May 2022.
- H Zarca was appointed as director, Chairperson of the Board and member of the Remuneration Committee with effect from 1 July 2022.
- L Osrin-Karp was appointed as director, member of the Social and Ethics Committee and member of the Audit and Risk Committee with effect from 1 July 2022.

8. Directors' interests in shares

As at 28 February 2022, the directors of the Company held direct and indirect beneficial interests in 75.80% of its issued ordinary shares, as set out below.

Interests in shares

	2022 Direct number of shares	2021 Direct number of shares	2022 Indirect number of shares	2021 Indirect number of shares
Issued				
K Anastasiadis	–	16 634	298 321 701	298 305 067
PD Sekete	–	–	523 995	523 995
TSB Jali	–	–	500 694	500 694
	–	16 634	299 346 390	299 329 756

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

9. Directors' interests in contracts

Substantial related party contract entered into by the Group, are discussed and approved in principle at Board level without attendance of the relevant related director. During the financial year, K Anastasi Project Proprietary Limited continued with the development of Acsiopolis. The construction cost of approximately R429 million (2021: R290 million) was incurred. Note 28 to the financial statements will provide further detail regarding transactions with related parties.

10. Directors' emoluments

Refer to note 29 to the financial statements.

11. Shareholder analysis

Shareholder spread	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of issued capital
1 to 1 000	4 298	98.26	75 168	0
1 001 to 10 000	37	0.85	127 203	0
10 000 to 100 000	12	0.27	331 161	0.1
100 001 to 1 000 000	11	0.25	4 025 466	1
Over 1 000 000	16	0.37	390 400 978	98.9
Total	4 374	100	394 959 976	100

Distribution of shareholders	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of issued capital
Private companies and close corporations	9	0.2	309 311 954	78.31
Other corporations	3	0.1	4 795	0
Individuals	4 352	99.5	54 085 486	13.69
Trusts	10	0.2	31 557 741	8
Total	4 374	100	394 959 976	100

Shareholder type	Number of shareholdings	Percentage of total shareholdings	Number of shares	Percentage of issued capital
Directors and their related parties	6	0.14	299 356 390	75.80
Officers of the Company	2	0.04	4 007 583	1
Non-public	8	0.18	303 363 973	76.80
Public	4 366	99.82	91 596 003	23.2
Total	4 374	100	394 959 976	100

12. Events after the reporting period

The directors are not aware of any matter or circumstances since the end of the financial year and up to the date of this report, which require adjustments to or disclosure in the financial statements. Refer to note 32 of the financial statements for disclosure regarding events after the reporting period.

13. Going concern

The impact of COVID-19 on the Group's solvency and liquidity has been considered in detail. Concessions in the form of rental discounts granted to tenants that continued to be affected by trading restrictions imposed by the government were significantly reduced from the prior year (R64.5 million) and amounted to R6.55 million. Consistent with the prior year, all rental income for the year was recognised and the concessions granted were included in the expected credit loss expense. The Board is of the opinion that the occurrence of the COVID-19 pandemic has not resulted in a material uncertainty that may cast doubt on the ability of the Group and Company to continue as a going concern.

For the year ended 28 February 2022, the current liabilities exceeded the current assets for the Group due to the expiry of the €20 million loan facility (R342 million) at the end of May 2022 (refer to note 15). At the reporting date, the Group had R200 million available facilities (refer to note 15) and R9.2 billion of unbonded property that can be utilised to obtain secured property financing. In March 2022, the Group converted to Euro loan to Rand at an exchange rate of R16.83 and refinanced the facility, bearing quarterly interest at JIBAR plus 1.96% repayable on 7 March 2025.

Refer to note 30 of the financial statements for disclosure regarding going concern. The directors are satisfied that the Company is a going concern.

14. Solvency and liquidity

The directors have performed the solvency and liquidity tests required by the Companies Act and are satisfied the Company and Group are solvent and sufficiently liquid.

15. Litigation statement

The Group follows a policy of reviewing the risks relating to assets and possible liabilities from business transactions with insurers on an annual basis. The Group is currently engaged in legal proceedings involving the initial construction contractor relating to Acsiopolis in 2020 and a SASRIA claim estimated at R30 million.

16. Promotion of Access to Information Act

There were no requests for information lodged with the Company in terms of the Promotion of Access to Information Act, 2 of 2000.

17. Auditor

PKF Octagon Incorporated has been appointed as auditor of the Company for the 2022 financial year with effect from 23 December 2021, replacing RSM South Africa Incorporated ("RSM"), who resigned as the Company's auditor (effective 6 December 2021) due to its engagement with Acision no longer fitting the risk profile of RSM, and the Company and RSM being unable to agree on fees.

18. Secretary

The Company Secretary is Michael Reynolds of MWRK Accountants and Auditors Incorporated.

Business address:
19 Edward Street
Westdene
Benoni
1501

19. Registered and postal address

Registered address:
Anaprop Offices
Mall@Reds
Cnr Hendrik Verwoerd Drive
and Rooihuiskraal Drive
Centurion
0157
Postal address:
PO Box 569
Wierda Park
0149

To the Shareholders of Acision Limited

Report on the audit of the consolidated and separate financial statements Opinion

We have audited the consolidated and separate financial statements of Acision Limited (the "Company") and its subsidiaries ("together the Group") set out on pages 54 to 114, which comprise the consolidated and separate statements of financial position as at 28 February 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Acision Limited and its subsidiaries as at 28 February 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, JSE Listing Requirements and the requirements of the Companies Act of South Africa.

Basis for opinion

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

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.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

Key audit matter	How the matter was addressed in the audit
<p>Valuation of investment properties (note 2) For the year ended 28 February 2022, the Group's investment property portfolio, including the investment property under development and straight-lining lease adjustment, is valued at R10 087 billion in the consolidated statement of financial position. The fair value gain recorded for the year amount to R1 016 billion.</p> <p>The investment properties are stated at their fair values, in line with International Financial Reporting Standards (IFRS) 13 Fair value. The fair values were based on independent external valuations.</p> <p>It is the policy of the Group to obtain annual external valuations for significant investment properties. The fair values of investment properties at year-end were determined using the net income capitalisation method.</p> <p>The valuation of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the forecasted future net cash flows for that particular property.</p> <p>In determining a property's valuation, the valuer considers property-specific information such as capitalisation rate, vacancy rate and capital expenditure requirements as key judgments in the assumptions.</p>	<p>We obtained an understanding of the approach followed by management and the independent valuer in respect of the valuation of the Group's investment property portfolio through discussions with management and the external valuer.</p> <p>We inspected the valuation reports for a representative sample of properties and assessed whether the valuation approach for each of these properties was in accordance with IFRS, and suitable use in determining the fair value of the investment properties for the purpose of the consolidated financial statements. We found management's method reasonable.</p> <p>We evaluated the valuer's qualifications and expertise and evaluated whether there were any matters that might have affected the valuer's objectivity or may have imposed scope limitations upon the valuer's work through direct communication with the valuer, and inspection of their credentials. We did not note any aspects in this regard requiring further consideration.</p> <p>Our audit included the following procedures to address the key audit matter:</p> <ul style="list-style-type: none"> We obtained and understanding of the Group's internal controls relevant to performing the valuations. The annual increases of the rental amount were agreed to the underlying signed contract. We reviewed the process of the setting and approval of budgets by the Group; and We confirmed the review and approval by the Board of the directors' valuations and external valuations performed and methodology used in these valuations.

Independent auditor's report continued

for the year ended 28 February 2022

Key audit matters continued

Key audit matter

Valuation of investment properties (note 2) continued

We considered the year-end valuation of investment properties to be a matter of most significance to our current year audit due to the following:

- The complexity and inherent subjectivity of the key assumptions that underpin the valuations of investment property; and
- The magnitude of the balance of the investment properties recorded in the statement of financial position, as well as the changes in fair value relating to the property portfolio recorded in the consolidated statement of comprehensive income.

How the matter was addressed in the audit

For the representative sample of properties, we performed the following procedures to assess the reasonableness of the inputs into the valuation:

- Compared the methods and assumptions used to those of the prior year for consistency.
- Comparing data inputs into the valuations against the appropriate market and historic information. Where differences were noted, we made use of our valuation expert to determine our own independent estimates of these inputs. The inputs tested include:
 - capitalisation rates.
 - vacancy rates.
 - capital expenditure requirements.
- Assessing the reasonableness of the cash flows used in the valuation technique of each sampled property. This included:
 - Reconciling the actual cash flows for the year ended 28 February 2022 to the cash flows used in the base year forecast and investigating significant differences; and
 - Assessing the forecasted cash flows against market information and contractual information.

The forecasted cash flows fell within an acceptable range.

- Making use of our valuation expert, we performed an independent valuation of each property in our representative sample, based on the data inputs and cash flows referred above. We did not identify material differences between the valuer's valuation and our independently recalculated fair values.
- We included the possible impact of COVID-19 on the forward rentals and inputs to the valuations, and adjusted for risk factors present, which include the quality or nature of the building or the tenant. We found no material deviations compared to the valuer's inputs.

We further evaluated the appropriateness of the disclosures in the consolidated financial statements with reference to the key assumptions to which the valuations are most sensitive, including as well as the inter-relationship between the assumptions and the valuation amounts, based on the results of our work performed and taking into account the applicable requirements of IFRS. We noted no material exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Acsion Limited and its subsidiaries – Audited Consolidated and Separate Annual Financial Statements for the year ended 28 February 2022" which includes the Directors' Report, the Report of the Audit Committee and Certificate by the Company Secretary as required by the Companies Act of South Africa as well as the CEO and CFO Responsibility Statement, which we obtained prior to the date of this report and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 PKF Octagon Inc. has been the auditor of Acsion Limited for 1 year.



PKF Octagon Inc.
Director: Henico Schalekamp
Registered Auditor

10 June 2022
Johannesburg, South Africa

Statement of financial position

as at 28 February 2022

	Note(s)	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Assets					
Non-current assets					
Investment property	3	9 951 519	8 242 773	–	–
Operating lease asset	3	135 695	144 020	–	–
Property, plant and equipment	4	736 755	645 639	–	–
Goodwill	5	625 464	625 464	–	–
Intangible development project assets	6	165	165	–	–
Investments in subsidiaries	7	–	–	3 449 399	3 607 826
Other financial assets	8	699	539	–	–
Deferred tax	15	73 996	60 084	18 863	18 854
		11 524 293	9 718 684	3 468 262	3 626 680
Current assets					
Current tax receivable		6 062	1 124	–	–
Group company loans	9	–	–	325 851	325 232
Inventories	11	39 592	39 592	–	–
Trade and other receivables	12	46 606	60 814	–	–
Cash and cash equivalents	13	286 388	65 623	22 138	12 794
		378 648	167 153	347 989	338 026
Total assets		11 902 941	9 885 837	3 816 251	3 964 706
Equity and liabilities					
Equity attributable to equity holders of parent					
Share capital	14	3 934 224	3 967 218	3 979 956	3 979 956
Reserves		27 127	18 461	–	–
Retained income/(accumulated loss)		4 245 301	3 074 942	(400 378)	(441 897)
		8 206 652	7 060 621	3 579 578	3 538 059
Non-controlling interest		153 746	105 099	–	–
		8 360 398	7 165 720	3 579 578	3 538 059
Liabilities					
Non-current liabilities					
Deferred tax	15	1 648 813	1 461 669	–	–
Other financial liabilities	16	708 258	28 969	–	–
Lease liability	17	497 707	232 667	–	–
		2 854 778	1 723 305	–	–
Current liabilities					
Group company loans	9	–	–	234 680	424 090
Shareholder loans	10	3 966	4 142	–	–
Other financial liabilities	16	371 459	689 147	–	–
Lease liability	17	4 263	4 077	–	–
Provisions		7 532	6 564	–	–
Trade and other payables	18	284 583	264 669	1 987	2 551
Current tax payable		15 956	28 207	–	–
Dividends payable		6	6	6	6
		687 765	996 812	236 673	426 647
Total liabilities		3 542 543	2 720 117	236 673	426 647
Total equity and liabilities		11 902 941	9 885 837	3 816 251	3 964 706

Statement of profit or loss and other comprehensive income

for the year ended 28 February 2022

	Note(s)	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Contractual rental revenue and recoveries		918 274	716 638	–	–
Straight-lining of rental revenue adjustment		(8 331)	(11 730)	–	–
Revenue from direct property operations		909 943	704 908	–	–
Revenue from investments		–	–	200 000	–
Management fee income		399	192	8 547	7 143
Total revenue	19	910 342	705 100	208 547	7 143
Other income	20	2 363	723	–	–
Fair value adjustments/(impairments)		1 016 287	(181 259)	–	–
Impairment losses on trade receivables	12	(41 535)	(71 952)	–	–
Operating expenses		(301 183)	(327 653)	(167 915)	(90 019)
Operating profit/(loss)	21	1 586 274	124 959	40 632	(82 876)
Investment income	22	4 983	5 508	899	1 029
Finance costs	23	(62 910)	(42 966)	–	(4 577)
Foreign exchange (losses)/gains		(14 838)	14 641	–	–
Profit/(loss) before taxation		1 513 509	102 142	41 531	(86 424)
Taxation	24	(294 502)	(34 457)	(11)	18 660
Profit/(loss) for the year		1 219 007	67 685	41 520	(67 764)
Other comprehensive income:					
Items that are not reclassified to profit or loss:					
Losses attributable to owner-occupied hotel property revaluations		–	(28 508)	–	–
Taxation attributable to revaluation changes		–	25 240	–	–
Total items that are not reclassified to profit or loss		–	(3 268)	–	–
Items that are not reclassified to profit or loss:					
Foreign exchange gains from translation differences attributable to foreign operations		8 666	1 790	–	–
Other comprehensive income for the year net of taxation		8 666	(1 478)	–	–
Total comprehensive income/(loss) for the year		1 227 673	66 207	41 520	(67 764)
Profit/(loss) attributable to:					
Owners of the parent		1 170 359	23 631	41 520	(67 764)
Non-controlling interest		48 648	44 054	–	–
		1 219 007	67 685	41 520	(67 764)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		1 179 025	22 153	41 520	(67 764)
Non-controlling interest		48 648	44 054	–	–
		1 227 673	66 207	41 520	(67 764)
Earnings per share					
Basic earnings per share (cents)	25	301.84	6.01	–	–
Diluted earnings per share (cents)	25	301.84	6.01	–	–
Headline earnings per share (cents)	25	105.49	71.32	–	–
Diluted headline earnings per share (cents)	25	105.49	71.32	–	–

Statement of changes in equity

for the year ended 28 February 2022

	Stated capital R'000	Treasury shares R'000	Total share capital R'000	Foreign currency translation reserve R'000	Revaluation reserve R'000	Retained income/ (accumulated loss) R'000	Total attributable to equity holders of the Group/ Company R'000	Non- controlling interest R'000	Total equity R'000
Group									
Balance at 29 February 2020	3 979 954	(12 341)	3 967 613	16 671	3 268	3 051 311	7 038 863	61 045	7 099 908
(Reserve transfer)/profit for the year	–	–	–	–	(3 268)	23 631	20 363	44 054	64 417
Treasury shares purchased	–	(397)	(397)	–	–	–	(397)	–	(397)
Foreign currency translation	–	–	–	1 790	–	–	1 790	–	1 790
Balance at 28 February 2021	3 979 954	(12 738)	3 967 216	18 461	–	3 074 942	7 060 619	105 099	7 165 718
Profit for the year	–	–	–	–	–	1 170 359	1 170 359	48 647	1 219 006
Treasury shares purchased	–	(32 994)	(32 994)	–	–	–	(32 994)	–	(32 994)
Foreign currency translation	–	–	–	8 666	–	–	8 666	–	8 666
Balance at 28 February 2022	3 979 954	(45 732)	3 934 222	27 127	–	4 245 301	8 206 650	153 746	8 360 396
Note(s)	14	14	14	Note 1	Note 2				
Company									
Balance at 29 February 2020	3 979 956	–	3 979 956	–	–	(374 133)	3 605 823	–	3 605 823
Loss for the year	–	–	–	–	–	(67 764)	(67 764)	–	(67 764)
Balance at 28 February 2021	3 979 956	–	3 979 956	–	–	(441 898)	3 538 058	–	3 538 058
Profit for the year	–	–	–	–	–	41 520	41 520	–	41 520
Balance at 28 February 2022	3 979 956	–	3 979 956	–	–	(400 378)	3 579 578	–	3 579 578
Note(s)	14	14	14						

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

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

Statement of cash flows

for the year ended 28 February 2022

Accounting policies

for the year ended 28 February 2022

	Note(s)	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Cash flows from operating activities					
Cash generated by/(used in) operations	26	663 447	504 722	(1 506)	(1 136)
Investment income received		4 983	14 753	899	1 029
Dividend received		–	–	200 000	–
Finance costs paid		(62 910)	(40 912)	–	(4 577)
Taxation paid	34	(125 202)	(71 776)	(20)	–
Net cash generated from/(used in) operating activities		480 318	406 787	199 373	(4 684)
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(146 470)	(52 371)	–	–
Sale of property, plant and equipment	4	5 188	–	–	–
Investment property development costs	3	(446 470)	(596 022)	–	–
Investment property sales	3	–	6 946	–	–
Loans advanced to Group companies		–	–	(619)	–
Payments for other financial assets		(160)	–	–	–
Net cash used in investing activities		(587 912)	(641 447)	(619)	–
Cash flows from financing activities					
Treasury shares purchased	14	(32 994)	(397)	–	–
Repayment of other financial liabilities		–	–	(189 410)	–
Financial liabilities raised		1 049 329	103 738	–	–
Financial liabilities repaid		(687 728)	(18 281)	–	(407)
Shareholders' loans repaid		–	–	–	(2 810)
Lease liability repaid		(8 914)	(6 824)	–	–
Net cash (used in)/from financing activities		319 693	78 236	(189 410)	(3 217)
Total cash movement for the year		212 099	(156 424)	9 344	(7 901)
Cash at the beginning of the year		65 623	223 080	12 794	20 695
Effect of translation of foreign entities		8 666	(1 037)	–	–
Total cash at end of the year	13	286 388	65 619	22 138	12 794

Corporate information

Acision is a public company incorporated and domiciled in South Africa. Its subsidiaries are incorporated and domiciled in South Africa and Cyprus.

