



**BUILDING
COMMUNITIES,
GROWING VALUE.**

Consolidated financial statements
of Vukile Property Fund Limited
(the company) and its subsidiaries
(together the group)

as at 31 March 2023
(the consolidated financial statements)

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CORPORATE PROFILE

Vukile Property Fund Limited (Vukile, the company or the group) is a high-quality, low-risk and retail-focused Real Estate Investment Trust (REIT), which listed on the JSE Limited on 24 June 2004 (JSE code: VKE) and on the Namibian Stock Exchange (NSX) on 11 July 2007 (NSX code: VKN). Vukile's market capitalisation was R12.2 billion on 31 March 2023 and its direct property portfolio was valued at R34.6 billion. There were 980 226 628 shares in issue at year-end.

DIRECTORS' RESPONSIBILITY STATEMENT

The audited consolidated financial statements for the year ended 31 March 2023, set out on pages 16 to 97 of these consolidated financial statements and the directors' report on pages 8 to 11, are the responsibility of the directors. The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal controls that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

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

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



Nigel Payne
Chairman



Laurence Rapp
Chief Executive Officer

Houghton Estate
12 June 2023

COMPANY SECRETARY'S CERTIFICATION

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

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



Johann Neethling
Group Company Secretary

Houghton Estate
12 June 2023

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

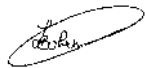
CEO AND CFO SIGN-OFF

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

- the annual financial statements set out on pages 16 to 97, 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 financial statements of the issuer
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operation effectiveness of the internal financial controls, and have remediated the deficiencies
- we are not aware of any fraud involving directors.



Laurence Rapp
Chief Executive Officer



Laurence Cohen
Chief Financial Officer

Houghton Estate
12 June 2023

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF VUKILE PROPERTY FUND LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Vukile Property Fund Limited (the company) and its subsidiaries (together the group) as at 31 March 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Vukile Property Fund Limited's consolidated and separate financial statements set out on pages 16 to 97 comprise:

- the consolidated and separate statements of financial position as at 31 March 2023
- the consolidated and separate statements of profit or loss for the year then ended
- the consolidated and separate statements of comprehensive income for the year then ended
- the consolidated and separate statements of changes in equity for the year then ended
- the consolidated and separate statements of cash flows for the year then ended and
- the notes to the financial statements, which include a summary of significant accounting policies.

Certain required disclosures have been presented elsewhere in the document titled "Consolidated financial statements of Vukile Property Fund Limited (the company) and its subsidiaries (together the group) as at 31 March 2023", rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

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

Our audit approach

Overview

	Overall group materiality • Overall group materiality: R214 million which represents 1% of consolidated net assets.
	Group audit scope • The group consists of two components (Including the company), that directly or indirectly own the properties. • Full scope audits were performed on both components.
	Key audit matters • Valuation of investment property (company and group)

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

INDEPENDENT AUDITOR'S REPORT continued

Materiality

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

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

Overall group materiality	R214 million
How we determined it	1% of consolidated net assets.
Rationale for the materiality benchmark applied	We chose consolidated net assets as the benchmark because, in our view, it is the benchmark against which the performance of the group is commonly measured by users. Although the entity is profit-orientated, its strategic focus is to deliver long-term shareholder returns through the acquisition and development of investment property. In addition, the loan to value ratio (value of loans compared to the value of assets) is a key metric used to monitor position of the group. We chose 1% which is consistent with quantitative materiality thresholds used for entities in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates. The group owns properties throughout South Africa and Spain, which are managed via two components, Vukile Property Fund Limited and Castellana Properties SOCIMI SA. Full scope audits were performed on both components. The South African operations were audited by the group engagement team, while the Spanish operations were audited by a component audit team. In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, and component auditors from other PwC network firms operating under our instruction.

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

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.

INDEPENDENT AUDITOR'S REPORT continued

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of investment property at year-end. This key audit matter relates to both the group and company financial statements. Refer to note 3 and 23.4 within the consolidated financial statements for disclosures on investment property. The majority of the company and group's investment property comprises retail investment properties, with a total carrying amount, (excluding the Straight-Line rental income accrual), of R13,10 billion and R34,38 billion for the company and group respectively for the year ended 31 March 2023. The measurement of fair value of investment properties is dependent on the valuation techniques applied and the inputs into the valuation model. The company and group has applied the discounted cash flow method which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields. External property valuers were engaged by management to value the Spanish portfolio. Internal valuations were performed by management on the Southern African portfolio. Management further engaged external property valuers to value a sample of the Southern African portfolio to test the robustness of their internal valuation. Inputs into the valuation model include estimated rental income streams, operating costs, discount rates and the capitalisation rate. The estimated rental stream takes into account current occupation levels, estimated future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings. The most significant assumptions used in determining the fair values are the: • reversionary capitalisation rates; and • discount rates applied by management. We considered the valuation of investment properties as a matter of most significance to our current year audit due to: • the judgements required in determining the fair values; and • the magnitude of the investment property balances at year-end.	We obtained the valuation reports prepared by management as at 31 March 2023 for the Southern African portfolio, as well as the valuation reports obtained by management from the external property valuers for the Spanish portfolio and a sample of the Southern African portfolio. For the Southern African portfolio, we obtained an understanding of and tested the relevant controls over the internal valuations including: • Entering into and amending of lease contracts underlying contractual rental income; • Setting and approval of estimated rental streams, operating costs, discount rates and the capitalisation rates; • Comparison of external valuation results to management's internal valuations; and • Board approval of the valuations obtained. We evaluated the objectivity, independence and expertise of the external valuers by inspecting their valuation reports for a statement of independence and compliance with generally accepted valuation standards. No exceptions were noted. For a sample of properties, we independently tested the calculation of the fair values in the management and external valuers' valuation reports by performing the following procedures, with no material exceptions noted: • Utilised our internal valuation expertise to assess the appropriateness of the valuation methodology and noted it to be consistent with industry norms; • Assessed the reasonableness of the inputs, including the reversionary capitalisation rate and the discount rate applied by management against market-related data for similar investment properties; • Making use of our internal valuation expertise, we performed a high-level reasonability assessment on a risk-based sample of properties based on industry benchmarks referred to above, and noted them to be within an acceptable range; • Independently recalculated the accuracy of the management valuations; • Inspected the final valuation reports and agreed the fair value to the group's accounting records; and • Assessed the disclosures in the financial statements, which include the sensitivity analysis, using our understanding obtained from our testing.