The consolidated and separate annual financial statements for the year ended 28 February 2022 were authorised for issue in accordance with a resolution of the directors on Thursday, 9 June 2022.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Statement of compliance

The principal accounting policies of Acision and its subsidiaries ("the Group"), as well as the disclosures made in the consolidated and separate annual financial statements, have been prepared in accordance with IFRS and SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act applicable to companies reporting in terms of IFRS.

1.2 Basis of measurement

The consolidated and separate annual financial statements have been prepared on the historical cost unless otherwise stated. The consolidated and separate annual financial statements are presented in South African Rand, which is the Group and Company's functional and presentation currency. In addition, the financial statements are presented in a rounding to the nearest thousand (R'000).

The consolidated and separate annual financial statements have been prepared on the going concern basis.

1.3 Consolidation

Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporate the financial results of the Company and all subsidiaries and associates up to and including 28 February 2022.

Subsidiaries are entities controlled by the Group. The Group "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group reassesses on an annual basis whether or not it controls an investee if facts or circumstances indicate that one or more of the elements of control have changed during the year.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the Group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the date of acquisition or up to the date of disposal, as applicable.

In the Company's separate financial statements, investments in subsidiaries are measured at cost less accumulated impairment losses. Costs comprise the fair value of assets acquired, liabilities and obligations assumed and equity instruments issued. Costs directly attributable to the acquisition are expensed as incurred.

Non-controlling interest

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

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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Goodwill

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

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

Accounting policies continued

for the year ended 28 February 2022

1. Significant accounting policies continued

1.3 Consolidation continued

Basis of consolidation continued

Goodwill continued

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

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

1.4 Significant judgements and sources of estimation uncertainty

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

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment are disclosed in the respective notes to which they relate.

1.5 Fair value measurement

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

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

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

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

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

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

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

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

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

1.6 Investment property

Investment property consists of investment property and investment property under development.

Investment property

Investment properties include land and buildings and undeveloped land held either to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business or for administration purposes.

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised if the criteria for investment property are met.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment properties are measured at fair value. Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. Valuations are done on the open-market value basis and the valuers use either the discounted cash flow method, the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs.

When investment property is acquired, the Group performs an assessment to determine whether the acquired assets and associated liabilities meet the definition of a business included in IFRS 3 Appendix B. In performing this assessment, consideration is given to determining whether an integrated set of activities and assets exists that is capable of being conducted and managed for the purpose of providing a service to customers, generating investment income or generating other income from its ordinary activities.

When identifying the existence of an integrated set of activities, the Group considers the nature of the activities and the specific knowledge or skill involved in the application of these activities. The Group does not consider the transfer of administrative-type services the existence of such an integrated process. Should a process be identified, the acquisition is accounted for as a business combination in terms of IFRS 3. All other acquisitions are accounted for as asset purchases in terms of IAS 40 Investment Property.

Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

When the Group redevelops an existing investment property for continued future use as investment property, the property is temporarily transferred to investment property under development until completion of the project.

Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. To the extent that developments can be accurately fair valued, developments are measured at fair value.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs, are capitalised.

Borrowing costs are capitalised to the extent that they are directly attributable to the construction of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds, the weighted average cost of borrowings. The capitalisation of borrowing costs is suspended when developments are delayed for an extended period of time.

1.7 Property, plant and equipment

Initial measurement

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

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

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

Accounting policies continued

for the year ended 28 February 2022

1. Significant accounting policies continued

1.7 Property, plant and equipment continued

Subsequent measurement

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

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

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

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

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

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

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

The hotel is 93% complete and trading commenced in February 2022 in a phased approach to be 100% operational in September 2022.

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

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

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

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

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

Derecognition and disposal

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

When a revalued asset is disposed of, any revaluation surplus is transferred directly to retained income. The transfer to retained income is not made through profit or loss.

1.8 Financial instruments

Recognition and off-setting

Financial instruments include cash and cash equivalents, investments, loans, trade and other receivables, derivative financial assets and liabilities, trade and other payables and interest-bearing borrowings.

Financial instruments are initially measured at fair value which, except for financial instruments measured at fair value through profit or loss, include directly attributable transaction costs.

Subsequent to initial recognition, financial instruments are measured as follows:

Investments	Measured at fair value, being the quoted closing price at the reporting date, through profit or loss.
Derivative instruments	Measured at fair value through profit or loss.
Loans advanced	Measured at amortised cost.
Trade and other receivables	Measured at amortised cost.
Cash and cash equivalents	Measured at amortised cost.
Trade and other payables	Measured at amortised cost.
Interest-bearing borrowings	Measured at amortised cost.

Directly attributable costs relating to financial instruments which are subsequently measured at fair value are recognised directly in profit or loss.

Cash and cash equivalents include cash balances, call deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets.

Financial assets are measured at amortised cost if the following conditions are met and they are not designated as at fair value through other comprehensive income:

- they are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes all derivative assets.

In assessing whether contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the arrangement. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value with net gains and losses (including interest and dividend income) recognised in profit or loss.

Financial assets measured at amortised cost are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income and impairments are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

Financial liabilities

The Group recognises a financial liability when it first becomes party to the contractual rights and obligations in the contract. Financial liabilities are classified as measured at amortised cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. These financial liabilities are initially measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest rate method. Interest expenses are recognised in profit or loss.

Accounting policies continued

for the year ended 28 February 2022

1. Significant accounting policies continued

1.8 Financial instruments continued

Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is ignored.

Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount and is recognised in profit or loss.

The recoverable amount of an asset or a CGU is the greater of its fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to its present value using an appropriate pre-tax discount rate. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss no longer exists.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, lease receivables and trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and lease receivables estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, a 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.
- Significant deterioration in external market indicators of credit risk for a particular financial instrument.
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- An actual or expected significant deterioration in the operating results of the debtor.
- An actual or expected significant adverse change in the regulatory or economic conditions of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

1.8 Financial instruments continued

Impairment continued

Financial assets continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account.

1.9 Taxation and deferred taxation

Income tax expenses

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the tax bases.

Deferred tax is not recognised for:

- temporary differences 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 or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. These reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income tax levied by the same authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Accounting policies continued

for the year ended 28 February 2022

1. Significant accounting policies continued

1.10 Inventories

When management has the intent to sell property still under development for the realisation of sales proceeds instead of holding the property for capital appreciation or generating long-term yields, such property is classified as inventory.

Such classification will continue post completion of the property until either the property is sold, or the purpose of the property is changed to capital appreciation and generating long-term yields.

Subsequently, such items are carried at the lower of cost and net realisable value. When a property is sold, a profit or loss is recognised in profit and loss when transfer of ownership occurs.

1.11 Provisions and contingencies

A provision is recognised when:

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

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

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

1.12 Revenue

Group

Revenue comprises rental revenue and recovery of expenses, excluding value added tax ("VAT"), as well as dividend income.

Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. The difference between the contractual cash flows and the straight-lining revenue is recognised as an operating lease asset/liability.

On 27 March 2020, government instituted a national lockdown which resulted in the restriction of many of the Group's tenants' ability to trade. Since this date, South Africa has moved between various lockdown alert levels which have imposed varying restrictions on certain categories of tenants, particularly leisure-focused tenants. Acision has continued to provide rental concessions in the form of rental discounts for tenants that have been impacted by these restrictions. The rental discounts represent a change in the consideration of the respective leases and as such meet the requirements of a lease modification as defined in IFRS 16. The lease modifications are accounted for as new leases from the effective date of the modification taking into account any prepaid or accrued lease payments relating to the original leases as part of the lease payments for the new lease and are released to profit or loss on a straight-line basis over the remaining term of the lease.

The recovery of expenses represents the recovery of costs by the Group for the provision of services as stipulated in the lease agreement. Acision manages the relationships with its suppliers and is responsible for the payment of services regardless of whether the mall is fully let or not. In the event that the expense is not recoverable from tenants, Acision continues to have an obligation to the suppliers for the settlement of the amount due. Acision is responsible for providing the services to tenants. The Group acts as a principal on its own account when recovering operating costs from tenants.

Company

Company dividend income is recognised in profit or loss on the date the Group's right to receive payment is established, which in the case of quoted securities is usually the ex dividend date.

1.13 Expenses

Service costs and property operating expenses.

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

1.14 Insurance proceeds

Insurance proceeds are recognised when the Group has an unconditional right to receive compensation. An unconditional right exists if:

- the Group has an insurance contract which it can make a claim for compensation; and
- the loss event that creates the right for the Company to assert a claim at the reporting date has occurred and the claim is not disputed by the insurer.

1.15 Dividends paid

Dividends to the holders of equity instruments are recognised directly in equity on the date that the dividend is declared.

1.16 Employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the Group has a present obligation to pay as a result of employees' services provided to the reporting date. The Group does not provide any retirement or post-retirement benefits.

1.17 Treasury shares

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity. All costs relating to the acquisition of treasury shares as well as gains or losses on disposal or cancellation of treasury shares are recognised directly in equity.

Acision shares held by its subsidiary, Southern Palace Investments 108 Proprietary Limited, are treated as treasury shares on consolidation. These shares are deducted from the weighted average shares in issue.

Dividends received on treasury shares are eliminated on consolidation.

1.18 Investment income and finance cost

Investment income comprises interest received on funds invested and loans advanced and is recognised in profit or loss as it accrues.

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.19 Foreign currency

Foreign currency transactions

Transactions in currencies other than the Group's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the exchange rate on that date. Exchange differences, if any, that arise on the translation of monetary items are recognised in profit or loss. At each reporting date, the exchange differences related to non-monetary items, net of tax, are transferred to the foreign currency translation reserve, except to the extent that the translation differences are allocated to non-controlling interests.

Foreign operations

The assets and liabilities of foreign operations are translated to the Group's presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to the Group's presentation currency at the average exchange rates for the reporting period.

Exchange differences, if any, arising from the translation of foreign operations for the purposes of presenting these consolidated financial statements, are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve. A foreign currency transaction is recorded, on initial recognition in Rand, by applying the average exchange rates for the month in which they occur where these approximate the rates on the dates of the underlying transaction.

1.20 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue during the reporting period, adjusted for treasury shares held.

Headline earnings per share is calculated by dividing headline earnings, calculated in terms of Circular 1/2021 issued by SAICA, by the weighted average number of shares in issue during the reporting period.

For the diluted earnings per share, the weighted number of shares in issue is adjusted to assume the conversion of all the shares with dilutive potential.

1.21 Stated capital

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

1.22 Segmental reporting

The Group determines 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. The Group's current investment property exposure is heavily weighted towards retail (94%). The Group has two main reportable segments, namely:

- South African operations; and
- International operations.

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

An operating segment's operating results are reviewed regularly by Exco to make decisions about resources to be allocated to the segment and to assess its performance.

Accounting policies continued

for the year ended 28 February 2022

1. Significant accounting policies continued

1.23 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has delegated the responsibility for developing and monitoring the Group's risk management policies to the Audit and Risk Committee.

The committee reports to the Board on its activities. The Audit and Risk Committee oversees how management monitors 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'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.

Credit risk

Credit risk is the risk of financial loss to the Group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from tenants, loans, loans to co-owners, investments and cash and cash equivalents.

Trade and other receivables

Trade and other receivables relate mainly to the Group's tenants and deposits with municipalities. In monitoring the customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties. The Group's exposure to credit risk is influenced mainly by the individual risk characteristics of each tenant. The Group's widespread tenant base reduces credit risk.

Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Where available, the Group's review includes external ratings.

The Group determines an expected loss rate in terms of a provision matrix of ageing of the Group's trade receivables. This is performed by determining the historical credit loss experienced from observed default rates.

This is then adjusted using forward-looking information in order to establish the ECL rates.

Trade and other receivables are written off only if there is no reasonable expectation that such amounts are recoverable. Indicators that the recoverability of trade and other receivables may be in question include, among others, poor financial health of the counterparty with no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into business rescue and a failure to agree to or adhere to alternative payment arrangements. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

Any recoveries made are recognised in profit or loss.

Cash and cash equivalents

The Group's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash handling purposes.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations comprising interest-bearing borrowings, amounts owing to non-controlling shareholders and trade and other payables, as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when they fall due.

The Group receives rental on a monthly basis and uses it to ensure that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. Excess available cash is used to reduce borrowings. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Management monitors the Group's liquidity position on a daily basis and is reviewed quarterly by the Board.

1.23 Financial risk management continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The occurrence of the COVID-19 pandemic has created uncertainty regarding the future income from these investments.

The Group is exposed to interest rate risk on its loans advanced, interest-bearing borrowings and cash and cash equivalents.

Loans advanced, interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to prime/JIBAR.

The Group's interest rate risk is monitored by management on a monthly basis. Factors considered by management when assessing the level of interest risk include the refinancing of maturing facilities, alternative sources of funding and general market conditions.

Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment property

The Group's investment properties are valued internally by the directors at interim and year-end reporting periods. Additionally, investment properties are valued by external values at least once every three years. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property.

A capitalisation rate that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant space, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property.

Investments

The fair value of unlisted investments is determined with reference to the latest available financial information provided by the counterparty.

Trade and other receivables

The fair value of loans and trade and other receivables is estimated to be its carrying amount as it is short term in nature and therefore the impact of the time value of money is not material.

Capital management

The Group considers the equity attributable to equity holders as permanent capital of the Group. 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 also monitors the level of distributions to shareholders. The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes to the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the annual financial statements

for the year ended 28 February 2022

2. New Standards and Interpretations

In the current period, the Company has adopted standards and interpretations that are effective for the current financial period and that are relevant to its operations. Where they did not have a material effect on the Company's consolidated financial statements it was therefore not detailed further.

Amendments to IFRS 7: Financial Instruments: Disclosures

Amendments regarding pre-replacement issues in the context of the IBOR reform.

Amendments to IFRS 16: Leases

Amendments to provide leases with an exemption from May 2020 assessing whether a COVID-19-related rent concession is a lease modification.

IAS 39: Financial Instruments: Recognition and Measurement

Amendments regarding pre-replacement issues in the context of the IBOR reform.

The aforementioned amendments have not had any significant effect on the Group or Company's financial statements.

Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 March 2022 or later periods.

IFRS 3: Business Combinations

Reference to the Conceptual Framework: The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

IAS 1: Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-Current)

The International Accounting Standards Board ("IASB") issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

The International Accounting Standards Board ("IASB") issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 8: Definition of Accounting Estimates (Amendment – Definition of Accounting Estimates)

Amendments to IAS 8, introduce a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors, as well as how entities use measurement techniques and inputs to develop accounting estimates.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 16: Property, Plant and Equipment (Amendment – Proceeds Before Intended Use)

Amendments to IAS 16, which prohibit a company from deducting amounts received from selling items produced while the Company is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a company will recognise such sales proceeds and any related costs in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted.

IAS 37: Provisions, Contingent Liabilities and Contingent Assets

Amendments to IAS 37, which specify the costs a company includes when assessing whether a contract will be loss-making and is therefore recognised as an onerous contract. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

Annual Improvements to IFRS: 2018 – 2020 Cycle

Minor amendments to IFRS 1: First time Adoption of International Financial Reporting Standards, IFRS 9: Financial Instruments, IAS 41: Agriculture and the Illustrative Examples accompanying IFRS 16: Leases.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and earlier application is permitted.

Notes to the annual financial statements continued

for the year ended 28 February 2022

3. Investment property

	Carrying value 2022 R'000	Carrying value 2021 R'000
Investment property at fair value	9 951 519	8 242 773
Operating lease asset	135 695	144 020
Total	10 087 214	8 386 793

	Opening balance	Additions	Increase in right of use asset	Foreign currency translation	Fair value adjustments	Total
Reconciliation of investment property – Group – 2022						
Investment property	8 242 773	446 470	261 000	(15 010)	1 016 286	9 951 519

	Opening balance	Additions	Disposals	Transfer from deposits paid	Transfer to property, plant and equipment (Note 4)	Foreign currency translation	Fair value adjustments	Total
Reconciliation of investment property – Group – 2021								
Investment property	7 854 029	596 022	(8 376)	4 893	(39 592)	17 056	(181 259)	8 242 773

No investment properties were acquired in the current year.

Properties are fair valued annually. Properties are valued externally on a rotational basis. At least one-third of the properties are valued externally and the balance of the properties are valued by the directors. A property will be externally valued at least once every three years. For the year ended 28 February 2022 the independent and directors' valuations were:

Independent valuers

Acsiopolis (Lomastep Proprietary Limited)
Mall@Carnival (Golden Falls Trading 125 Proprietary Limited)
Mall@Emba (Double Ring Trading 62 Proprietary Limited)
Mall@Larnaca (Zudolex Cyprus Limited)
Mall@Moutsiya (Daybreak Properties 3 Proprietary Limited)
Mall@Reds (Proc Corp 160 Proprietary Limited)

Directors' valuation

Mall@55 (Nabuvax Proprietary Limited)
Mall@Lebo (Nungu Trading 517 Proprietary Limited)
Mall@Mfula (Zarafusion Proprietary Limited)
Moreleta Square (Rubensmen Proprietary Limited)
Simarlo Rainbow (DAJM Property Investment Proprietary Limited)

The effective date of the revaluation was 28 February 2022 (2021: 28 February 2021).

Independent valuers

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

Valuation techniques

The valuations were performed using methods documented in the accounting policies. Cash flows are determined by the signed lease agreements in place. Should a signed lease agreement not be in place at the date of valuation, the directors allow for a three-month vacancy before estimating cash flows for a vacant unit, based on rental mandates for each property. All investment properties for the Group are Level 3 hierarchy in terms of IFRS 13: Fair Value Measurement. There were no transfers between Levels 1, 2 and 3 during the year.

Completed developments

Completed developments were valued as at 28 February 2022 (2021: 28 February 2021) using the discounted cash flow of future income streams method if valued by the directors. External valuers have the discretion to use their own valuation method. Messrs P Parfitt and H Timeothou have used the discounted cash flow method and Mrs A de Wet has used the income capitalisation method based on future cash flows, being her preferred method of valuation. This accords with the prior year except as detailed below.

There are 10 (2021: nine) completed developments at year-end; nine of the completed developments are fully owned. During the year under review, the Mall@Larnaca in Cyprus was completed and transferred from developments under construction to completed developments.

Developments under construction

The effective date of the valuation of the development under construction was 28 February 2022 (2021: 28 February 2021). The value of the development under construction is determined by reference to the bulk rate per square metre ("sqm"), adjusted for construction costs to date if the development is less than 25% complete or more than one year away from being completed. If the development under construction is to be completed within one year of the financial-year end, the income capitalisation method of anticipated future income streams method or residual valuation method is followed.

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

Details of properties

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Simarlo Rainbow – 6 007 m² light industrial property				
– Acquisition cost of investment property	32 112	32 112	–	–
– Capital cost since acquisition	853	694	–	–
– Accumulated fair value adjustments since acquisition	13 248	9 025	–	–
	46 213	41 831	–	–

This property measuring 6.9 hectares, including retail mall improvements, is held in three sectional title properties, namely:

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

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

	2022 Directors' valuation %	2021 Directors' valuation %
Exit capitalisation rate	9.20	10.30
Discount rate	14.61	15.00
Actual vacancy percentage	15.28	17.23
Revenue escalation rate	4.25	4.00
Expense escalation rate	7.35	5.00

Notes to the annual financial statements continued

for the year ended 28 February 2022

3. Investment property continued

Details of properties continued

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(760)	(592)	–	–
A decrease of 50 basis points in the discount rate	778	604	–	–
An increase of 50 basis points in the capitalisation rate	(1 488)	(1 295)	–	–
A decrease of 50 basis points in the capitalisation rate	1 658	1 428	–	–
Moreleta Square – 8 566 m² neighbourhood centre				
– Acquisition cost of investment property	132 774	132 774	–	–
– Accumulated fair value adjustments since acquisition	36 740	29 633	–	–
	169 514	162 407	–	–

This property comprises a shopping mall situated on Erf 6301 and 6302 of Farm Garsfontein 374, Moreleta Park, Extension 32, Pretoria.

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

	2022 Directors' valuation %	2021 Directors' valuation %
Exit capitalisation rate	9.40	9.00
Discount rate	14.00	14.50
Actual vacancy percentage	2.57	4.07
Revenue escalation rate	4.60	5.00
Expense escalation rate	5.60	7.00

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(2 843)	(2 428)	–	–
A decrease of 50 basis points in the discount rate	2 913	2 478	–	–
An increase of 50 basis points in the capitalisation rate	(5 434)	(6 182)	–	–
A decrease of 50 basis points in the capitalisation rate	6 044	6 909	–	–
Mall@Reds – 55 143 m² regional shopping centre				
– Acquisition cost of investment property	751 154	751 154	–	–
– Capital cost since acquisition	38 493	38 493	–	–
– Accumulated fair value adjustments since acquisition	646 322	567 405	–	–
	1 435 969	1 357 052	–	–

This property comprises a shopping mall erected on Erf 1089, Rooihuiskraal, Extension 15, Centurion.

An income capitalisation valuation methodology was used by Mrs A de Wet for the current year's valuation. A discounted cash flow method was used by Mr P Parfitt in the prior year.

Details of properties continued

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

	2022 Independent valuation %	2021 Independent valuation %
Exit capitalisation rate	8.00	8.75
Discount rate	12.00	14.00
Actual vacancy percentage	4.00	5.58
Revenue escalation rate	7.00	7.11
Expense escalation rate	7.00	7.60

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(24 877)	(25 173)	–	–
A decrease of 50 basis points in the discount rate	25 505	25 792	–	–
An increase of 50 basis points in the capitalisation rate	(56 375)	(49 809)	–	–
A decrease of 50 basis points in the capitalisation rate	63 892	55 846	–	–
Refer to note 16 regarding funding secured over this property.				
Mall@Carnival – 90 579 m² regional shopping centre				
– Acquisition cost of investment property	1 637 175	1 637 175	–	–
– Capital cost since acquisition	147 673	147 623	–	–
– Accumulated fair value adjustments since acquisition	856 063	659 867	–	–
	2 640 911	2 444 665	–	–

This property comprises a shopping mall erected on Erf 3080, Dalpark Extension 5, Brakpan.

Mr P Parfitt used a discounted cash flow method in the current year. An income capitalisation method was used by Mrs A de Wet in the prior year.

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

	2022 Independent valuation	2021 Independent valuation
Exit capitalisation rate	8.00%	7.50%
Discount rate	13.50%	12.50%
Actual vacancy percentage	3.40%	4.95%
Revenue escalation rate	6.61%	7.00%
Expense escalation rate	8.03%	7.00%
Floor area ratio rate per sqm (124 133 m ²)	R282	R300

Notes to the annual financial statements continued

for the year ended 28 February 2022

3. Investment property continued

Details of properties continued

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(46 153)	–	–	–
A decrease of 50 basis points in the discount rate	47 319	–	–	–
An increase of 50 basis points in the capitalisation rate	(104 591)	(156 926)	–	–
A decrease of 50 basis points in the capitalisation rate	118 536	179 344	–	–
Mall@Emba – 24 062 m² community centre				
– Acquisition cost of investment property	408 327	408 327	–	–
– Capital cost since acquisition	20 677	20 533	–	–
– Accumulated fair value adjustments since acquisition	231 813	191 006	–	–
	660 817	619 866	–	–

This property comprises a retail mall situated at Erf 2/2535, 3/2535, 7/2535 Embalenhle Extension 7 and Erf 27777 Embalenhle Extension 13, Secunda.

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

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

	2022 Independent valuation %	2021 Directors' valuation %
Exit capitalisation rate	9.75	9.00
Discount rate	12.00	14.00
Actual vacancy percentage	5.00	6.87
Revenue escalation rate	7.00	5.00
Expense escalation rate	7.00	7.00

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(11 107)	(9 167)	–	–
A decrease of 50 basis points in the discount rate	11 381	9 359	–	–
An increase of 50 basis points in the capitalisation rate	(20 933)	(23 278)	–	–
A decrease of 50 basis points in the capitalisation rate	23 259	26 016	–	–
Mall@Lebo – 23 548 m² small regional centre				
– Acquisition cost of investment property	249 575	249 575	–	–
– Capital cost since acquisition	14 622	14 622	–	–
– Accumulated fair value adjustments since acquisition	304 652	251 817	–	–
	568 849	516 014	–	–

This property comprises a shopping mall situated on Erf 31, 32 and 33 of Lebowakgomo-BA Township district of Thabamopo.

Details of properties continued

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

	2022 Directors' valuation %	2021 Directors' valuation %
Exit capitalisation rate	8.50	8.50
Discount rate	13.30	14.00
Actual vacancy	2.13	2.80
Revenue escalation rate	4.80	5.00
Expense escalation rate	5.90	7.00

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(9 812)	(7 828)	–	–
A decrease of 50 basis points in the discount rate	10 056	7 992	–	–
An increase of 50 basis points in the capitalisation rate	(20 940)	(21 171)	–	–
A decrease of 50 basis points in the capitalisation rate	23 557	23 818	–	–
Refer to note 16 regarding funding secured over this property.				
Mall@Moutsiya – 14 703 m² community centre				
– Acquisition cost of investment property	30 471	30 471	–	–
– Capital cost since acquisition	79 081	79 081	–	–
– Accumulated fair value adjustments since acquisition	136 244	124 187	–	–
	245 796	233 739	–	–

The property comprises a shopping centre and land parcels situated on the remaining portion 6 of Farm Walkraal, Sekhukhune district, Limpopo.

A discounted cash flow valuation method was used by Mr Parfitt in the current year.

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

	2022 Independent valuation %	2021 Directors' valuation %
Exit capitalisation rate	9.50	9.00
Discount rate	14.50	14.00
Actual vacancy percentage	6.56	3.69
Revenue escalation rate	5.63	5.00
Expense escalation rate	5.63	7.00

Notes to the annual financial statements continued

for the year ended 28 February 2022

3. Investment property continued

Details of properties continued

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(4 734)	(3 824)	–	–
A decrease of 50 basis points in the discount rate	4 852	3 904	–	–
An increase of 50 basis points in the capitalisation rate	(10 101)	(9 708)	–	–
A decrease of 50 basis points in the capitalisation rate	11 364	10 850	–	–
Mall@55 and Trade55 – 16 969 m² convenience centre				
– Acquisition cost of investment property	179 554	179 554	–	–
– Capital cost since acquisition	119 618	117 554	–	–
– Accumulated fair value adjustments since acquisition	73 419	18 894	–	–
	372 591	316 002	–	–

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

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property, relating only to Mall@55:

	2022 Directors' valuation %	2021 Directors' valuation %
Exit capitalisation rate	8.50%	8.50%
Discount rate	13.30%	14.00%
Actual vacancy percentage	2.83%	5.44%
Revenue escalation rate	4.80%	5.00%
Expense escalation rate	5.90%	7.00%
Bulk rate per sqm (30 000 m ²)	R 1 392	R1 174
Floor area ratio per sqm (Trade@55) (32 250 m ²)	R1 350	R1 332

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(6 411)	(4 539)	–	–
A decrease of 50 basis points in the discount rate	6 570	4 634	–	–
An increase of 50 basis points in the capitalisation rate	(13 680)	(12 270)	–	–
A decrease of 50 basis points in the capitalisation rate	15 390	13 804	–	–
Mall@Mfula – 17 955 m² community centre				
– Cost of investment property	860	860	–	–
– Capital cost since acquisition	104 780	104 780	–	–
– Accumulated fair value adjustments	270 328	230 807	–	–
	375 968	336 447	–	–

This property comprises a retail shopping centre situated on Portion 126 of Farm 149 and Erf 2686 of Piet Retief, Mpumalanga.

Details of properties continued

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

	2022 Directors' valuation %	2021 Directors' valuation %
Exit capitalisation rate	8.50	8.50
Discount rate	13.30	14.00
Actual vacancy percentage	7.10	6.87
Revenue escalation rate	4.80	5.00
Expense escalation rate	5.90	7.00

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 50 basis points in the discount rate	(6 731)	(5 447)	–	–
A decrease of 50 basis points in the discount rate	6 899	5 561	–	–
An increase of 50 basis points in the capitalisation rate	(14 362)	(14 731)	–	–
A decrease of 50 basis points in the capitalisation rate	16 157	16 572	–	–
Mall@Larnaca – 39 160 m² regional centre				
– Land lease (right-of-use asset)	483 632	240 288	–	–
– Capital cost of development	708 679	637 862	–	–
– Accumulated fair value adjustments	1 350 135	568 142	–	–
	2 542 446	1 446 292	–	–

The Group entered into a land lease agreement to construct a retail centre on 1 January 2019 for a total of 33 years with the option to renew twice for an additional 33 years.

The successful completion of the development and strong operating performance of the property during difficult and uncertain circumstances significantly improved the likelihood that management will in the future exercise the option to extend the lease. As a result, the lease liability and right-of-use asset was calculated for a period of 99 years. This resulted in an increase on the related right-of-use asset to the value of R261 000 (refer to note 17).

The annual escalation is in line with Cyprus' inflation rate, with a maximum rate of 4% and a minimum of 1%. The lease payment will be adjusted to 2.6% of the land value in year 13 of the initial lease period and will be adjusted once more on renewal date if the option is exercised for an additional 33 years.

Mr H Timotheou conducted the valuation of the property in the current year. He is based in Cyprus and is employed by a Cyprus company. He used the comparable method in conjunction with the discounted cash flow valuation methodology to conduct the valuation for the current year. The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2022 Independent valuation %	2021 Independent valuation %
Exit capitalisation rate	7.25	8.00
Discount rate	10.25	–
Actual vacancy percentage	3.40	–
Revenue escalation rate	3.15	–
Expense escalation rate	2.53	–

Notes to the annual financial statements continued

for the year ended 28 February 2022

3. Investment property continued

Details of properties continued

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 25 basis points in the discount rate	(54 884)	–	–	–
A decrease of 25 basis points in the discount rate	19 462	–	–	–
An increase of 25 basis points in the capitalisation rate	(59 673)	(104 436)	–	–
A decrease of 25 basis points in the capitalisation rate	26 303	118 361	–	–
Acsiopolis – 67 000 m² mixed-use development				
– Cost of investment property	42 530	42 519	–	–
– Capital cost of development	1 205 402	970 562	–	–
– Accumulated fair value adjustments	199 834	310 698	–	–
– Transfer to property, plant and equipment	(555 321)	(555 321)	–	–
	892 445	768 458	–	–

This property comprises a mixed-use development situated on Portion 1 of Erf 266 Benmore Garden Township, 5 Benmore Road, Gauteng.

A residual valuation method was used by Mrs A de Wet, being the best use for this property. In the prior year, the same methodology was used by Mrs A de Wet.