INDEPENDENT AUDITOR'S REPORT continued

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Consolidated financial statements of Vukile Property Fund Limited (the company) and its subsidiaries (together the group) as at 31 March 2023 (the consolidated financial statements)", which includes the directors' report, the audit and risk committee's report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.

INDEPENDENT AUDITOR'S REPORT continued

- 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

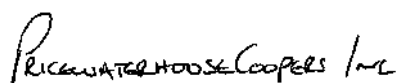
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Vukile Property Fund Limited for 5 years.



PricewaterhouseCoopers Inc.

Director: Andrew Taylor

Registered Auditor

Johannesburg, South Africa

12 June 2023

DIRECTORS' REPORT

The directors have pleasure in submitting the 19th directors' report, which forms part of the annual financial statements of the group for the year ended 31 March 2023.

Vukile was listed on 24 June 2004 with a market capitalisation of approximately R1.03 billion. The market capitalisation of the company as at 31 March 2023 was R12.2 billion (31 March 2022: R13.8 billion.)

SUMMARY OF FINANCIAL PERFORMANCE AND DIVIDENDS

The information presented for the year ended 31 March 2023 has been prepared in accordance with IFRS and the group's accounting policies. The presentation of the results also complies with the relevant section of the Companies Act and the JSE Listings Requirements. The annual financial statements have been audited by PwC.

The board declared a final dividend for the year ended 31 March 2023 of 65.11232 cents per share and an interim dividend of 47.32125 cents per share for the six months ended 30 September 2022.

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

NATURE OF BUSINESS

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

CAPITAL STRUCTURE

The authorised share capital comprises 1 500 000 000 ordinary shares with no par value. There were 980 226 628 shares in issue at 31 March 2023. The company did not issue any new shares during the year under review. In total, 56 million new shares were issued after year-end (in April 2023). Refer to note 17 of the annual financial statements for further detail in this regard. The group has no unlisted securities in issue.

SOLVENCY AND LIQUIDITY TEST

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

MANAGEMENT AND ADMINISTRATION

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

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

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

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

DIRECTORS

Details of the directors, providing their full names, ages, qualifications and a brief curriculum vitae, are set out in the ESG report of the integrated annual report.

DIRECTORS' REPORT continued

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

Board of directors

Composition of board	Date of appointment	Audit and risk committee	Social, ethics and human resources committee	Nominations committee	Property and investment committee
Independent non-executive directors					
NG Payne (Chairman)	20 March 2012		Member	Chairman	
SF Booysen	20 March 2012		Chairman	Member	Chairman
RD Mokate	11 December 2013	Member	Member	Member	
AMSS Mokgabudi	6 August 2021	Member			
B Ngonyama	12 February 2018	Chairman			
H Ntene	25 October 2013				Member
Non-executive director					
GS Moseneke	1 August 2013				Member
BM Kodisang	1 April 2023				Member
Executive directors					
LG Rapp (CEO)	1 August 2011				Member
LR Cohen (CFO)	1 July 2020				
IU Mothibeli	1 July 2020				Member

DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

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

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

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' EMOLUMENTS (AUDITED)

Non-executive directors' remuneration

Rand	2023 Total remuneration	2022 Total remuneration
SF Booysen	881 475	751 425
RD Mokate	836 200	766 200
GS Moseneke	506 450	472 400
AMSS Mokgabudi	484 300	318 809
PS Moyanga ⁽²⁾	—	236 200
B Ngonyama	711 163	670 650
H Ntene	506 450	472 400
NG Payne ⁽¹⁾	1 060 550	875 000
HM Serebro ⁽²⁾	—	297 375
Total	4 986 588	4 860 459

⁽¹⁾ In addition to the above, Mr Payne earned non-executive directors' fees of €66,950 from Castellana Properties SOCIMI, a subsidiary of Vukile.

⁽²⁾ Retired from the board on 31 August 2021.

DIRECTORS' REPORT continued

DIRECTORS' EMOLUMENTS (AUDITED) continued

Executive directors' remuneration

Rand	Salary ⁽²⁾	Short-term bonus	Distribution equivalents ⁽¹⁾	Value of LTI scheme vested	2023 Total remuneration	2022 Total remuneration
Executive directors						
LG Rapp	5 472 981	6 700 000	4 073 656	3 243 490	19 490 127	15 278 686
LR Cohen	3 936 545	4 000 000	1 256 917	1 269 103	10 462 565	7 759 737
IU Mothibeli	2 767 395	2 800 000	936 847	802 521	7 306 763	5 730 962
Total	12 176 921	13 500 000	6 267 420	5 315 114	37 259 455	28 769 385

⁽¹⁾ Amount earned in respect of dividends paid as a bonus in respect of the Conditional Share Plan (CSP).

⁽²⁾ Includes pension fund and life cover contributions, where applicable.

Directors' interests in shares

Shares ⁽¹⁾	Direct beneficial	Indirect beneficial	2023 Total
Executive directors			
LG Rapp		4 006 611	4 006 611
LR Cohen		2 492 123	2 492 123
IU Mothibeli		1 696 671	1 696 671
Non-executive directors			
GS Moseneke	1 338	11 943 494	11 944 832
Total	1 338	20 138 899	20 140 237

⁽¹⁾ Other than as disclosed in the SPP note below, none of the shares held are subject to security, guarantee or collateral. There have been no changes to the directors' shareholdings between the end of the financial year and the date of this report.