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

	2022 Independent valuation	2021 Independent valuation
Exit capitalisation rate (Apartment)	11.00%	12.50%
Exit capitalisation rate (Retail)	9.00%	8.50%
Discount rate (Apartments)	11.00%	–
Discount rate (Retail)	13.00%	15.00%
Revenue escalation rate (Retail)	–	7.00%
Selling price per sqm (Apartments)	R35 000	R35 000

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity				
An increase of 100 basis points in the discount rate	(10 463)	–	–	–
A decrease of 100 basis points in the discount rate	11 899	–	–	–
An increase of 100 basis points in the capitalisation rate	(15 322)	–	–	–
A decrease of 100 basis points in the capitalisation rate	17 948	–	–	–

4. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Hotel	582 884	–	582 884	521 512	–	521 512
Leasehold property installations	255 370	(205 255)	50 115	304 978	(234 348)	70 630
Plant and equipment	134 871	(108 008)	26 863	110 289	(107 474)	2 815
Furniture and fixtures	63 086	(20 859)	42 227	17 388	(17 011)	377
Motor vehicles	45	(33)	12	479	(458)	21
Computer software	1 130	(1 035)	95	594	(594)	–
Marketing equipment	975	(975)	–	976	(976)	–
Investment property, equipment and fixtures	36 574	(2 015)	34 559	133 060	(82 776)	50 284
Total	1 074 935	(338 180)	736 755	1 089 276	(443 637)	645 639

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Reconciliation of property, plant and equipment – Group 2022						
Hotel	521 512	66 670	–	(5 298)	–	582 884
Leased property installations	70 630	3 514	(2 075)	–	(21 954)	50 115
Plant and equipment	2 815	29 200	(717)	–	(4 435)	26 863
Furniture and fixtures	377	46 247	(110)	–	(4 287)	42 227
Motor vehicles	21	–	–	–	(9)	12
Computer software	–	101	–	–	(6)	95
Investment property, equipment and fixtures	50 284	738	(2 286)	–	(14 177)	34 559
Total	645 639	146 470	(5 188)	(5 298)	(44 868)	736 755

	Opening balance	Additions	Revaluation loss	Foreign exchange movements	Depreciation	Total
Reconciliation of property, plant and equipment – Group 2021						
Hotel	592 265	51 330	(122 083)	–	–	521 512
Leased property installations	88 837	265	–	–	(18 472)	70 630
Plant and equipment	9 381	579	–	22	(7 167)	2 815
Furniture and fixtures	893	182	–	–	(698)	377
Motor vehicles	30	–	–	–	(9)	21
Investment property, equipment and fixtures	56 268	15	–	–	(5 999)	50 284
Total	747 674	52 371	(122 083)	22	(32 345)	645 639

	Cost R'000	Cumulative revaluation R'000	Total R'000
Hotel reconciliation			
At transfer date	247 154	308 167	555 321
2019	17 366	30 347	47 713
2020	(8 930)	(1 839)	(10 769)
2021	51 330	(122 083)	(70 753)
2022	66 670	(5 298)	61 372
Total	373 590	209 294	582 884

Notes to the annual financial statements continued

for the year ended 28 February 2022

4. Property, plant and equipment continued

Revaluations

The owner-occupied asset is the hotel portion of the mixed-use asset in Benmore (Acsiopolis). As the hotel will be managed by one of the subsidiaries of the Group, the hotel has been classified as owner-occupied. This asset is valued through other comprehensive income in the statement of changes in equity on an annual basis. This portion of the mixed-use property was transferred to property, plant and equipment at fair value as at 30 November 2018. The value of the hotel if carried under the cost model would be R373 million (2021: R306 million).

Valuation technique

A residual valuation method was used by Mrs A de Wet, being the best use for this property. In the prior year, the same methodology was used by Mrs A de Wet.

The effective date of the revaluation for the year ended was 28 February 2022.

The estimated cost to complete the development and costs to sell are deducted from the market value. This property is on a Level 3 hierarchy. There were no transfers between levels 1, 2 and 3 during the year.

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

	2022 Independent valuation	2021 Independent valuation
Discount rate	12.00%	10.00%
Selling price per sqm	R35 000	R35 000

Sensitivity analysis:

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Sensitivity analysis				
An increase of 100 basis points in the discount rate	(7 750)	(12 807)	–	–
A decrease of 100 basis points in the discount rate	7 960	13 195	–	–
An increase to R40 000/selling price per sqm	86 506	–	–	–
An increase of 100 basis points in the sale price per sqm	–	6 843	–	–

5. Goodwill

	Carrying value 2022 R'000	Carrying value 2021 R'000
Carrying value of goodwill	625 464	625 464

Goodwill originated during the formation of the Acision Limited group and represents a premium paid in relation to Anaprop Property Management. It constitutes the amount of value the various shareholders in the restructure transaction were willing to pay in order to internalise the property management, asset management and property development functions within the Group. Due to the Group's successful history of delivering NAV for its shareholders, Acision's pre-listing shareholders agreed to the payment of the premium so as to secure their participation in the development profits arising from the current development pipeline, as well as future development opportunities. This was also taken into account in the decision to pay the premium.

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

Value in use was determined using a discounted cash flow ("DCF") model, which used budgets and forecasts for five years, and as in perpetuity value discounted to present value.

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

Some of the parameters used in the determination of the value in use of Anaprop include the following:

	2022	2021
Contractual fee income (fixed percentage of rental collections)	7.50%	7.50%
Operational profit escalation rate (budget and forecast periods)	5.00%	5.00%
Discount rate	10.48%	9.71%
Exit capitalisation rate	7.73%	6.81%
Long-term growth rate	2.75%	2.90%
Exchange rate (Euro)	R18.00	R18.19

The amount by which the value in use of Anaprop exceeded its carrying value, including goodwill, as of 28 February 2022 was approximately R21.9 million (2021: R52 million).

Goodwill sensitivity analysis

A change in the following significant inputs would result in the recoverable amount of the goodwill being equal to its carrying value.

Discount rate	10.75%
Exit capitalisation rate	8.13%
Operational profit escalation rate	3.85%
Long-term growth rate	2.38%

Notes to the annual financial statements continued

for the year ended 28 February 2022

6. Intangible development project assets

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Opening balance	165	165	-	-
Transferred to investment property	-	-	-	-
Closing balance	165	165	-	-

During the formation of the Group, the holding company acquired a wholly owned subsidiary that owns the intangible development project asset comprising development rights for the Mall@Maputo (Mozambique). The subsidiary was acquired by way of a share issue for R200 million.

7. Investments in subsidiaries

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

Name of company	Held by	% voting power 2022	% voting power 2021	Carrying amount 2022	Carrying amount 2021
Bengavista Proprietary Limited	Acsion Limited	100.00	100.00	14 341	14 341
DAJM Proprietary Limited	Acsion Limited	100.00	100.00	28 673	28 673
Daybreak Properties 3 Proprietary Limited	Acsion Limited	100.00	100.00	18 132	18 132
Double Ring Trading 62 Proprietary Limited	Acsion Limited	100.00	100.00	316 850	316 850
Fortuvox Proprietary Limited	Acsion Limited	100.00	100.00	199 835	199 835
Golden Falls Trading 125 Proprietary Limited	Acsion Limited	100.00	100.00	1 298 863	1 298 863
Lomastep Proprietary Limited	Acsion Limited	100.00	100.00	209 827	209 827
Nabuvax Proprietary Limited	Acsion Limited	100.00	100.00	117 728	117 728
Nungu Trading 516 Proprietary Limited	Acsion Limited	100.00	100.00	146 084	146 084
Proc Corp 160 Proprietary Limited	Acsion Limited	100.00	100.00	604 428	604 428
Rubensmen Proprietary Limited	Acsion Limited	100.00	100.00	113 186	113 186
Southern Palace Investments 108 Proprietary Limited	Acsion Limited	100.00	100.00	820 441	820 441
Zarafusion Proprietary Limited	Acsion Limited	55.00	55.00	-	-
Bengavox Proprietary Limited	Acsion Limited	100.00	100.00	-	-
Zudolex Proprietary Limited	Acsion Limited	100.00	100.00	-	-
Zudonetix Proprietary Limited	Acsion Limited	100.00	100.00	-	-
Ornelia Limited (Cyprus)	Zudolex Proprietary Limited	100.00	100.00	-	-
Zudolex Cyprus Limited (Cyprus)	Ornelia Limited (Cyprus entity)	95.50	95.50	-	-
				3 888 388	3 888 388
Impairment of Fortuvox Proprietary Limited				(199 835)	(199 835)
Impairment of Bengavista Proprietary Limited				(2 727)	(2 727)
Impairment of Southern Palace Investments 108 Proprietary Limited				(78 000)	(78 000)
Impairment of Lomastep Proprietary Limited				(158 427)	-
				3 449 399	3 607 826

The principal business activity of all subsidiaries is the development of property and the direct or indirect investment in real estate. Below are summarised extracts from the financial statements of the material subsidiaries. Zudolex Cyprus, the owner of Mall@Larnaca, is separately disclosed as international operations in the note on segment reporting (note 33).

	2022 R'000	2021 R'000
Southern Palace Investments 108 Proprietary Limited		
Summarised statement of profit or loss and other comprehensive income		
Revenue	78 078	62 439
Operating expenses	(37 030)	(32 826)
Operating profit	41 048	29 613
Administrative expenses	(2 699)	(1 396)
Net finance cost	(8 963)	(22 946)
Profit before taxation	29 386	5 271
Taxation	(7 456)	(2 002)
Profit for the year	21 930	3 269
Summarised statement of financial position as at 28 February 2022		
Non-current assets	(22 336)	70 295
Current assets	141 990	818 092
Total assets	119 654	888 387
Equity	105 589	72 326
Non-current liabilities	1 030	-
Current liabilities	13 035	816 060
Total equity and liabilities	119 654	888 387

Southern Palace Investments 108 Proprietary Limited, trading as Anaprop Property Management ("Anaprop") renders property, asset and project management services to the Group.

Information was extracted from the financial statements of Anaprop for February 2022.

	2022 R'000	2021 R'000
Proc Corp 160 Proprietary Limited		
Summarised statement of profit or loss and other comprehensive income		
Revenue, excluding straight-line lease adjustment	121 965	142 041
Straight-line lease adjustment	(3 232)	(12 543)
Total revenue	118 733	129 498
Operating expenses	(13 052)	(64 350)
Operating profit	105 681	65 148
Administrative expenses	(6 150)	(2 321)
Net finance cost	(3 800)	(2 077)
Fair value gain on investment property	79 338	(20 348)
Profit before taxation	175 069	40 402
Taxation	(34 898)	(13 606)
Profit for the year	140 171	26 796

Notes to the annual financial statements continued

for the year ended 28 February 2022

7. Investments in subsidiaries (continued)

	2022 R'000	2021 R'000
Proc Corp 160 Proprietary Limited		
Summarised statement of financial position as at 28 February 2022		
Non-current assets	1 881 978	1 373 044
Current assets	58 813	1 065 703
Total assets	1 940 791	2 438 747
Equity	1 591 852	1 451 680
Non-current liabilities	286 061	277 911
Current liabilities	62 878	709 156
Total equity and liabilities	1 940 791	2 438 747

Proc Corp 160 Proprietary Limited is the owner of Mall@Reds (note 3).

Information was extracted from the financial statements of Proc Corp for February 2022.

	2022 R'000	2021 R'000
Golden Falls 125 Proprietary Limited		
Summarised statement of profit or loss and other comprehensive income		
Revenue, excluding straight-line lease adjustment	245 994	270 131
Straight-line lease adjustment	(2 865)	2 084
Total revenue	243 129	272 215
Operating expenses	(34 772)	(76 390)
Operating profit	208 357	195 825
Administrative expenses	(90 731)	31 033
Net finance cost	(15 073)	(8 203)
Fair value gain on investment property	196 195	(261 453)
Profit before taxation	298 748	88 458
Taxation	(74 340)	(10 170)
Profit for the year	224 408	78 288
Summarised statement of financial position as at 28 February 2022		
Non-current assets	5 070 391	2 547 432
Current assets	104 440	557 146
Total assets	5 174 831	3 104 577
Equity	2 751 168	2 526 760
Non-current liabilities	2 337 298	521 091
Current liabilities	86 365	56 726
Total equity and liabilities	5 174 831	3 104 577

Golden Falls 125 Proprietary Limited owns the Mall@Carnival and has entered into an agreement with fellow subsidiary, Lomastep Proprietary Limited, to operate the Acsiopolis building.

Information was extracted from the financial statements of Golden Falls for February 2022.

8. Other financial assets

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Loans and receivables				
Guarantees issued	699	539	–	–
Guarantees issued generally relate to utility deposits required by councils. The guarantees are cash deposits held at a financial institution that serve as security for the guarantees issued to relevant councils. Such deposits are generally invested in interest-bearing instruments. The interest earned on these products is generally returned to the Company on a quarterly basis.				
Non-current assets				
Loans and receivables	699	539	–	–

Fair value information

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

9. Loans to/(from) Group companies

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Subsidiaries				
Lomastep Proprietary Limited	–	–	199 327	199 327
Southern Palace Investments 108 Proprietary Limited	–	–	(234 680)	(424 089)
Zudorex Proprietary Limited	–	–	3 258	3 258
Nungu Trading 517 Proprietary Limited	–	–	102 784	102 784
Golden Falls 125 Proprietary Limited	–	–	8 425	8 425
Daybreak Properties 3 Proprietary Limited	–	–	11 438	11 438
Zarafusion Proprietary Limited	–	–	619	–
	–	–	91 171	(98 857)
Unless otherwise stated, the loans to and from subsidiaries are interest free with no fixed terms of repayment. The whole amount of R234 million due to Southern Palace Investments 108 Proprietary Limited is subject to a letter of support given to Acision and will not be called in for liquidity reasons.				
Current liabilities	–	–	(234 680)	(424 060)
Current assets	–	–	325 851	325 232
	–	–	91 171	(98 828)

Notes to the annual financial statements continued

for the year ended 28 February 2022

10. Loans to/(from) shareholders

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
RA Dlamini	(506)	(506)	–	–
T Kyriazis	(865)	(909)	–	–
A Nicoloudakis	(865)	(909)	–	–
D Thomas	(865)	(909)	–	–
I Anastasiadis	(865)	(909)	–	–
	(3 966)	(4 142)	–	–
<p>RA Dlamini is the minority shareholder in Zarafusion Proprietary Limited (Mall@Mfula) who contributes towards the development in terms of an arrangement the Group has with him. The loan of R506 thousand will only be repaid if the loan contributions by shareholders are proportionate to their shareholding and other Group loans are also repaid. The loan does not carry interest.</p> <p>The loans due to D Thomas, A Nicoloudakis, I Anastasiadis and T Kyriazis are Euro denominated. These loans from shareholders are directly or indirectly provided in the capacity as minority shareholders of Zudolex Cyprus Limited. The loans carry no interest, with no fixed terms of repayment and are unsecured.</p>				
Current liabilities	(3 966)	(4 142)	–	–
11. Inventories				
Residential units	39 592	39 592	–	–

Hyde Park Terrace, a high-end residential development of units ranging from 350 m² to 568 m² under roof, is situated in Hyde Park, Sandton, approximately 500 m away from Hyde Park shopping centre. The development currently consists of five completed houses (2021: five) and six vacant stands (2021: six).

The directors assessed the net realisable value of the units and are satisfied that the units are carried at the lower of cost or net realisable value. Market value was assessed to be R52.7 million (2021: R39.59 million).

12. Trade and other receivables

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Financial instruments:				
Trade receivables	49 991	30 175	–	–
Provision for expected credit losses	(30 973)	(1 481)	–	–
Trade receivables at amortised cost	19 018	28 694	–	–
Other receivables	(31)	1 814	–	–
Non-financial instruments:				
Value added tax	23 091	29 079	–	–
Prepayments	4 528	1 227	–	–
Total trade and other receivables	46 606	60 814	–	–
<p>The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables.</p> <p>These balances are disclosed at amortised cost under IFRS 9.</p> <p>Trade receivables bear interest at prime plus 200 basis points for all accounts not settled within seven days of invoicing. The same applied during the 2021 financial year.</p>				
Trade and other receivables past due but not impaired				
<p>The impairment for receivables is calculated on a portfolio basis, based on historical payment ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.</p> <p>The Group has identified the gross domestic product ("GDP"), unemployment rate and inflation rate as the key macroeconomic factors to be considered in assessing expected credit losses. On this basis, this resulted in a 100% loss rate across all tenants over 90 days.</p> <p>The ageing of amounts past due but not impaired is as follows:</p>				
Current	19 997	19 274	–	–
1 month past due	6 558	6 279	–	–
2 months past due	5 488	1 630	–	–
3 months past due	17 948	1 511	–	–
	49 991	28 694	–	–
Trade and other receivables impaired				
<p>As of 28 February 2022, trade and other receivables of R30.97 million (2021: R1.48 million) were impaired and provided for.</p> <p>The ageing of this impairment is as follows:</p>				
Current	153	–	–	–
30 days	3 647	–	–	–
60 days	3 737	1 260	–	–
90 days plus	23 436	221	–	–
	30 973	1 481	–	–
Reconciliation of provision for expected credit losses				
Opening balance	1 481	2 746	–	–
Provision for impairment	41 535	71 952	–	–
Utilised	(12 043)	(73 217)	–	–
	30 973	1 481	–	–

The movement in the provision for impaired receivables has been included in other financial instruments and expenditure in the Statement of Profit or Loss.

Notes to the annual financial statements continued

for the year ended 28 February 2022

13. Cash and cash equivalents

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Cash and cash equivalents consist of:				
Cash on hand	33	34	–	–
Bank balances	281 142	49 467	22 138	12 794
Bank deposit	5 213	16 122	–	–
	286 388	65 623	22 138	12 794

Included in the bank balance is €7 364 421 (2021: €157 695) held by the Group Domestic Treasury Management Company, Zudorex Proprietary Limited, as well as €1 570 404 (2021: €206 765) held in a bank account in Cyprus. All balances relating to Cyprus were converted to the reporting currency at an exchange rate of R17.29 (2021: R18.191) to the Euro.

14. Stated capital

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Authorised ('000)				
Ordinary shares of no par value	10 000 000	10 000 000	10 000 000	10 000 000
Reconciliation of number of shares issued ('000):				
Balance at the beginning of the year	393 262	393 358	394 960	394 960
Shares purchased by subsidiaries	(8 222)	(96)	–	–
Balance at the end of the year	385 040	393 262	394 960	394 960
Reconciliation of Rand value of shares issued (R'000):				
Balance at the beginning of the year	3 967 218	3 967 615	3 979 956	3 979 956
Shares purchased by subsidiaries and cost adjustments	(32 994)	(397)	–	–
Balance at the end of the year	3 934 224	3 967 218	3 979 956	3 979 956
Summary of shares issued ('000)				
Total number of shares issued	394 960	394 960	394 960	394 960
Less: Treasury shares held	(9 920)	(1 698)	–	–
	385 040	393 262	394 960	394 960
Issued (R'000)				
Ordinary no par value shares	3 979 956	3 979 956	3 979 956	3 979 956
Shares purchased by subsidiaries (Treasury shares)	(45 732)	(12 738)	–	–
	3 934 224	3 967 218	3 979 956	3 979 956

The Group's treasury shares are held by: Southern Palace Investment 108 (Proprietary Limited) 9 920 311 (2021: 1 680 020).

15. Deferred tax

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Deferred tax liability				
Revaluation of investment properties and owner-occupied hotel change in use	(1 444 368)	(1 279 049)	–	–
Accelerated capital allowances	(161 335)	(134 697)	–	–
Straight-line lease rentals	(37 611)	(40 326)	–	–
Unrealised foreign exchange gain	(5 499)	(7 597)	–	–
Total deferred tax liability	(1 648 813)	(1 461 669)	–	–
Deferred tax asset				
Income received in advance	25 755	1 862	–	–
Capitalised contractual interest	–	4 959	–	–
Trade receivables and prepayments	10 517	510	301	252
Trade payables	389	410	–	–
Deferred tax balance from temporary differences other than unused tax losses	36 661	7 741	301	252
Losses available for offset against future profits	37 335	52 343	1 090	1 130
	73 996	60 084	1 391	1 382
Total deferred tax asset	73 996	60 084	1 391	1 382
The Group recognised the deferred tax asset as the future taxable profits are deemed sufficient to offset tax losses. The recognition is based on the future taxable profits derived from approved budgets and cash flow forecasts. Assessed losses available for utilisation against future taxable income amounted to R133.34 million (2021: R186.9 million). The Company's deferred tax asset was not raised against the impairment of the investment in Lomastep Proprietary Limited R158.4 million (refer note 7) because of the uncertainty as to whether the losses will be recoverable through future income to be derived from the investment following the decision of the investee to sell its major asset (refer to note 32). In the prior year, a deferred tax asset of R17.4 million (at capital gains tax rate) was raised against the impairment of R78 million investment in Southern Palace Investments 108 Proprietary Limited (refer to note 7). It was expected that the losses would be recovered through future profitable income in the underlying investment.				
Deferred tax liability	(1 648 813)	(1 461 669)	–	–
Deferred tax asset	73 996	60 084	1 391	1 382
Total net deferred tax (liability) asset	(1 574 817)	(1 401 585)	1 391	1 382
Reconciliation of deferred tax asset / (liability)				
At beginning of year	(1 401 576)	(1 487 299)	18 854	–
Temporary differences on impairment of investment in subsidiary	–	–	–	17 472
Temporary differences from assessed loss created/(utilised) in the current year	(15 008)	4 149	–	1 130
Temporary differences relating to current assets	–	(415)	–	–
Temporary differences on tangible assets	(26 641)	(10 749)	–	–
Temporary differences on income received in advance	26 354	(2 338)	–	–
Temporary differences on capitalised contractual interest	(4 959)	–	–	–
Temporary differences on revaluation of investment property and owner-occupied hotel	(165 319)	87 344	–	–
Temporary differences on straight-lining of leases	2 715	3 284	–	–
Temporary differences on trade payables	(21)	98	–	–
Temporary differences on loss allowance on trade receivables	7 540	404	9	252
Unrealised foreign exchange gain	2 098	(7 597)	–	–
Prior year (under)/over provision	–	11 543	–	–
	(1 574 817)	(1 401 576)	18 863	18 854

Notes to the annual financial statements continued

for the year ended 28 February 2022

16. Other financial liabilities

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Held at amortised cost				
Nungu Trading 517 Proprietary Limited (Mall@Lebo) – Rand denominated This loan is with Nedbank Limited and currently bears interest at prime minus 140 basis points. This loan expires on 1 July 2024. The loan is repaid monthly through payments of capital and interest. The loan is secured over the Mall@Lebo property (Refer note 3).	28 983	48 826	–	–
Golden Falls 125 Proprietary Limited – Rand denominated R300 million revolving credit facility with Standard Bank repayable on 26 May 2024, bearing quarterly interest at the 3-month JIBAR rate plus 2.02%. The loan is secured over the Mall@Carnival. (Refer to note 3).	–	–	–	–
R300 million term loan facility with Standard Bank repayable on 26 May 2024, bearing quarterly interest at the 3-month JIBAR rate 2.15%. The loan is secured over the Mall@Carnival (Refer note 3).	295 576	–	–	–
R300 million term loan facility with Standard Bank repayable on 24 February 2025, bearing quarterly interest at the 3-month JIBAR rate 1.96%. The loan is secured over the Mall@Carnival (Refer note 3).	300 000	–	–	–
R300 million term loan facility with Standard Bank repayable on 24 February 2025, bearing quarterly interest at the 3-month JIBAR rate 1.96%. The loan is secured over the Mall@Carnival (Refer note 3).	100 017	–	–	–
Golden Falls 125 Proprietary Limited – Euro denominated Euro 20 million term loan facility with Standard Bank repayable on 26 May 2022, bearing quarterly interest at the 3-month EURIBOR rate plus 1.70%. The loan is secured over the Mall@Carnival. (Refer to note 3).	–	–	–	–
Proc Corp 160 Proprietary Limited – Rand denominated R700 million loan facility with Standard Bank, bearing monthly interest at prime minus 1.80%. The loan facility was settled during the financial year and was secured over the Mall@Reds (Refer to note 3).	–	449 553	–	–
Proc Corp 160 Proprietary Limited – Euro denominated Euro 12 002 220 part of the R700 million loan facility with Standard Bank, bearing monthly interest at the EURIBOR plus 2.02%. The loan facility was settled during the financial year and was secured over the Mall@Reds. (Refer to note 3).	–	218 332	–	–
K Anastasi Proprietary Limited The loan bears interest at prime less approximately 280 basis points, being the Group investment rate and has no fixed terms of repayment.	7 817	1 405	–	–
	1 079 717	718 116	–	–
Split between non-current and current portions				
Non-current liabilities	708 258	28 969	–	–
Current liabilities	371 459	689 147	–	–
	1 079 717	718 116	–	–

17. Lease liability

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Lease liabilities maturity analysis - contractual undiscounted cash flows				
– within one year	8 948	7 793	–	–
– 2 to 5 years	36 695	38 300	–	–
– 6 to 10 years	47 971	50 070	–	–
– 11 to 15 years	50 418	52 624	–	–
– 16 to 20 years	52 990	55 308	–	–
– 21 to 25 years	44 775	58 129	–	–
– 26 to 30 years	58 534	61 095	–	–
– 31 to 40 years	124 959	10 483	–	–
– 41 to 50 years	139 378	–	–	–
– 51 to 60 years	153 960	–	–	–
– 61 to 70 years	170 067	–	–	–
– 71 to 80 years	187 860	–	–	–
– 81 to 90 years	209 590	–	–	–
– 91 to 99 years	130 939	–	–	–
Total undiscounted cash flows	1 417 084	333 802	–	–
Reconciliation of liability:				
Balance at the beginning of the year	236 744	227 287	–	–
Extension of lease term adjustment	279 339	–	–	–
Interest charged (translated at average exchange rate)	23 295	5 442	–	–
Lease repayments (translated at average exchange rate)	(8 914)	(6 825)	–	–
Foreign currency conversion	(28 494)	10 840	–	–
	501 970	236 744	–	–
Non-current liabilities	497 707	232 667	–	–
Current liabilities	4 263	4 077	–	–
	501 970	236 744	–	–

The Group entered into a land lease agreement on 1 January 2019 for a total of 33 years with the option to renew twice for an additional 33 years. The Mall@Larnaca was developed on the leased land. The annual rental is EUR 510 000 payable monthly in advance. The annual escalation is per Cyprus inflation, with a maximum rate of 4% and a minimum of 1%. The lease payments will be adjusted to 2.6% of the land value in year 13 of the initial lease period and will again be adjusted on renewal date if the option is exercised for an additional 33 years. There were no additions to the right-of-use asset in the current or prior year. The right-of-use asset is disclosed as part of investment properties (Refer to note 3).

As the lease is denominated in Euros, the Company and Group are exposed to foreign exchange rate risk which will reflect in monthly lease payments on translation to Rand. The exchange rate used to convert from the Euro to the Rand for the relevant asset and liability was R17.29 (2021: R18.19) at the reporting date.

In measuring the lease liability, initially an annual escalation rate of 1% was used for the remainder of the lease term, since this is the minimum annual escalation rate. Since the annual lease cash flows (before escalation as described above) for year 13 and onwards will ultimately be determined at an amount equal to 2.6% of the value of the land as of the end of year 12, but cannot be less than the actual annual lease payments for year 12, the effect of any resultant increase in lease payments will only be reflected in the measurement of the lease liability once the value of the land, as of the end of year 12, has been determined. The value of the land at inception of the lease was €19.6 million.

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

Lease options

The lease liability and right-of-use asset was originally determined over a period of 33 years. The successful completion of the development and strong operating performance of the property during difficult and uncertain circumstances significantly improved the likelihood that management will in the future exercise the option to extend the lease. As a result, the lease liability and right-of-use asset were calculated for a period of 99 years.

Notes to the annual financial statements continued

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17. Lease liability continued

The effect of this change on the lease liability and related interest expense was as follow:

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Increase in the lease liability	278 339	–	–	–
Increase in the interest charged	18 430	–	–	–
Increased in the undiscounted cash flows	1 083 282	–	–	–
	–	–	–	–
Increase in the right-of-use asset (note 3)	261 000	–	–	–

For details of sensitivity of exposures to market risk related to finance lease liabilities, as well as liquidity risk refer to note 31.

The fair value of finance lease liabilities approximates their carrying amounts.

18. Trade and other payables

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Financial instruments:				
Accrued expenses	64 787	40 486	–	462
Accrued leave pay	2 525	2 426	1 072	899
Customer overpayments	3	–	–	–
Dividends payable	–	–	–	2
Trade payables	115 238	146 718	897	775
Tenant deposits received	78 343	62 975	–	–
Non-financial instruments:				
Amounts received in advance	10 279	6 959	–	–
Value added tax	13 408	5 105	18	413
	284 583	264 669	1 987	2 551

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

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

19. Revenue from tenants and customers

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Rental income on investment property	709 105	548 830	–	–
Tenant recoveries	209 169	167 808	–	–
Operating lease straight-line rental (Note 3)	(8 331)	(11 730)	–	–
Management fee income	399	192	8 547	7 143
Dividend income from Group companies	–	–	200 000	–
	910 342	705 100	208 547	7 143

Rental income is recognised on a straight-line basis over the lease term. Any doubt about whether the Group is entitled, legally, to charge rent, for example where COVID-19 country rules prevented tenants from having free access to their premises, is ignored when determining the amount of rental income to be recognised. To the extent there is such doubt, an expense is recognised as an expected credit loss provision against the trade receivable.

20. Other operating income

Administration fees	398	519	–	–
Other income	1 965	204	–	–
	2 363	723	–	–

Notes to the annual financial statements continued

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21. Operating profit/(loss)

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Auditor's remuneration - external				
Audit fees	1 768	2 393	1 660	2 318
Auditor's remuneration - internal				
Remuneration, other than to employees	229	192	-	-
Administrative and managerial services	50	239	31	-
Consulting and professional services	8 174	4 498	816	584
Secretarial services	832	457	475	239
	9 056	5 194	1 322	823
Employee costs				
Salaries, directors' fees, wages, bonuses and other benefits	31 135	30 036	5 130	5 134
Study fees	328	202	-	-
Total employee costs	31 463	30 238	5 130	5 134
Depreciation				
Depreciation of plant and equipment	44 868	32 341	-	-
Bad debt impairments				
Bad debts	34 201	71 952	-	-
Municipal charges				
Municipal charges	171 428	137 403	-	-
Investment and other impairments				
Impairment of investment in Southern Palace 108 Proprietary Limited	-	-	-	78 000
Impairment of investment in Bengavista Proprietary Limited	-	-	-	2 728
Impairment of owner-occupied hotel	5 298	93 576	-	-
Impairment of investment in Lomastep Proprietary Limited	-	-	158 426	-
Property expenses				
Cleaning	11 234	6 801	-	-
Security	13 429	8 704	-	-
Investment property repairs and maintenance	6 401	729	-	-
22. Investment income				
Interest revenue				
Investments from financial assets:				
Interest earned from financial institutions	4 983	5 508	899	1 029
South African Revenue Services	-	18	-	-
Total interest revenue	4 983	5 526	899	1 029
Total investment income	4 983	5 526	899	1 029
23. Finance costs				
Interest on lease liability (Note 17)	23 294	5 442	-	-
Other financial liabilities	38 204	37 122	-	4 577
South African Revenue Services	-	1	-	-
Trade and other payables	1 412	401	-	-
Total finance costs	62 910	42 966	-	4 577

24. Taxation

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Major components of the tax expense				
Current				
Local income tax for the current period	115 499	97 862	-	-
Prior period under/(over) provision	-	(362)	20	194
	115 499	97 500	20	194
Deferred				
Originating and reversing temporary differences	226 977	(51 244)	(49)	(17 724)
Change in tax rate	(58 119)	-	-	-
Assessed loss utilised	15 008	-	40	(1 130)
Prior period under/(over) provision	(4 863)	(11 799)	-	-
	179 003	(63 043)	(9)	(18 854)
	294 502	34 457	11	(18 660)
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate				
Applicable tax rate	28.0%	28.0%	28.0%	28.0%
Capital gains tax realised on sale of assets	-	0.8%	-	-
Capital gains tax exemption on fair value of investment property	(5.2)%	(2.3)%	-	-
Impairment of investment in associate/subsidiary	-	-	-	(0.9)%
Difference in tax rates (capital gains tax)	-	-	-	(5.1)%
Impairment of owner-occupied hotel	1.8%	16.9%	-	-
Learnership allowance	-	(0.1)%	-	-
Exempt income	(3.7)%	-	(28.0%)	-
Change in tax rate	(3.9)%	-	-	-
Difference in tax rate between jurisdictions	(0.5)%	0.1%	-	-
Prior period under/over provision	-	(9.9)%	-	(0.2)%
Disallowed expenses	3.0%	0.2%	-	(0.2)%
	19.5%	33.7%	-	21.6%

Notes to the annual financial statements continued

for the year ended 28 February 2022

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

Basic earnings and diluted earnings per share

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

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Basic earnings per share				
From continuing operations (cents per share)	301.84	6.01	–	–
Basic earnings per share was based on earnings of R1 170 million (2021: earnings of R23.6 million) and a weighted average number of ordinary shares of 387.7 million (2021: 393.3 million).				
Reconciliation of profit or loss for the year to basic earnings				
Profit or loss for the year attributable to equity holders of the parent	1 219 007	67 685	–	–
Adjusted for:				
Earnings attributable to non-controlling interest	(48 648)	(44 054)	–	–
Profit for the purposes of basic and diluted earnings per share	1 170 359	23 631	–	–
Diluted earnings per share				
From continuing operations (cents per share)	301.84	6.01	–	–
Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.				
Headline earnings and diluted headline earnings per share				
Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding during a period.				
The calculation of headline earnings per share has been performed in accordance with Circular 1/2021.				
Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable remeasurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.				
Headline earnings per share (cents)	105.49	71.32	–	–
Diluted headline earnings per share (cents)	105.49	71.32	–	–
Reconciliation between earnings and headline earnings				
Basic earnings	1 170 359	23 631	–	–
Adjusted for:				
Fair value property adjustments	(1 016 287)	181 259	–	–
Taxation attributable to fair value changes	208 278	(53 016)	–	–
Impairment loss – owner-occupied hotel	5 298	93 576	–	–
Taxation attributable to impairment loss – owner-occupied hotel	(1 483)	(8 944)	–	–
Loss on sale of investment property	–	1 430	–	–
Taxation on asset disposal losses	–	(320)	–	–
Non-controlling interest relating to fair value adjustment	42 855	42 913	–	–
Headline profit for the purposes of basic and diluted headline earnings per share	409 020	280 529	–	–

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

Proposed dividend per share

No dividend was declared or paid in the 2021 and 2022 financial years.

Subsequent to year-end, the Board of directors has declared a final cash gross dividend (No 3) of 18 cents per ordinary share, payable out of income reserves to all shareholders of Acision Limited (Refer to note 32: Events after the reporting period).

The dividend per share is calculated based on 394 959 976 shares in issue as at the date of the dividend declaration and therefore amounts to R71 092 795.68 in aggregate.