Movement of directors' interests in shares

Shares	Held at 1 April 2022	Acquired during the period	Disposed of during the period	Held at 31 March 2023
Executive directors				
LG Rapp	4 006 611	136 509	(136 509)	4 006 611
LR Cohen	2 492 123	53 413	(53 413)	2 492 123
IU Mothibeli	1 696 671	33 776	(33 776)	1 696 671
Non-executive directors				
GS Moseneke	13 075 532	—	(1 130 700)	11 944 832
Total	21 270 937	223 698	(1 354 398)	20 140 237

DIRECTORS' REPORT continued

Directors' share incentive schemes

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

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

Vukile shares	Loan balance at 31 March 2022	Loan balance at 31 March 2023	Market value at 31 March 2023	Number of shares held under SPP
LG Rapp	76 030 800	76 331 623	49 842 241	4 006 611
LR Cohen	49 358 537	49 638 545	31 002 010	2 492 123
IU Mothibeli	32 668 611	32 806 668	21 106 587	1 696 671
GS Moseneke	27 986 451	28 076 934	18 382 215	1 477 670
Total	186 044 399	186 853 770	120 333 053	9 673 075

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

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

There were no changes in the number of shares held under the scheme between 1 April 2023 and 12 June 2023.

Shares allocated under the CSP

Overall limit of the CSP	3.0% of issued capital
Total number of shares acquired under the CSP as at 31 March 2023	10 457 006 shares
Percentage utilisation of the CSP as at 31 March 2023	1.07% of issued capital
Total number of shares acquired under the scheme during 2023	3 921 549 shares
Percentage utilisation of the CSP during 2023	0.40% of issued capital

A detailed breakdown of directors' exposure to the CSP is set out in the remuneration report, under LTIs outstanding and settled during 2023.

TSR Hurdled Incentive Plan 2022 ("TIP 2022")

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

For the year ended 31 March 2023, a total number of 19 605 207 cash-settled options have been allocated under the TIP 2022.

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

TIP 2022 allocations	Cash-settled options
LG Rapp	3 900 000
LR Cohen	2 900 000
IU Mothibeli	2 900 000
Other employees	9 905 207
Total	19 605 207

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

AUDIT AND RISK COMMITTEE REPORT

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

KEY ACTIVITIES	OUTCOME
Engagement with the group's external auditors	- Nominated and recommended to shareholders the appointment of PwC as the external auditor of Vukile, after considering and concluding that they are independent - Determined the fees to be paid to the external auditor - Ensured that the appointment of the auditor complies with the Companies Act, the applicable JSE Listings Requirements and any other legislation relating to the appointment of the auditor - Pre-approved any proposed agreement with the auditor for the provision of non-audit services to the group which are of a material nature as provided for in the group's non-audit services policy - Prepared this report in compliance with section 94(7)(f) of the Companies Act, which report has been included in the annual financial statements by reference
Internal financial controls and combined assurance (internal and external audit)	- Considered and confirmed its satisfaction with the effectiveness of the outsourced internal audit function - Assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review and that the results of the audit tests conducted indicate that the internal financial controls provided a sound basis for the preparation of financial statements - Ensured that a comprehensive combined assurance model was applied to the group's key risks to ensure a coordinated approach to all assurance activities - Monitored the implementation of the internal audit coverage plan as approved by the ARC - Received and reviewed the annual representation letters from the outsourced property managers of the group, citing no material control breakdowns
Oversight of risk management	- Reviewed and considered the activities and reports presented to the ARC - Considered and monitored the key financial, information technology (IT), operational and strategic risks facing the group and the various mitigating controls thereof - Oversaw compliance with the risk management requirements in accordance with the JSE Listings Requirements in respect of REITs - Reviewed and approved the specific risk management practices related to the use of various debt and derivatives instruments within the business
Integrated reporting and assurance in respect of financial expertise of the Chief Financial Officer and finance function	- Reviewed and recommended the group's integrated annual report and annual financial statements for approval by the board - Confirmed the expertise and experience of the Chief Financial Officer and the group's finance function
Compliance with Companies Act requirements and JSE Listings Requirements	- The ARC stands ready to receive and deal with any concerns or complaints relating to the accounting practices or the content or auditing of the group annual financial statements - Made submissions to the board on matters concerning the group's accounting policies, financial controls, records and reporting - The ARC confirms that the REIT risk management policy has been complied with, in all material respects, as further disclosed in the governance review included in the integrated annual report - Considered the JSE Proactive Monitoring Report and its impact on the annual financial statements - In compliance with JSE Debt Listings Requirements, the company has appointed the CFO as the debt officer

AUDIT AND RISK COMMITTEE REPORT continued

TERMS OF REFERENCE

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

MEMBERSHIP, MEETING ATTENDANCE AND EVALUATION

The ARC consists of three non-executive directors, all of whom are independent. At 31 March 2023, the ARC comprised the following members:

DIRECTOR	PERIOD SERVED
B Ngonyama (Chairman)	12 September 2018 to date
AMSS Mokgabudi	6 August 2021 to date
RD Mokate	1 July 2015 to date

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

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

ROLES AND RESPONSIBILITIES

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

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

EXTERNAL AUDITOR

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

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

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

INTERNAL FINANCIAL CONTROLS

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

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

AUDIT AND RISK COMMITTEE REPORT continued

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

The ARC has considered and is satisfied with the expertise and experience of Laurence Cohen, the CFO who performs the duties of the company's Financial Director.

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

ANNUAL FINANCIAL STATEMENTS

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

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

The following significant matters were considered by the ARC in relation to the annual financial statements for the year ended 31 March 2023:

- The property valuations as at 31 March 2023 for the South African portfolio
- The property valuations as at 31 March 2023 for the Spanish portfolio
- Valuation of the listed property securities as at 31 March 2023

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

GOING CONCERN

The ARC reviewed a documented assessment by management of the going concern premise of the group before recommending to the board that the group is a going concern and will remain so for the foreseeable future.

INTEGRATED REPORTING

The ARC fulfils an oversight role regarding the group's integrated annual report and the reporting process, including the system of internal financial controls. The ARC is satisfied that the information, as presented in the integrated annual report 2023, is reliable, consistent and fairly presented.

TAX AND TREASURY OVERSIGHT

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

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

INTERNAL AUDIT

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

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

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

AUDIT AND RISK COMMITTEE REPORT continued

COMBINED ASSURANCE

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

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

RISK GOVERNANCE

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

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

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

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

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

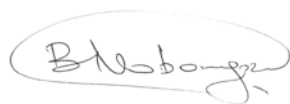
Feedback from the Castellana ARC is provided at each Vukile ARC meeting.

IT GOVERNANCE

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

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

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



Babalwa Ngonyama

Chairman of the ARC

Houghton Estate

12 June 2023

STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

		GROUP		COMPANY	
	Note	31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
ASSETS					
Non-current assets		37 908	33 597	27 407	24 624
Investment property	3, 4	34 380	30 535	13 102	12 706
Straight-line rental income accrual	4	379	326	299	246
Financial assets at fair value through profit or loss (FVTPL)	5	338	406	124	173
Equity investment at fair value through other comprehensive income (FVTOCI)	6	2 044	1 452	—	—
Investment in associate (equity accounted)	7	134	120	—	—
Investment in joint venture (equity accounted)	8	2	48	2	48
Investment in subsidiaries	9	—	—	13 092	10 543
Derivative financial instruments	24	121	260	121	260
Long-term loans granted	13	307	278	301	274
Loans to subsidiaries	14	—	—	302	308
Other non-current assets	11	203	172	64	66
Current assets		2 168	1 128	1 233	636
Trade and other receivables	16	515	309	169	204
Derivative financial instruments	24	66	40	66	40
Current taxation assets		12	12	—	—
Other current assets	11	15	15	—	—
Cash and cash equivalents	27.5	1 387	565	685	43
Loans to subsidiaries	14	—	—	251	162
Non-current assets held for sale	41	173	187	62	187
Total assets		40 076	34 725	28 640	25 260
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent		20 077	17 568	19 766	17 250
Stated capital	17	13 138	13 138	13 138	13 138
Other components of equity	18	4 735	2 529	4 140	1 602
Retained earnings		2 204	1 901	2 488	2 510
Non-controlling interest		1 345	1 082	—	—
Non-current liabilities		16 877	14 197	7 541	6 472
Interest-bearing borrowings	20	16 014	13 333	6 651	5 460
Lease liability	21	286	272	285	271
Share scheme liability	12	30	1	5	1
Derivative financial instruments	24	249	373	249	373
Loans from subsidiaries	14	—	—	303	345
Deferred taxation liabilities	15	63	33	48	22
Other non-current liabilities	11	235	185	—	—
Current liabilities		1 777	1 878	1 333	1 538
Trade and other payables	22	667	610	346	306
Short-term portion of interest-bearing borrowings	20	1 013	1 163	936	1 135
Short-term portion of lease liability	21	19	18	19	18
Short-term portion of share scheme liability	12	44	—	—	—
Derivative financial instruments	24	32	79	32	79
Current taxation liabilities		—	5	—	—
Shareholders for dividends		2	3	—	—
Total equity and liabilities		40 076	34 725	28 640	25 260

STATEMENT OF PROFIT OR LOSS

for the year ended 31 March 2023

	Note	GROUP		COMPANY	
		31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
Property revenue	28	3 594	3 485	1 886	1 885
Straight-line rental income accrual	4	58	(10)	55	(14)
Gross property revenue		3 652	3 475	1 941	1 871
Property expenses	29	(1 269)	(1 238)	(761)	(754)
Expected credit loss (ECL): tenant receivables	29	(4)	(24)	2	(32)
Net profit from property operations		2 379	2 213	1 182	1 085
Corporate and administrative expenses	30, 31	(330)	(296)	(161)	(156)
Investment and other income	32	298	257	495	329
Finance income	32	53	28	247	318
Net interest from cross-currency interest rate swaps	25.4, 32	16	108	16	108
Fair value movement on non-designated portion of CCIRS	25.4	(27)	(59)	(27)	(59)
Profit before finance costs		2 389	2 251	1 752	1 625
Finance costs	33	(834)	(809)	(610)	(535)
Profit after finance costs		1 555	1 442	1 142	1 090
Loss on disposals	43	(20)	(36)	(20)	(16)
Loss on realisation of derivative		(19)	(59)	(19)	(59)
Fair value (loss)/gain on financial instruments	44	(33)	3	(14)	29
Fair value profit/(loss) on investment in subsidiaries	9	—	—	173	(75)
Impairments	7, 13, 14	(2)	1	(14)	11
Profit before changes in fair value of investment property		1 481	1 351	1 248	980
Fair value adjustments:		582	652	416	263
Gross change in fair value of investment property	3	625	637	456	245
Change in fair value of right-of-use asset	3	15	5	15	4
Straight-line rental income adjustment	4	(58)	10	(55)	14
Profit before equity-accounted investment		2 063	2 003	1 664	1 243
Share of income from associate	7	9	27	—	—
Share of profit/(loss) from joint venture	8	1	(4)	1	(4)
Profit before taxation		2 073	2 026	1 665	1 239
Taxation	34	(35)	(34)	(32)	(14)
Profit for the year		2 038	1 992	1 633	1 225
Attributable to owners of the parent		1 932	1 909	—	—
Attributable to non-controlling interest	19	106	83	—	—
Basic and diluted earnings per share (cents)	42	197.10	199.10		