The net dividend amount, excluding South African dividend tax of 20%, which equates to 3.6 cents, is 14.4 cents per share for those shareholders that are not exempt from dividend tax.

Acision's income tax reference number is 9794017161.

In compliance with the requirements of Strate, the Company has determined the following salient dates for the payment of the final dividend:

Last day to trade cum dividend	Tuesday, 12 July 2022
Shares commence trading ex dividend	Wednesday, 13 July 2022
Record date	Friday, 15 July 2022
Payment date	Monday, 18 July 2022

Shares may not be rematerialised or dematerialised between Wednesday, 13 July 2022 and Friday, 15 July 2022, both days inclusive.

Net asset value per share ("NAV") and NAV per share excluding deferred taxation

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
NAV per share (cents) ⁽¹⁾	2 131.38	1 795.40	–	–
NAV per share excluding deferred taxation (cents) ⁽²⁾	2 540.38	2 151.80	–	–

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

⁽²⁾ NAV excluding deferred taxation is a measure that is specific to Acision and is not required in terms of IFRS or the JSE Listing Requirements. NAV per share excluding deferred tax is determined by adjusting the NAV to account for the net deferred tax liability.

26. Cash (used in)/generated from operations

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Profit before taxation	1 513 509	102 142	41 531	(86 424)
Adjustments for:				
Depreciation	44 868	32 345	–	–
(Gains)/losses on disposals, scrappings and settlements of assets and liabilities	(103)	1 430	–	–
Losses on foreign exchange	14 838	–	–	–
Dividends received	–	–	(200 000)	–
Investment income	(4 983)	(14 753)	(899)	(1 029)
Finance costs	62 910	46 354	–	4 577
Fair value changes	(1 016 287)	181 259	–	–
Movements in operating lease assets	8 325	11 729	–	–
Movements in provisions	968	2 070	–	–
Impairment of investment in subsidiary	–	–	158 426	(4 991)
Impairment of owner-occupied hotel	5 298	93 576	–	–
Changes in working capital:				
Inventories	–	–	–	80 727
Trade and other receivables	14 208	(29 070)	–	4 560
Trade and other payables	19 896	77 640	(564)	1 444
	663 447	504 722	(1 506)	(1 136)

Notes to the annual financial statements continued

for the year ended 28 February 2022

27. Contingencies

Guarantees received

The various Group companies have contingent assets in the form of guarantees provided by tenants that total R29.6 million (2021: R16.5 million).

The breakdown is as follows per entity:

	2022 R'm	2021 R'm
– Bengavista Proprietary Limited	–	–
– DAJM Property Investment Proprietary Limited	0.1	0.1
– Daybreak Properties 3 Proprietary Limited	0.8	0.8
– Double Ring Trading 62 Proprietary Limited	1.2	0.9
– Golden Falls 125 Proprietary Limited	7.9	7.5
– Nabuvax Proprietary Limited	1.0	1.0
– Nungu Trading 517 Proprietary Limited	0.6	0.6
– Proc Corp 160 Proprietary Limited	4.4	4.3
– Rubensmen Proprietary Limited	0.5	0.6
– Zarafusion Proprietary Limited	1.1	0.7
– Zudolex Cyprus Limited	12.0	–

Operating lease income represents contractual rental received by the Group from its properties. Expected undiscounted contractual inflows based on current rental contracts are as follows at 28 February 2022:

	Within 1 year R'000	Between 2 to 5 years R'000	More than 5 years R'000
Minimum lease contractual cash inflows	859 521	1 669 239	245 251
Straight-line rental adjustment	(18 295)	(33 730)	(43 322)
Future revenue	841 226	1 635 509	201 929

Guarantees issued

In the ordinary course of business, the Group issues guarantees to local councils and contractors to serve as guarantees for utility consumption, a guarantee for the land lease in Cyprus or payment guarantees for construction projects. As at year end, the Group has issued R21.9 million (2021: R25.1 million) in guarantees for this purpose. None of these guarantees are expected to expire in the near future.

Capital commitments

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

	2022 R'000	2021 R'000
Investment property – Acsiopolis (approximate)	75 000	450 000
Investment property – Larnaca (Cyprus) (approximate)	Nil	125 000
Investment property – Mall@55 expansion (approximate)	130 000	–

28. Related parties

Relationships

Subsidiaries in the Group

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

Directors

K Anastasiadis (executive)
 CRJ van Rensburg (executive)
 TSB Jali (non-executive)
 M Hlobo (non-executive)
 PD Sekete (non-executive)
 M Kok (non-executive)

Shareholder with significant influence

Fortutrax Proprietary Limited (Shareholder of Acsion (75.53%))

Shareholder with minority interest

Three Five Theda Proprietary Limited (1% in Zudolex Cyprus Limited)
 Johnas Investments Limited (1% in Zudolex Cyprus Limited)
 Astridonia Limited (1% in Zudolex Cyprus Limited)
 Ioannis Anastasiadis (1% in Zudolex Cyprus Limited)
 Michail Flourentzou (0.5% in Zudolex Cyprus Limited)

Other related parties (interests held by director)

Sapfo Proprietary Limited (Mr K Anastasiadis)
 K Anastasi Projects Proprietary Limited (Mr K Anastasiadis)

Close family member of directors

J Anastasiadis (Mr I Anastasiadis)

Other related parties of close family member of directors

Kinsella Consultants Proprietary Limited (Ms J Anastasiadis)

Company secretary

MWRK Accountants and Auditors Inc.

Notes to the annual financial statements continued

for the year ended 28 February 2022

28. Related parties continued

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Related party balances				
Loan accounts - Loans to/from related parties				
Southern Palace Investments 108 Proprietary Limited	–	–	(234 680)	(424 090)
Golden Falls 125 Proprietary Limited	–	–	8 425	8 425
Nungu Trading 517 Proprietary Limited	–	–	102 784	102 784
Daybreak Properties 3 Proprietary Limited	–	–	11 438	11 438
Zarafusion Proprietary Limited	–	–	619	–
Zudolex Proprietary Limited	–	–	3 258	3 258
Lomastep Proprietary Limited	–	–	199 327	199 327
K Anastasi Projects Proprietary Limited	(7 817)	(1 405)	–	–
RA Dlamini	(506)	(506)	–	–
A Nicoloudakis	(865)	(909)	–	–
I Anastasiadis	(865)	(909)	–	–
D Thomas	(865)	(909)	–	–
Three Five Theda Proprietary Limited	(865)	(909)	–	–
Amounts included in trade receivable regarding related parties				
Sapfo Proprietary Limited	60	68	–	–
Amounts included in trade payables regarding related parties				
K Anastasi Projects Proprietary Limited	75	75	–	–
MWRK Accountants and Auditors Incorporated	189	–	–	–
Related party transactions				
Interest paid to/(received from) related parties				
K Anastasi Projects Proprietary Limited	245	75	–	–
Purchases from related parties				
K Anastasi Projects Proprietary Limited	428 896	289 543	–	–
MWRK Accountants and Auditors Incorporated				
Advisory fees	217	84	215	39
Statutory compliance	398	250	327	182
Internal audit fees	229	192	–	–
Tax compliance fees	126	85	15	3
Dividends received				
Double Ring Trading 62 Proprietary Limited	–	–	100 000	–
Nungu Trading 517 Proprietary Limited	–	–	100 000	–
Management fee/Rental from related parties				
Southern Palace Investments 108 Proprietary Limited	–	–	8 547	7 143
K. Anastasi Projects Proprietary Limited	70	–	–	–
Collection and letting commission income				
Sapfo Proprietary Limited	172	138	–	–

Normal guarantees furnished by construction companies were waived as construction was carried out by K Anastasi Projects Proprietary Limited, whose financial strength made it unnecessary to request normal guarantees.

Refer to note 29 for key management disclosure.

29. Directors' and prescribed officers' emoluments

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

	Salary R'000	Travel allowance R'000	Total R'000
Executive			
2022			
K Anastasiadis	2 780	120	2 900
C R van Rensburg (four months)	445	21	466
S le Roux	882	–	882
	4 107	141	4 248
	Salary R'000	Travel allowance R'000	Total R'000
2021			
K Anastasiadis	2 538	120	2 658
S le Roux	1 283	148	1 431
	3 821	268	4 089
		Directors' fees R'000	Total R'000
Non-executive			
2022			
P D Sekete		221	221
M Hlobo (six months)		110	110
T S B Jali		221	221
M Kok (six months)		110	110
		662	662
		Directors' fees R'000	Total R'000
2021			
D J Green		110	110
P D Sekete		221	221
M Hlobo		221	221
T S B Jali		221	221
HN Bila		110	110
		883	883

M Hlobo retired as Audit and Risk Committee Chair and director on 19 August 2021. On 1 September 2021, M Kok was appointed in the same position. S le Roux resigned as financial director on 1 November 2021 and CRJ van Rensburg was appointed in the same position on that date. TSB Jali resigned as Chairperson and director on 22 May 2022. PD Sekete was appointed as Acting Chairperson.

Notes to the annual financial statements continued

for the year ended 28 February 2022

29. Directors' and prescribed officers' emoluments continued

	Salary R'000	Bonus R'000	Total R'000		
Prescribed officers					
2022					
I Anastasiadis	1 319	132	1 451		
A Nicoloudakis	1 282	132	1 414		
AN Kyriazis	1 323	132	1 455		
D Thomas	1 319	132	1 451		
	5 243	528	5 771		
	Salary R'000	Bonus R'000	Leave paid out R'000	Travel allowance R'000	Total R'000
2021					
I Anastasiadis	1 152	–	–	–	1 152
A Nicoloudakis	1 261	–	–	–	1 261
AN Kyriazis	1 260	–	–	–	1 260
D Thomas	1 253	105	315	8	1 681
	4 926	105	315	8	5 354

30. Going concern

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

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

The impact of COVID-19 on the Group's solvency and liquidity has been considered in detail. Concessions in the form of rental discounts granted to tenants that continued to be affected by trading restrictions imposed by the government were significantly reduced from the prior year (R64.5 million) and amounted to R6.55 million. Consistent with the prior year, all rental income for the year was recognised and concessions granted were included in the expected credit loss expense. The Board is of the opinion that the occurrence of the COVID-19 pandemic has not resulted in a material uncertainty that may cast doubt on the ability of the Group and Company to continue as a going concern.

For the year ended 28 February 2022, the current liabilities exceeded the current assets for the Group due to the expiry of the €20 million loan facility (R342 million) at the end of May 2022 (refer to note 16). At the reporting date, the Group had R200 million available facilities (refer to note 16) and R9.2 billion of unbonded property which can be utilised to obtain secured property financing. In March 2022, the Group converted the Euro loan to Rand at an exchange rate of R16.83 and refinanced the facility, bearing quarterly interest at JIBAR plus 1.96% repayable on 7 March 2025.

Solvency

	2022 R'000	2021 R'000
Net asset value (Group)	8 360 398	7 165 720

Group liquidity information over next 12 months

	R'000
Net current liabilities at year-end	(309 117)
Additional loan facility available	200 000
Refinanced Euro loan in March 2022	336 809
Property development cost commitments	(195 000)
Liquidity buffer before profit generated cash flows	32 692

Debt covenant requirements at 28 February 2022

Covenants as at 28 February 2022 for Standard Bank loans secured over Mall@Carnival were as follows:

Covenant description (Trigger)	Covenant	Achieved 2022
Acscion Limited Group		
Corporate loan to value (maximum)	45%	10%
Maximum ratio of total Group indebtedness to the most recent property holdings value		
Corporate interest cover ratio (minimum)	2	16,71
Golden Falls Trading 125 Proprietary Limited		
Maximum corporate loan to property value	65%	38%
Minimum corporate interest cover ratio	1.6	5.29

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

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

Notes to the annual financial statements continued

for the year ended 28 February 2022

31. Financial instruments and risk management

The accounting policies for financial instruments have been applied to categories of financial assets and financial liabilities listed below:

Categories of financial instruments

Categories of financial assets

	Note(s)	Financial assets at amortised cost R'000	Fair value through profit or loss R'000	Non-financial assets R'000	Total R'000	Fair value R'000
Group – 2022						
Investment property	3	–	9 951 519	–	9 951 519	9 951 519
Operating lease asset	3	135 695	–	–	135 695	135 695
Property, plant and equipment	4	–	–	736 755	736 755	736 755
Intangible development project asset	6	–	–	165	165	165
Other financial assets	8	699	–	–	699	699
Goodwill	5	–	–	625 464	625 464	625 464
Trade and other receivables	12	18 987	–	27 619	46 606	46 606
Current tax receivable		–	–	6 062	6 062	6 062
Cash and cash equivalents	13	286 388	–	–	286 388	286 388
Deferred tax asset	15	–	–	73 996	73 996	73 996
Inventories	11	–	–	39 592	39 592	52 700
		441 769	9 951 519	1 509 653	11 902 941	11 916 049

	Note(s)	Financial assets at amortised cost R'000	Fair value through profit or loss R'000	Non-financial assets R'000	Total R'000	Fair value R'000
Group – 2021						
Investment property	3	–	8 242 773	–	8 242 773	8 242 773
Operating lease asset	3	144 020	–	–	144 020	144 020
Property, plant and equipment	4	–	–	645 639	645 639	645 639
Intangible development project assets	6	–	–	165	165	165
Other financial assets	8	539	–	–	539	539
Goodwill	5	–	–	625 464	625 464	625 464
Trade and other receivables	12	30 508	–	30 306	60 814	60 814
Current tax receivable		–	–	1 124	1 124	1 124
Cash and cash equivalents	13	65 623	–	–	65 623	65 623
Deferred tax asset	15	–	–	60 084	60 084	60 084
Inventories		–	–	39 592	39 592	39 592
		240 690	8 242 773	1 402 374	9 885 837	9 885 837

Categories of financial assets continued

	Note(s)	Financial assets at amortised cost R'000	Non-financial assets R'000	Total R'000	Fair value
Company – 2022					
Loans to Group companies	9	325 851	–	325 851	325 851
Investment in subsidiaries		3 449 399	–	3 449 399	3 449 399
Deferred tax		–	18 863	18 863	18 863
Cash and cash equivalents	13	22 138	–	22 138	22 138
		3 797 388	18 863	3 816 251	3 816 251

	Note(s)	Financial assets at amortised cost R'000	Non-financial assets R'000	Total R'000	Fair value
Company – 2021					
Loans to Group companies	9	325 232	–	325 232	325 232
Investment in subsidiaries		3 607 826	–	3 607 826	3 607 826
Deferred tax		–	18 854	18 854	18 854
Cash and cash equivalents	13	12 794	–	12 794	12 794
		3 945 852	18 854	3 964 706	3 964 706

Categories of financial liabilities

	Note(s)	Financial liabilities at amortised cost R'000	Non-financial liabilities R'000	Total financial assets R'000
Group – 2022				
Trade and other payables	18	260 896	23 687	284 583
Loans from shareholders	10	3 966	–	3 966
Lease liabilities	17	501 970	–	501 970
Dividend payable		6	–	6
Other financial liabilities	16	1 079 717	–	1 079 717
Provisions		–	7 532	7 532
Deferred tax liability	15	–	1 648 813	1 648 813
Current tax payable		–	15 956	15 956
		1 846 555	1 695 988	3 542 543

Notes to the annual financial statements continued

for the year ended 28 February 2022

31. Financial instruments and risk management continued

Categories of financial liabilities continued

	Note(s)	Financial liabilities at amortised cost R'000	Non-financial liabilities R'000	Total R'000
Group – 2021				
Trade and other payables	18	252 606	12 063	264 669
Loans from shareholders	10	4 142	–	4 142
Lease liability	17	236 744	–	236 744
Dividend payable		6	–	6
Other financial liabilities	16	718 116	–	718 116
Provisions		–	6 564	6 564
Current tax payable		–	28 207	28 207
Deferred tax liability	15	–	1 461 669	1 461 669
		1 211 614	1 508 503	2 720 117

	Note(s)	Financial liabilities at amortised cost R'000	Non-financial liabilities R'000	Total R'000
Company – 2022				
Trade and other payables	18	1 969	18	1 987
Loans from Group companies	9	234 680	–	234 680
Dividend payable		6	–	6
		236 655	18	236 673

	Note(s)	Financial liabilities at amortised cost R'000	Non-financial liabilities R'000	Total R'000
Company – 2021				
Trade and other payables	18	2 137	414	2 551
Loans from Group companies	9	424 090	–	424 090
Dividend payable		6	–	6
		426 233	414	426 647

Fair value disclosures

All assets and liabilities measured or disclosed at fair value are classified using a three-tiered fair value hierarchy that reflects the significance of the inputs used in determining the measurement as follows:

- Level 1 measurements in whole or in part are done by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 measurements are done by reference to inputs other than quoted prices that are included in level 1. These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).
- Level 3 measurements are done by reference to inputs that are not based on observable market data.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. Valuation models are used to value investment properties (measurement and disclosure) and financial liabilities that have fixed interest rates (disclosure only).