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	GROUP		COMPANY	
		31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
Profit for the year		2 038	1 992	1 633	1 225
Other comprehensive income (OCI) net of tax					
Items that will not be reclassified to profit or loss:					
Equity investments designated at fair value through OCI		120	(156)	1 985	26
Fair value adjustment on equity investments		120	(156)	—	—
Fair value adjustment on investment in subsidiary		—	—	1 985	26
Items that are/will be reclassified to profit or loss:					
Foreign currency translation reserve		1 694	(675)	7	(3)
Associate		(1)	(3)	—	—
Joint venture	8	7	(3)	7	(3)
Subsidiary		1 688	(669)	—	—
Cash flow hedges	25	100	153	(38)	(66)
Interest rate swaps		121	151	121	116
Forward exchange contracts		—	—	(138)	(184)
Barrier option		(21)	2	(21)	2
Other comprehensive income/(loss) for the year		1 914	(678)	1 954	(43)
Total comprehensive income for the year		3 952	1 314	3 587	1 182
Attributable to owners of the parent		3 631	1 264	—	—
Attributable to non-controlling interest	19	321	50	—	—

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

Group (Rm)	Stated capital	Other components of equity ⁽¹⁾	Retained earnings	Shareholders' interest	Non-controlling interest (NCI) ⁽²⁾	Total
Balance at 31 March 2021	12 838	3 153	1 370	17 361	1 559	18 920
Issue of share capital	300	—	—	300	—	300
Dividend distribution	—	—	(1 354)	(1 354)	(23)	(1 377)
	13 138	3 153	16	16 307	1 536	17 843
Profit for the year	—	—	1 909	1 909	83	1 992
Transfer to non-distributable reserve	—	24	(24)	—	—	—
Transactions with NCI	—	—	—	—	(545)	(545)
Change in ownership of subsidiary recognised in equity	—	(38)	—	(38)	38	—
Equity-settled share scheme	—	35	—	35	3	38
Other comprehensive loss	—	(645)	—	(645)	(33)	(678)
Balance at 31 March 2022	13 138	2 529	1 901	17 568	1 082	18 650
Dividend distribution	—	—	(1 104)	(1 104)	(55)	(1 159)
	13 138	2 529	797	16 464	1 027	17 491
Profit for the year	—	—	1 932	1 932	106	2 038
Transfer to non-distributable reserve	—	525	(525)	—	—	—
Equity-settled share scheme	—	(18)	—	(18)	(3)	(21)
Other comprehensive income	—	1 699	—	1 699	215	1 914
Balance at 31 March 2023	13 138	4 735	2 204	20 077	1 345	21 422

⁽¹⁾ Refer to note 18 (Other components of equity for more information).

⁽²⁾ Refer to note 19 (Non-controlling interest for more information).

Company (Rm)	Stated capital	Other components of equity ⁽¹⁾	Retained earnings	Total
Balance at 31 March 2021	12 838	1 539	2 720	17 097
Issue of share capital	300	—	—	300
Dividend distribution	—	—	(1 354)	(1 354)
	13 138	1 539	1 366	16 043
Profit for the year	—	—	1 225	1 225
Transfer to non-distributable reserve	—	81	(81)	—
Equity-settled share scheme	—	25	—	25
Other comprehensive loss	—	(43)	—	(43)
Balance at 31 March 2022	13 138	1 602	2 510	17 250
Dividend distribution	—	—	(1 104)	(1 104)
	13 138	1 602	1 406	16 146
Profit for the year	—	—	1 633	1 633
Transfer to non-distributable reserve	—	551	(551)	—
Equity-settled share scheme	—	33	—	33
Other comprehensive income	—	1 954	—	1 954
Balance at 31 March 2023	13 138	4 140	2 488	19 766

⁽¹⁾ Refer to note 18 Other components of equity for more information.

STATEMENT OF CASH FLOW

for the year ended 31 March 2023

	Note	GROUP		COMPANY	
		2023 Rm	2022 Rm	2023 Rm	2022 Rm
Cash flow from operating activities		2 089	2 054	970	981
Profit before taxation		2 073	2 026	1 665	1 239
Adjustments	27.1	(36)	(39)	(660)	(357)
Net changes in working capital	27.2	63	91	(29)	101
Taxation paid	27.3	(11)	(24)	(6)	(2)
Cash flow from investing activities		(99)	356	536	149
Acquisition of investment property		(422)	(549)	(163)	(187)
Proceeds on sale of investment property		137	1 218	137	796
Cash flow from cross-currency interest rate swaps		41	143	41	143
Investment and finance income	32	94	165	657	380
Acquisition of equity investments at fair value through other comprehensive income ⁽ⁱ⁾	6	(158)	(1 600)	—	—
Acquisition of furniture, fittings and computer equipment	11	(6)	(3)	(1)	—
Proceeds on sale of listed securities		51	501	51	501
Acquisition of equity investments at fair value through profit or loss		(4)	—	(4)	—
Acquisition of investment in associate		—	(2)	—	—
Disposal of investment in joint venture		21	—	21	—
Loss of control of investment in subsidiary		—	530	—	—
Cash flow from change in investment in joint operations		141	(12)	141	(12)
Cash flows on advances to subsidiaries		—	—	(344)	(1 182)
Cash flows received from subsidiaries		—	—	—	257
Net cash flows from tenant deposits invested/ (withdrawn)		11	(29)	—	—
Equity purchased from NCI	19	—	—	—	(545)
Long-term loans granted	13	(5)	(6)	—	(2)
Cash flow from financing activities		(1 277)	(2 823)	(883)	(1 440)
Interest-bearing borrowings advanced	20	3 163	8 974	3 138	5 870
Interest-bearing borrowings repaid	20	(2 320)	(9 169)	(2 269)	(5 906)
Finance costs paid		(767)	(646)	(549)	(480)
Cash flows received from subsidiaries		—	—	94	494
Dividends paid	27.4	(1 160)	(1 376)	(1 104)	(1 354)
Equity purchased from NCI	19	—	(545)	—	—
Acquisition of executive share scheme financial assets		(51)	(18)	(51)	(18)
Settlement of derivatives	24, 32, 33	(123)	(324)	(123)	(328)
Payment of land lease liability		(19)	(19)	(19)	(18)
Proceeds from issue of share capital		—	300	—	300
Net decrease in cash and cash equivalents		713	(413)	623	(310)
Foreign currency movement on cash		109	(25)	19	3
Cash and cash equivalents at the beginning of the year		565	1 003	43	350
Cash and cash equivalents at the end of the year⁽ⁱⁱ⁾	27.5	1 387	565	685	43