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty and valuation techniques employed may not fully reflect all factors relevant to the positions the company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors.

Levels of fair value measurement

	2022	2021
Assets		
Investment properties: Level 3	9 951 519	8 242 773

Refer to note 3 for reconciliation of the investment properties from opening balance to closing balance and the following in respect of the fair value determination:

Valuation techniques

Details of the key inputs used in the determining the fair value i.e. the discount rate and exit capitalisation rate to be representative of the perceived risk associated with each investment.

Capital risk management

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

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 8, 9, 10, 16 and 17; cash and cash equivalents as disclosed in note 13 and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the Group monitors capital on the basis of the loan to value ratio. The Group's loan value ratio as at 28 February 2022 is 7.36% (2021: 9.85%). The Group is currently satisfied with this ratio but intends to increase the ratio going forward.

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

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

Financial risk management

Credit risk

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

Credit risk arises on cash deposits, cash equivalents and trade debtors. The Group only deposits cash with major banks with high quality credit ratings and limits exposure to any one institution. A significant portion of bank balances are with Nedbank Limited and the Bank of Cyprus, who have a Moody's credit rating of Ba2 and Ba3 respectively.

The fair value of cash and cash equivalents as at 28 February 2022 and the prior year approximate the carrying value.

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

Please refer to the trade and other receivables note 11 for the age analysis of financial assets and the estimated credit loss impairment.

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

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

	Note(s)	2022			2021		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Group							
Other financial assets	8	699	–	699	539	–	539
Trade and other receivables	12	77 579	(30 974)	46 605	62 295	(1 481)	60 814
Cash and cash equivalents	13	286 388	–	286 388	65 623	–	65 623
		364 666	(30 974)	333 692	128 457	(1 481)	126 976

Notes to the annual financial statements continued

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31. Financial instruments and risk management continued

Financial risk management continued

Credit risk continued

	Note(s)	2022			2021		
		Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000	Gross carrying amount R'000	Credit loss allowance R'000	Amortised cost/fair value R'000
Company							
Group company loans	9	325 851	–	325 851	325 232	–	325 232
Cash and cash equivalents	13	22 138	–	22 138	12 794	–	12 794
		347 989	–	347 989	338 026	–	338 026

Liquidity risk

The Group's risk relates to the Group's possible inability to meet short-term financial obligations. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities and ensures it has adequate funds available and pursues to borrow at lower cost for longer terms. The maturity profile of financial liabilities is closely reviewed and the decision to settle or refinance is made well in advance.

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

	Note(s)	2022		
		Less than 1 year	2 to 5 years	Over 5 years
Group				
Other financial liabilities	16	371 459	708 258	–
Lease liability	17	8 948	36 695	1 371 435
		380 407	744 953	1 371 435

Refer to note 17 for more detail on undiscounted cash flows due after five years.

The lease liability is to be settled in Euros. The year-end conversion rate used was R17.29 (2021: R18.19). Total Group unused debt facilities at year-end amounted to R200 million (2021: R32 million).

	Note(s)	2021		
		Less than 1 year	2 to 5 years	Over 5 years
Group				
Non-current liabilities				
Financial liabilities	16	689 147	27 008	1 961
Lease liability	17	7 793	38 300	287 709
		696 940	65 308	289 670

Foreign currency risk

The Group is exposed to foreign currency risk through a foreign property asset and as a result certain borrowings and leases which are denominated in foreign currencies (note 10 and 16). Exchange rate exposure is managed within approved policy parameters. The foreign currency in which the Group deals primarily is Euros. Please refer to note 32. The Euro denominated loan was converted to Rand after year-end.

Exposure in Rand

The equivalent liability of the Euro denominated liabilities in Rand is:

	Note(s)	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Euro exposure:					
Current liabilities					
Other financial liabilities	16	(347 324)	(218 332)	–	–
		(347 324)	(218 332)	–	–

Exchange rates

The following closing exchange rates were applied at reporting date:

	Note(s)	Group		Company	
		2022 R'000	2021 R'000	2022 R'000	2021 R'000
Rand per unit of foreign currency:					
Euros		17.292	18.191	–	–

The average exchange rate to the Euro for the year was R17.365 (2021: R19.00).

Foreign currency sensitivity analysis

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

	2022		2021	
	Increase	Decrease	Increase	Decrease
Group				
Increase or decrease in rate				
Impact on profit or loss (R'000):				
Euro 1% (2021: 1%)	(7 056)	7 056	(1 571)	1 571

Interest rate risk

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

The risk scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% shift in the interest rate would be a maximum increase or decrease of R11.332 million (2021: R5.170 million) depending on direction of the interest rate change. The assumption used is based on other variable factors remaining constant. The method used to calculate the sensitivity is the straight-line interest rate method. It is therefore not perceived by the Group as a major risk at this point in time. Should the interest-bearing positions increase significantly, the Group will consider changing the current policy.

32. Events after the reporting period

Subsequent to the reporting date, the Acsiopolis property (note 3) was sold by Lomastep Proprietary Limited to Proc Corp 160 Proprietary Limited, also a 100% owned subsidiary of the Group.

The Euro denominated loan was converted to Rand and refinanced over a 36-month period. Refer to note 30 for more detail.

Expansion of 10 000 m² at Mall@55 at an estimated cost of R130 million commenced. Completion date of the project is April 2023.

On 9 June 2022, the Board of directors declared a dividend of 18 cents per share for the year ended 28 February 2022, resulting in a non-adjusting event that is not recognised in the financial statements.

Notes to the annual financial statements continued

for the year ended 28 February 2022

33. Segmental reporting

The Group determines 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. The Group's current investment property exposure is heavily weighted toward retail (94%). The Group has two main reportable segments namely the South African operations and the international operations. From a South African geographical perspective, five developed properties are situated within the borders of Gauteng, two in Limpopo and two in Mpumalanga. All the South African investment properties are within 450 kms radius from one another.

An operating segment's operating results are reviewed regularly by Exco to make the decisions about resources to be allocated to the segment and to assess its performance.

	2022		
	International operations R'000	South African operations R'000	Total R'000
Segmental profit or loss for the year			
Revenue, excluding straight-line lease adjustment	144 930	756 201	901 131
Straight-line lease adjustment	2 396	–	2 396
Revenue from direct property operations	147 326	756 201	903 527
Revenue from investments	–	10 345	10 345
Other income	748	1 615	2 363
Expected credit loss allowance	(1 857)	(41 159)	(43 016)
Operating expenses	(26 469)	(279 014)	(305 483)
Operating profit/(loss)	119 748	477 988	567 736
Investment income	102	6 714	6 816
Finance costs	(28 659)	(39 616)	(65 275)
Foreign exchange gain/(loss)	(15 547)	711	(14 836)
Fair value changes	807 079	209 210	1 016 289
Profit/(loss) before taxation	882 723	625 007	1 510 730
Taxation	(170 719)	(143 328)	(314 047)
Profit/(loss) for the year	712 004	481 679	1 196 683
Segmental summarised financial position			
Non-current assets			
Investment property	2 542 445	7 409 074	9 951 519
Operating lease asset	2 401	133 294	135 695
Property, plant and equipment	2 334	734 420	736 754
Goodwill	–	625 464	625 464
Intangible development project assets	–	165	165
Other financial assets	5 213	(4 514)	699
Deferred tax	–	73 472	73 472
	2 552 393	8 971 375	11 523 768
Current assets			
Inventories	–	39 592	39 592
Trade and other receivables	8 743	29 052	37 795
Current tax receivable	–	3 818	3 818
Cash and cash equivalents	27 164	259 224	286 388
	35 907	331 686	367 593
Total assets	2 588 300	9 303 061	11 891 361
Equity and liabilities			
Equity	–	–	–
Stated capital	15	3 934 209	3 934 224
Reserves	–	27 127	27 127
Retained income	1 182 052	3 743 128	4 925 180
Non-controlling interest	–	153 746	153 746
	1 182 067	7 858 210	9 040 277

	2022		
	International operations R'000	South African operations R'000	Total R'000
Segmental summarised financial position continued			
Non-current liabilities			
Deferred tax	271 425	1 389 602	1 661 027
Group company loans	524 684	(524 684)	–
Lease liabilities	501 970	(4 263)	497 707
	1 298 079	860 655	2 158 734
Current liabilities			
Shareholders' loans	–	3 966	3 966
Other financial liabilities	–	371 459	371 459
Lease liabilities	–	4 263	4 263
Provisions	–	7 532	7 532
Trade and other payables	106 457	178 129	284 586
Current tax payable	1 697	18 831	20 528
Dividend payable	–	6	6
	108 154	584 186	692 334
Total equity and liabilities	2 588 300	9 303 051	11 891 361

	2021		
	International operations R'000	South African operations R'000	Total R'000
Segmental profit or loss for the year			
Revenue, excluding straight-line lease adjustment	–	710 195	710 195
Straight-line lease adjustment	–	(11 730)	(11 730)
Revenue from direct property operations	–	698 465	698 465
Revenue from investments	–	5 508	5 508
Other income	–	723	723
Expected credit loss allowance	–	(71 952)	(71 952)
Operating expenses	(4 146)	(323 509)	(327 655)
Operating profit/(loss)	(4 146)	309 235	305 089
Investment income	–	6 637	6 637
Finance costs	–	(41 249)	(41 249)
Foreign exchange gain	9 911	4 730	14 641
Fair value changes	517 229	(698 488)	(181 259)
Profit/(loss) before taxation	522 994	(419 135)	103 859
Taxation	(104 497)	70 040	(34 457)
Profit/(loss) for the year	418 497	(349 095)	69 402
Segmental summarised financial position			
Non-current assets			
Investment property	1 446 294	6 796 479	8 242 773
Operating lease asset	–	144 020	144 020
Property, plant and equipment	24	645 615	645 639
Goodwill	–	625 464	625 464
Intangible development project assets	–	165	165
Other financial assets	2 667	(2 128)	539
Deferred tax	–	3 415	3 415
	1 448 986	8 213 029	9 662 015

33. Segmental reporting continued

	2021		
	International operations R'000	South African operations R'000	Total R'000
Segmental summarised financial position continued	–	–	–
Current assets	–	–	–
Inventories	–	39 592	39 592
Trade and other receivables	–	60 814	60 814
Current tax receivable	–	1 124	1 124
Cash and cash equivalents	19 916	45 707	65 623
	19 916	147 237	167 153
Total assets	1 468 902	8 360 266	9 829 168
Equity and liabilities	–	–	–
Equity	–	–	–
Stated capital	15	3 967 203	3 967 218
Reserves	–	18 461	18 461
Retained income	457 062	2 646 849	3 103 911
Non-controlling interest	–	105 099	105 099
	457 077	6 737 612	7 194 689
Non-current liabilities	–	–	–
Deferred tax	116 109	1 288 891	1 405 000
Group company loans	520 964	(520 964)	–
Lease liabilities	236 744	(4 077)	232 667
	873 817	763 850	1 637 667
Current liabilities	–	–	–
Shareholders' loans	–	4 142	4 142
Other financial liabilities	–	689 147	689 147
Lease liabilities	–	4 077	4 077
Provisions	–	6 564	6 567
Trade and other payables	138 008	126 661	140 469
Current tax payable	–	28 207	28 207
Dividend payable	–	6	6
	138 008	858 804	996 812
Total equity and liabilities	1 468 902	8 360 266	9 829 168

34. Tax paid

	Group		Company	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Balance at beginning of the year	(27 083)	(865)	–	194
Normal tax transfer to deferred tax	7 486	(494)	–	–
Current tax for the year recognised in profit or loss	(115 499)	(97 500)	(20)	(194)
Balance at end of the year	9 894	27 083	–	–
	(125 202)	(71 776)	(20)	–

1. Shareholder information

	Group		Company	
	Shares held 2022 R'000	Shares held 2022 %	Shares held 2022 R'000	Shares held 2022 %
Beneficial shareholders holding 5.0% or more of Acision's issued share capital are:				
Fortutrax Proprietary Limited*	298 322	75.53	298 305	75.53

2. Beneficial shareholders' spread

	Group		Company	
	Shares held 2022 R'000	Shares held 2022 %	Shares held 2022 R'000	Shares held 2022 %
Beneficial shareholders' spread				
Directors and their related parties	299 346	75.80	301 103	76.23
Officers of the Company	4 008	1.00	2 236	0.57
Non-public	303 354	76.80	303 339	76.80
Public	91 606	23.20	91 621	23.20
	394 960	100.00	394 960	100.00

Notice of the Annual General Meeting

for the year ended 28 February 2022

Acsion Limited

(Incorporated in the Republic of South Africa) (Registration number: 2014/182931/06)
JSE share code: ACS
(Approved as a Real Estate Holdings and Development Company by the JSE)
("Acsion" or "the Company")



Notice is hereby given that the Annual General Meeting (hereafter "AGM") of shareholders of Acsion will be held at the @Sandton Hotel, 5 Benmore Rd, Benmore Gardens, Johannesburg, 2196, on Monday, 1 August, 2022 at 09h00 for the purposes of:

- receiving, considering and adopting the Directors' report, the Annual Financial Statements and the Audit and Risk Committee report for the year ended 28 February 2022;
- transacting any other business as may be transacted at an AGM of shareholders of a company including the appointment of auditors and re-election of retiring directors;
- advisory endorsement of the remuneration policy and advisory endorsement of the remuneration policy implementation; and
- considering and, if deemed fit, adopting, with or without modification, the shareholder special and ordinary resolutions set out below.

Important dates to note

	Date
Record date for receipt of notice purposes	Friday, 24 June 2022
Integrated report to be posted on	Friday, 1 July 2022
Last day to trade to be eligible to vote at the AGM	Tuesday, 19 July 2022
Record date for voting purposes (voting record date)	Friday, 22 July 2022
Last day to lodge forms of proxy for the AGM	Thursday, 28 July 2022
AGM	Monday, 1 August 2022
Results of AGM released on SENS on or before	Wednesday, 3 August 2022

In terms of section 62(3)(e) of the Companies Act, No 71 of 2008 (Companies Act):

A shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein. A proxy need not be a shareholder of the Company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all shareholders recorded in the register of the Company on the voting record date will be required to provide identification to the Chairman of the AGM (forms of identification include valid identity documents, driving licences and passports).

Quorum

A quorum for the purposes of considering the resolutions above shall consist of at least three shareholders of the Company personally present (or represented) and entitled to vote at the AGM and comprise a minimum of 25% of all the voting rights that are entitled to be exercised by a shareholder in respect of each matter to be decided at the AGM.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, (Private Bag X9000, Saxonwold, South Africa, 2132), for the purposes of being entitled to attend, participate in and vote at the AGM, is Friday, 22 July 2022. Accordingly, the last day to trade is Tuesday, 19 July 2022.

Majorities required to pass resolutions

In order for ordinary resolutions to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass the resolution. The exception is Ordinary Resolution 9 which requires a majority of 75% of the total number of votes exercisable by shareholders, present in person or by proxy.

In order for special resolutions to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass the resolution.

All reference to votes exercisable shall mean one vote per share owned by a shareholder, hence all voting is by poll as set out in paragraph 13.1.2 of the Company's MOI.

Ordinary Resolution 1: Adoption of the Annual Financial Statements

It is resolved that the Annual Financial Statements of the Company for the year ended 28 February 2022, including the Directors' report, be and are hereby received and adopted.

Ordinary Resolution 2: Adoption of Audit and Risk Committee report

It is resolved that the report of the Audit and Risk Committee for the year ended 28 February 2022, be and is hereby received and adopted.

Ordinary Resolution 3: Approval of directors appointed by the Board

In accordance with the Company's MOI, to approve, by way of separate resolutions, the following directors appointed during the period by the Board:

- Marianne Kok as a non-executive director (appointed 1 September 2021)
- Chris Jansen van Rensburg as Chief Financial Officer (appointed 1 November 2021)
- Hector Zarca as a non-executive director and Chairman of the Board (appointed effective 1 July 2022)
- Leora Osrin-Karp as non-executive director (appointed effective 1 July 2022)

Brief curricula vitae of the directors appointed to the Board during the reporting period are included on page 26 of the integrated report. Below are summaries of the curricula vitae of the directors appointed to the Board after year-end:

Hector Zarca

B Com, B. Acc, CA(SA)

Hector qualified as a chartered accountant in 1985. He has over thirty years' experience in banking and property and where he has occupied the position of Chief Financial Officer at various financial institutions before being appointed the Chief Executive Officer of the then South African Bank of Athens in 2003. A position he occupied until retirement in 2010.

Leora Osrin-Karp

BProc, LLB

Leora was admitted as Attorney of the High Court of South Africa in 1999. She has over 20 years' experience across multiple industries operating in the transport, telecommunication, mining and property sectors. She is currently self-employed after spending seven years in various executive roles of Real Estate Investment Trust ("REIT") listed on the JSE where she gained working knowledge of company, property and associated legislation and experience in dealing with regulatory bodies.

Ordinary Resolution 4: Re-election of directors

It is resolved that the following director of the Company retires by rotation in terms of the Company's MOI and who, being eligible, has offered himself for re-election, is re-elected:

- David Sekete as non-executive director

A brief curriculum vitae of the director standing for re-election is set out on page 26 of the integrated report.

Ordinary Resolution 5: Appointment and re-appointment of members of the Audit and Risk Committee

It is resolved that the members of the Company's Audit and Risk Committee set out below be and are hereby reappointed, each by way of a separate vote, with effect from the end of this AGM in terms of section 94 (2) of the Companies Act. The membership as proposed by the nominations committee is as follows:

- Marianne Kok (Chairperson) (subject to the approval of ordinary resolution 3.1 above)
- David Sekete (subject to the approval of ordinary resolution 4.1 above)
- Leora Osrin-Karp (subject to the approval of ordinary resolution 3.4 above)

All nominees are independent non-executive directors. A brief curriculum vitae of each director standing for re-election is set out on page 26 of the integrated report. Summarised curriculum vitae of the new director standing for election is included as part of Ordinary Resolution 3 above.

Ordinary Resolution 6: Appointment of auditor

It is resolved that the Company appoint PKF Octagon Incorporated to serve as auditor of the Company from the conclusion of this AGM until the conclusion of the next AGM.

Notice of the Annual General Meeting continued

for the year ended 28 February 2022

The Audit and Risk Committee has recommended PKF Octagon Incorporated for appointment as independent auditor of the Company, pursuant to section 90(2)(c) of the Companies Act, and further confirms that its appointment, together with the engagement audit partner, Henico Schalekamp, is in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements.

Ordinary Resolution 7: Specific authority to issue shares pursuant to a reinvestment of dividends

It is resolved that, subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value (new shares), as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their dividends in new shares of the Company pursuant to a dividend reinvestment option.

Ordinary Resolution 8: Signature of documents

It is resolved that any director of the Company or the Company Secretary be and are hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary and special resolutions passed at this AGM.

Ordinary Resolution 9: General authority to issue shares for cash

It is resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors of the Company be and are hereby authorised, until this authority lapses at the next AGM of the Company, provided that this authority shall not extend beyond 15 months, to allot and issue shares of the Company for cash on the following basis:

- (a) The allotment and issue of shares for cash shall be made only to persons qualifying as public shareholders, as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements, and not subject to the following, to related parties:
 - related parties may participate in general issue for shares through a bookbuild process provided related parties only participate within a maximum bid price at which they are prepared to take-up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be "out of the book" and not be allocated shares; and
 - equity securities must be allocated equitably "in the book" through the bookbuild process and the measure to be applied must be disclosed in the SENS announcement launching the bookbuild.
- (b) The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 57 755 950 shares, being 15% of the Company's issued shares as at the date of notice of this AGM. Accordingly, any shares issued under this authority prior to this resolution lapsing shall be deducted from the 57 755 950 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority.
- (c) In the event of a subdivision or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio.
- (d) The maximum discount at which shares may be issued is 10% of the weighted average trade price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares.
- (e) After the Company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds.
- (f) The securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- (g) Whenever the Company wishes to use repurchased shares, held in treasury by a subsidiary of the Company, such use must comply with the Listings Requirements as if such use was a fresh issue of ordinary shares.

In terms of the JSE Listing Requirements, in order for this ordinary resolution to be adopted, the support of over 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Advisory Vote 1: Advisory endorsement of remuneration policy

To endorse through a non-binding advisory vote the Company's remuneration policy (excluding the remuneration of non-executive directors for their services as directors and members of the Board committees), as set out in the Remuneration Committee report contained in the Annual Financial Statements. In accordance with the principles of King IV, an advisory vote is hereby put to shareholders for the endorsement of Acision's Group remuneration policy. As the votes on this resolution are advisory, the results will not be binding on the Board of directors.

Should more than 25% of the votes on a poll be cast against this advisory vote, the Company shall invite the dissenting shareholders to engage with the Remuneration Committee on the matter within three months. In the event that the dissenting shareholders are dissatisfied with the outcome of the engagement with the Remuneration Committee, the Board of directors shall engage with the dissenting shareholders within three months of the aforementioned unsuccessful engagement with the Remuneration Committee. The Board of directors shall at a minimum take cognisance of the outcome of the vote when considering its remuneration policy in future and, where deemed fit, incorporate amendments to the policy. The invitation to dissenting shareholders will be communicated in the voting results announcement.

Advisory Vote 2: Advisory endorsement of remuneration policy implementation

To endorse through a non-binding advisory vote the Company's remuneration policy implementation (excluding the remuneration of non-executive directors for their services as directors and members of the Board committees), as set out in the Remuneration Committee report contained in the Annual Financial Statements. In accordance with the principles of King IV, an advisory vote is hereby put to shareholders for the endorsement of Acision's Group remuneration policy implementation. As the votes on this resolution are advisory, the results will not be binding on the Board of directors.

Should more than 25% of the votes on a poll be cast against this advisory vote, the Company shall invite the dissenting shareholders to engage with the Remuneration Committee on the matter within three months. In the event that the dissenting shareholders are dissatisfied with the outcome of the engagement with the Remuneration Committee, the Board of directors shall engage with the dissenting shareholders within three months of the aforementioned unsuccessful engagement with the Remuneration Committee. The Board of directors shall at a minimum take cognisance of the outcome of the vote when considering its remuneration policy implementation in future and where deemed fit incorporate amendments to policy implementation.

Special Resolution 1: Approval of 2022 fees payable to non-executive directors

Resolved, as a special resolution, that the fees payable by the Company to non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved by the passing of this resolution for the 2023 financial year, as follows:

	Proposed 2023 fee
Hector Zarca	231 525
Marianne Kok	231 525
Leora Osrin-Karp	231 525
David Sekete	231 525

Reason for and effect of Special Resolution 1

The reason for Special Resolution 1 is to obtain shareholder approval by way of special resolution in accordance with section 66(9) of the Companies Act for the payment by the Company of remuneration to each of the non-executive directors of the Company for each non-executive director's services as a non-executive director for the ensuing financial year in the amounts set out under Special Resolution 1.

Notice of the Annual General Meeting continued

for the year ended 28 February 2022

Special Resolution 2: Share repurchase

It is resolved that the Company or any of its subsidiaries be and are hereby authorised by way of a general approval to acquire ordinary shares issued by the Company, in terms of sections 46 and 48 of the Companies Act, and in terms of the JSE Listings Requirements, being that:

- (a) Any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement between the Company and the counterparty (reported trades are prohibited);
- (b) This general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
- (c) The Company (or any subsidiary) is duly authorised by its MOI to do so;
- (d) Acquisition of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the Company's issued ordinary share capital as at the date of passing this special resolution;
- (e) In determining the price at which shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five trading days immediately preceding the repurchase of such shares;
- (f) At any point in time the Company (or any subsidiary) may appoint only one agent to effect repurchase on its behalf;
- (g) Neither the Company nor its subsidiaries may acquire ordinary shares during a prohibited period, as defined in paragraph 3.67 of the Listings Requirements, unless:
 - the Company had a repurchase programme in place and the programme has been submitted to the JSE prior to the prohibited period commencing;
 - only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing;
 - the repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme, the commencement and termination date of the repurchase programme and the fixed number of securities to be traded during the period;
- (h) An announcement will be published as soon as the Company or any of its subsidiaries have repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the repurchase pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate repurchased thereafter, containing full details of such repurchases; and
- (i) The Board of directors of the Company must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the Group.

In accordance with the JSE Listings Requirements, the directors record that although there is no immediate intention to effect a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

At the time that the contemplated repurchase is to take place, the Board will ensure that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, for a period of 12 months after the date of notice of this AGM:

- i. the Company and the Group will, in the ordinary course of business, be able to pay its debts;
- ii. the consolidated assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards; and
- iii. the Company and Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated report of which this notice forms part, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

Major beneficial shareholders page 115

Capital structure of the Company pages 90

Reason for and effect of Special Resolution 2

The reason for Special Resolution 2 is to permit the Company or any of its subsidiaries, by way of a general approval to repurchase ordinary shares by the Company as and when suitable opportunities to do so arise.

Directors' responsibility statement as it pertains to this Special Resolution 2

The directors whose names appear on page 26 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

Material change as it pertains to this Special Resolution 2

Other than the facts and developments reported on in the integrated report of which this notice forms part, there have been no material changes in the affairs of or financial position of the Company and its subsidiaries since the date of signature of the audit report for the financial year ended 28 February 2022 and up to the date of this notice.

Special Resolution 3: Financial assistance to related and inter-related parties

It is resolved that, to the extent required by section 45 of the Companies Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company for any purpose or in connection with any matter, such authority to endure for two years after the adoption of this Special Resolution 3 or until its renewal, whichever is the earliest, and further provided that in as much as the Company's provision of financial assistance to its subsidiaries will at any and all times be in excess of one tenth of 1% of the Company's net worth, the Company hereby undertakes to provide notice to its shareholders of that fact.

Reasons for and effect of Special Resolution 3

The Company would like the ability to provide financial assistance in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. This authority is necessary for the Company to provide financial assistance in appropriate circumstances in terms of the Companies Act. The Company will, however, require the special resolution referred to above to be adopted, provided that the Board of directors of the Company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and, immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, inter alia, ensure that the Company's subsidiaries and other related and inter-related companies have access to financing and/or financial backing from the Company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in Special Resolution 3. Therefore, the reason for and effect of Special Resolution 3 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in Special Resolution 3 above.

It is important to note, however, that the listed company is entitled to provide financial assistance without approval of the shareholders in instances where the financial assistance is provided in the ordinary course of its business in terms of Section 45 (a) (b) (i), which in the case of Acision includes the provision of financial assistance. This resolution only applies to loans not in the ordinary course of business in these circumstances.

Notice in terms of section 45(5) of the Companies Act in respect of Special Resolution 3

Notice is hereby given to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance as specified in the special resolution above:

- (a) By the time that this notice of AGM is delivered to shareholders of the Company, the Board will have adopted a resolution (section 45 Board resolution) authorising the Company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the Company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation;
- (b) The section 45 Board resolution will be effective only if and to the extent that Special Resolution 3 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to any such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act; and
- (c) In as much as the section 45 Board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the section 45 Board resolution to shareholders of the Company.

Notice of the Annual General Meeting continued

for the year ended 28 February 2022

Form of proxy

for the year ended 28 February 2022

Special Resolution 4 : Authority to issue shares to directors who elect dividend reinvestment options

It is resolved that, subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value, as and when they deem appropriate, for the exclusive purpose of affording shareholders, who are also persons as contemplated in section 41(1) of the Companies Act, opportunities from time to time to elect to reinvest their dividend in new shares of the Company pursuant to a dividend reinvestment option

Reasons for and effect of Special Resolution 4

The reason for and effect of Special Resolution 4 is to permit the directors of the Company to participate in dividend reinvestment options.

Electronic participation

The Company has made provision for a shareholder or their proxies to participate electronically in the AGM by way of telephone conferencing. Should you wish to participate in the AGM by telephone conference call as aforesaid, you, or your proxy, will be required to advise the Company thereof by no later than 09:00 on Monday, 25 July 2022, by submitting by email to the Company Secretary at michael@mwrk.co.za, for the attention of Michael Reynolds, relevant contact details, including an email address, cellular number and landline, as well as full details of the Acision shareholders title to securities issued by the Company and proof of identity, in the form of copies of identity documents and share certificate/s (in the case of certificated shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP confirming that shareholder's title to the dematerialised shares upon receipt of the required information, the Acision shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call must note that they will not be able to cast their votes during the AGM through this medium. Such shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable, (i) complete the form of proxy, or (ii) contact their CSDP or broker, in both instances, as set out above.

Acision Limited

(Incorporated in the Republic of South Africa)
(Registration number : 2014/182931/06)
JSE share code : ACS
("Acision" or "the Company")



Form of proxy

Where appropriate and applicable, the terms defined in the notice of the Annual General Meeting ("AGM") to which this form of proxy is attached and forms part of bear the meanings in this form of proxy.

This proxy is for use by shareholders of the Company holding certificated and/or dematerialised shareholders who have elected 'own name' registration, nominee companies of Central Securities Depository Participants ("CSDP") and brokers' nominee companies, registered as such at the close of business on Friday, 22 July 2022, or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with 'own name' registration, do not use this form. Dematerialised shareholders, other than with 'own name' registration, should provide instruction to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE)

Of (ADDRESS)

Being the holder/s of _____ Acision shares hereby appoint

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairman of the AGM

as my/our proxy to attend and speak and to vote on my/our behalf at the AGM and at any adjournment or postponement thereof for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the AGM and to vote on the resolution in respect of the ordinary shares registered in my/our name(s).

Mark "for", "against", or "abstain" as required. If no options are marked, the proxy will be entitled to vote as he/she thinks fit.

		Number of votes		
		For*	Against*	Abstain*
Ordinary Resolution 1	Adoption of the Annual Financial Statements			
Ordinary Resolution 2	Adoption of the Audit and Risk Committee report			
Ordinary Resolution 3	Confirmation of appointment of directors			
Ordinary Resolution 3.1	Confirmation of appointment of M Kok as director			
Ordinary Resolution 3.2	Confirmation of appointment of C Jansen van Rensburg as director			
Ordinary Resolution 3.3	Confirmation of appointment of H Zarca as director			
Ordinary Resolution 3.4	Confirmation of appointment of L Osrin-Karp as director			
Ordinary Resolution 4	Re-election of D Sekete as director			
Ordinary Resolution 5	Appointment and reappointment of members of the Audit and Risk Committee			
Ordinary Resolution 5.1	Reappointment of M Kok as a member of the Audit and Risk Committee			
Ordinary Resolution 5.2	Reappointment of D Sekete as a member of the Audit and Risk Committee			
Ordinary Resolution 5.3	Appointment of L Osrin-Karp as a member of the Audit and Risk Committee			
Ordinary Resolution 6	Appointment of auditor			
Ordinary Resolution 7	Specific authority to issue shares pursuant to a reinvestment of dividends			
Ordinary Resolution 8	Signature of documents			
Ordinary Resolution 9	General authority to issue shares for cash			
Advisory Vote 1	Advisory endorsement of remuneration policy			
Advisory Vote 2	Advisory endorsement of remuneration policy implementation			
Special Resolution 1	Approval of 2023 fees payable to non-executive directors			
Special Resolution 2	Share repurchase			
Special Resolution 3	Financial assistance to related and inter-related parties			
Special Resolution 4	Authority to issue shares to directors who elect dividend reinvestment options			

* One vote per share held by Acision shareholders recorded in the register on the voting record.

Signed this _____ day of _____ 2022

Signature

Assisted by me (where applicable)

State capacity and full name

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the Company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the AGM.

Notes to the form of proxy

for the year ended 28 February 2022

A shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

A form of proxy is attached for the convenience of any shareholder holding certificated shares who cannot attend the AGM but who wishes to be represented there. Forms of proxy may also be obtained on request from the Company's registered office. The completed form of proxy must be deposited at or posted to the office of the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, South Africa, 2132) to be received not later than 09h00 on Thursday, 28 July 2022. Forms of proxy may also be handed in to the Chairman of the AGM at any time prior to the commencement of the AGM. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders, who have elected own name registration in the sub register through a CSDP and who are unable to attend but who wish to vote at the AGM must complete and return the attached form of proxy and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, Private Bag X9000, Saxonwold, South Africa, 2132, to be received no later than 09h00 on Thursday, 28 July 2022.

All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with own name registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the AGM. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the AGM. Such shareholder must not complete the attached form of proxy.

In terms of section 63(1) meeting participants will be required to provide identification to the reasonable satisfaction of the Chairman of the AGM and the Chairman must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been satisfied.

AcSION does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the AGM or any business to be conducted thereat.

By order of the Board

Michael Reynolds for
MWRK Accountants and Auditors Incorporated
MWRK Company Secretary

Registered Office

AcSION Limited
Mall@Reds
1st Floor
Corner Rooihuiskraal and Hendrik Verwoerd Drives
Rooihuiskraal Ext 15
Centurion
0157

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Corporate information

Registered office

AcSION Limited
Mall@Reds
1st Floor
Corner Rooihuiskraal and Hendrik Verwoerd Drives
Rooihuiskraal Ext 15
Centurion
0157

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

Sponsor

Merchantec Capital
13th Floor, Illovo Point, 68 Melville Road
Illovo, Sandton, 2196
Telephone: 011 325 6363

Auditor

PKF Octagon Inc
21 Scott Street
Waverley, Johannesburg, 2090

Corporate advisor

Merchantec Capital
13th Floor, Illovo Point, 68 Melville Road
Illovo, Sandton, 2196
Telephone: 011 325 6363

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Property holding and development

Directors

K Anastasiadis
D Sekete
C Jansen van Rensburg
M Kok
T Jali (resigned 22 May 2022)