⁽ⁱ⁾ Cash flow from equity investments at fair value through other comprehensive income includes R111 million cash inflow from pre-acquisition dividends.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1 GENERAL ACCOUNTING POLICIES

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

1.1 Basis of preparation

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

Except for the amendments adopted as set out below in point 1.2, all accounting policies applied by the group in the preparation of these consolidated financial statements are consistent with those applied by the group in its consolidated financial statements as at and for the year ended 31 March 2022.

The company's separate financial statements have been presented with the consolidated financial statements. Where accounting policies refer to the group, these apply to the company also, unless stated otherwise.

1.2 New standards and amendments

The group has adopted the following new standards or amendments to standards that were effective for the first time for the financial period commencing 1 April 2022:

- The amendment to IAS 16 – *Property, Plant and Equipment* prohibits a company from deducting from the cost of property, plant and equipment any amounts received from selling items produced while the company is preparing the asset for its intended use
- The amendment to IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* clarifies which costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous
- The amendment to IFRS 1 – *First-time Adoption of International Financial Reporting Standards* permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRS

These amendments had no impact on the group.

These annual financial statements were compiled under the supervision of Laurence Cohen CA(SA) in his capacity as CFO of the group.

1.3 Revenue recognition

TYPES OF REVENUE	RECOGNITION
Operating lease income	Recognised as income on a straight-line basis over the lease term.
Revenue from leases with tenants: Municipal recoveries	Municipal recoveries are recognised over the period for which the services are rendered. The group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants.
Contingent rents (turnover rental)	Included in revenue when the amounts can be reliably measured.
Dividends	Recognised when the group's right to receive payment is established.
Interest earned on cash invested with financial institutions	Recognised on an accrual basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

1 GENERAL ACCOUNTING POLICIES continued

1.4 Basis of consolidation

Control is achieved when the company:

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

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

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

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

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

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

1.5 Financial instruments

Classification and measurement

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

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

Impairment of financial assets

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

At each reporting date, the group assesses whether financial assets carried at amortised cost (such as loans granted detailed in note 13 and note 14) have significantly increased in credit risk. The group considers a financial asset to be in default when:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

1 GENERAL ACCOUNTING POLICIES continued

1.6 Impairment losses

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

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

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

1.7 Foreign currency transactions

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

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

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

Foreign operations

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

1.8 Non-current assets held for sale

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

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

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

Additional disclosures are provided in note 41.

1.9 New and revised IFRS not yet adopted

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

1 GENERAL ACCOUNTING POLICIES continued

1.9 New and revised IFRS not yet adopted continued

STANDARD	DETAILS OF AMENDMENTS	IMPACT ON THE FINANCIAL STATEMENTS
IAS 1 – Presentation of Financial Statements: Amendments are effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.	Deferral of the effective date of the January 2020 Classification of Liabilities as Current or Non-current (Amendments to IAS 1) by one year.	The amendment is not expected to have a material impact on the group.
IAS 1 – Presentation of Financial Statements: Amendments are effective for annual periods beginning on or after 1 January 2024.	On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.	The amendment is not expected to have a material impact on the group.
IAS 1 – Presentation of Financial Statements: Amendments are effective for annual periods beginning on or after 1 January 2023.	On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements.	The amendment is not expected to have a material impact on the group.
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors Amendments are effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.	In February 2021, the IASB issued the definition of accounting estimates, which amended IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities to distinguish between accounting policies and accounting estimates.	The amendment is not expected to have a material impact on the group.
IAS 12 – Deferred Tax: Amendments are effective for annual periods beginning on or after 1 January 2023. Early application is permitted.	The IASB issued 'Deferred Tax related to Assets and Liabilities arising from a single transaction' that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.	The amendment is not expected to have a material impact on the group.
IFRS 16 – Leases: Amendments are effective for annual periods beginning on or after 1 January 2024.	On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.	The amendment is not expected to have a material impact on the group.
IFRS 17 – Insurance Contracts defer the effective date of IFRS 17 – Insurance Contracts to annual periods beginning on or after 1 January 2023.	Deferral of the date of initial application of IFRS 17 by two years and a change of the fixed expiry date for the temporary exemption in IFRS 4 – Insurance Contracts from applying IFRS 9 – Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	The amendment will not impact the group.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Estimates

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

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

- Application of the following accounting policies, namely:
 - Taxation
 - Financial instruments
 - Revenue
 - Impairment
 - Furniture, fittings, computer equipment and intangible assets
 - Borrowing costs
 - Share-based payments
- Investment property valuation – notes 3 and 23
- Investments – notes 5, 6, 7, 8 and 10
- Deferred taxation – note 15
- Trade and other receivables – note 16
- Executive share scheme financial asset – notes 5.3 and 23

Investment property

The revaluation of investment property requires judgement in the determination of an appropriate discount rate and reversionary capitalisation rate. Note 23 sets out further details of the fair measurement of investment property.

Deferred tax and taxation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2 ACCOUNTING ESTIMATES AND JUDGEMENTS continued

Estimates continued

Impairment of assets

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

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables in terms of IFRS 9's ECL model. This is achieved by converting a historic ECL into a probability-weighted forward-looking ECL.

Incremental borrowing rate for land leases

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



NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

2 ACCOUNTING ESTIMATES AND JUDGEMENTS continued

Judgements

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

Investments

Note 5 set out the rationale behind management's opinion regarding the accounting for the investments in Fairvest Limited and REImagine Social Impact Retail Fund. Note 6 sets out the rationale behind management's opinion regarding the accounting for the group's investment in Lar España Real Estate SOCIMI.

Determining the lease term

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

Non-current assets held for sale

Management applied judgement in assessing whether certain investment properties qualify to be classified as held for sale. In management's opinion, the following properties met all the IFRS 5 requirements and are classified as held for sale at year-end:

- Rustenburg Edgars Building
- Piet Retief Shopping Centre

Refer to note 41 for further details.

3 INVESTMENT PROPERTY

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

3 INVESTMENT PROPERTY continued

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

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

Gains or losses on the disposal of investment property are recognised as a fair value adjustment in profit or loss, and are calculated as the difference between the net selling price and the fair value of the property as valued in the most recent annual financial statements. Such gains or losses are excluded from the calculation of distributable earnings.

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

Investment property held for sale

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

Movement in investment property

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Investment property at 1 April	31 048	32 976	13 139	13 393
Capital expenditure and tenant installations	408	472	156	113
Acquisitions and development costs	13	87	7	85
Foreign currency translation	3 133	(1 164)	—	—
Increase in right-of-use asset due to lease extension	—	90	—	90
Change in right-of-use asset	15	5	15	4
Changes in fair value	625	637	456	245
Disposals	(311)	(2 050)	(311)	(787)
Movement in capitalised lease commissions	1	(5)	1	(4)
Investment property at 31 March	34 932	31 048	13 463	13 139
Straight-line rental income adjustment	(379)	(326)	(299)	(246)
Total investment property	34 553	30 722	13 164	12 893
Reflected on the statement of financial position under:				
Non-current assets	34 380	30 535	13 102	12 706
Non-current assets held for sale	173	187	62	187
Total	34 553	30 722	13 164	12 893

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

The group's properties are mortgaged to the value of R14.8 billion as security for bank loans (2022: R29.5 billion) – refer to note 20.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

4 STRAIGHT-LINE RENTAL INCOME

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Balance at 1 April	331	352	251	265
Loss of control of subsidiary	—	(11)	—	—
Sale of investment property	(5)	—	(5)	—
Current year movement	58	(10)	55	(14)
Balance at 31 March	384	331	301	251
Reflected on the statement of financial position under:				
Non-current assets	379	326	299	246
Non-current assets held for sale	5	5	2	5
Total	384	331	301	251

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

5.1 Fairvest Limited

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Investment in Fairvest Limited (Fairvest)	285	360	71	127
Number of shares held – “B” shares	93 584 412	108 688 143	23 310 493	38 414 224
% holding	6.00	7.00	1.50	2.50
Price at year-end (cents per share) – “B” shares	305	331	305	331
Opening balance at fair value	360	309	127	309
Share swap – Transfer from investment in associate at fair value	—	568	—	294
Fair value adjustment	(24)	5	(5)	46
Disposal of “B” shares	(51)	(522)	(51)	(522)
Closing balance at fair value	285	360	71	127

Fairvest Limited (Fairvest) is a REIT listed on the Johannesburg Securities Exchange (JSE), which holds a diversified portfolio of retail, office and industrial properties. During the period, Vukile reduced its shareholding in Fairvest to 6%, receiving sale proceeds of c.R50.81 million.

5.2 REImagine Social Impact Retail Fund

GROUP	March 2023 Rm
Opening balance at fair value	—
Capital contribution	4
Fair value adjustment	(4)
Closing balance at fair value	—

The REImagine Social Impact Retail Fund (REImagine or the Fund) was founded by ALT Capital Partners (refer to note 8.2) to target the development and acquisition of small convenience retail in rural and township locations in South Africa. During the year, Vukile committed R200 million of capital to the Fund. Vukile will also be selling two assets (ie Rustenburg Edgars building and Piet Retief SC) to the Fund for c.R173 million. These two assets are classified as held for sale at 31 March 2023 (refer to note 41).

Vukile has a minority c.15% interest in the Fund. Vukile has elected to recognise the investment at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) continued

5.3 Executive share scheme reimbursement right

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

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

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

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

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

	2023 Rm	2022 Rm
Reimbursement right included in financial assets at FVTPL: 1 April	46	31
Fair value of shares held by SCM	109	57
Fair value of conditional shares expected to vest	(63)	(26)
Shares awarded to scheme participants during the year	57	26
Forfeiture of awards due to non-performance	(6)	(8)
Fair value movement based on Vukile's closing share price	(30)	34
Unwinding of vesting period on conditional shares expected to vest	(14)	(37)
Reimbursement right included in financial assets at FVTPL: 31 March	53	46
Fair value of shares held by SCM	130	109
Fair value of conditional shares expected to vest	(77)	(63)

The fair value of the shares is based on the number of shares held by SCM valued at the closing share price at year-end (level 1 financial instrument – note 23.2).

The value of the shares expected to vest is calculated with reference to the fair value of the conditional shares, weighted for the probability of fulfillment of performance conditions, and based on the number of days to vesting (level 2 financial instrument).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) continued

5.3 Executive share scheme reimbursement right continued

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

	Rm	Vesting dates
i Special award – retention based	4	31 May 2022
ii Based on 25% CPA ⁽²⁾ targets, 25% strategic targets and 50% performance targets for the group (Castellana and Vukile) ⁽¹⁾	22	31 May 2024
iii Based on 27.5% to 100% CPA targets and 72.5% to 0% of group performance	27	31 May 2023
iv Special award – retention based	1	31 May 2023
v Based on 27.5% to 100% CPA targets and 72.5% to 0% of group performance	26	31 May 2024
vi Based on 24.7% to 100% CPA targets and 75.3% to 0% company performance targets	33	31 May 2025
vii Special award – Retention (in lieu of short-term performance)	15	31 May 2025
viii Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2028
ix Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2029
x Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2030

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

⁽²⁾ Critical performance areas (CPA).

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

Scheme	LG Rapp	LR Cohen	IU Mothibeli
	%	%	%
i	39.3	—	—
ii	100	—	—
iii	22.2	11.9	8.4
iv	23.7	12.7	9.0
vi	22.0	12.0	9.0
vii	22.0	15.0	15.0
viii	100	—	—
ix	100	—	—
x	100	—	—

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

6 EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP	2023	2022
Investment in Lar España Real Estate SOCIMI (Lar España)		
Number of shares held	21 512 459	18 157 459
% holding	25.7	21.7
Price at year-end: Euro	€4.93	€4.95
Price at year-end: Rand equivalent	R95.10	R77.99
	Rm	Rm
Opening balance at fair value	1 452	—
Shares acquired	269	1 600
Pre-acquisition dividend	(111)	—
Foreign currency translation	314	8
Fair value adjustment	120	(156)
Closing balance at fair value	2 044	1 452

During the year, Castellana Properties SOCIMI (Castellana) acquired a further 3 355 000 shares in Lar España at an aggregate price of c.€4.74 per share, increasing its shareholding to 25.7%.

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

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

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

Vukile has elected to measure the investment at FVOCI, in accordance with IFRS 9.

At 31 March 2023, a fair value profit of R120 million (€6.8 million) was recognised in other comprehensive income with reference to the quoted price of the Lar España share at 31 March 2023 (R95.10/€4.93 per share).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED)

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

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

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

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

7.1 Fetch Analytics

Vukile holds a 31% interest in Fetch Holdings CY Limited (formerly Bodlero Limited) through its wholly owned subsidiary, All Great investments (Pty) Ltd. Fetch Analytics CY or Fetch, incorporated in Cyprus, has investments in various group operating entities across the UK, Europe and South Africa that specialises in data analytics, using artificial intelligence that provides insight into shopper behaviour.

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

Apart from its 31% equity interest, Vukile also participates in the financial and operating policies of Fetch. Accordingly, Vukile exercises significant influence over Fetch and the investment in Fetch is recognised as an equity-accounted associate.

An impairment of R8 million was recognised in the prior year due to the carrying value being in excess of the recoverable amount. During the current year, Vukile's share of losses from the associate exceeded the carrying value of the investment. As such, the value of the investment is zero. Subsequent losses are no longer recognised as a reduction to the investment, but are recognised as a reduction to the shareholder loan funding to Fetch in accordance with IAS 28. Refer to note 13.2.

	March 2023 Rm	March 2022 Rm
Opening balance at carrying value	1	16
Investment in associate	—	2
Share of loss	(1)	(6)
Impairment	—	(8)
Foreign currency translation loss	—	(3)
Carrying value of investment	—	1

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED) continued

7.1 Fetch Analytics continued

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

Statement of comprehensive income

The statement of comprehensive income has not been disclosed since the numbers are below R1 million.

Statement of financial position

	31 December 2022 €m	31 December 2021 €m
Total assets	1	1
Total equity and liabilities	1	1

Reconciliation to carrying amounts

	March 2023 €m	March 2022 €m
Net asset value at 31 December	(1)	1
Loss up to 31 March	*	(1)
Net asset value as at 31 March	(1)	*
Vukile's share in net assets	—	*

* Amounts less than €1 million.

	March 2023 Rm	March 2022 Rm
Equity-accounted Rand value at 31 March	—	9
Impairment	—	(8)
Carrying amount as at 31 March	—	1

The information was extracted from Fetch Analytic's summarised financial statements for the year ended 31 December 2022, and the first quarter management accounts ending 31 March 2023, being the latest available results.

	2023		2022	
	Rm	€m	Rm	€m
Vukile's share of net assets at March				
Share of equity acquired	19	1	19	1
Share of current year loss	(6)	—	(6)	—
Share of accumulated losses	(7)	(1)	(1)	—
Foreign currency translation reserve	(3)	—	(3)	—
Cumulative impairment	(8)	—	(8)	—
	(5)	—	1	1
Rand/Euro exchange rate at 31 March	19.29		16.16	

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED) continued

7.2 MICC Properties Namibia (Pty) Ltd

Investment in associate

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

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

	March 2023 Rm	March 2022 Rm
GROUP		
Opening balance at carrying value	119	—
Investment at fair value (after payment of dividends on implementation of the sale ⁽¹⁾)	—	86
Equity-accounted share of profits	15	33
Equity-accounted carrying value	134	119

⁽¹⁾ Sale of c.64% of the shares in MICC Namibia in the prior year.

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

Statement of comprehensive income

	March 2023 Rm	March 2022* Rm
Rental revenue	129	130
Net operating income	86	96
Profit for the year	41	107

* Comparative figures have been updated in line with the 2022 audited financial statements of MICC Namibia (Pty) Ltd.

Statement of financial position

	March 2023 Rm	March 2022 Rm
ASSETS		
Non-current assets	962	943
Current assets	42	42
Total assets	1 004	985
EQUITY	370	330
Non-current liabilities	599	636
Current liabilities	35	19
Total equity and liabilities	1 004	985

The information was extracted from MICC Namibia's draft financial statements for the year ended 31 March 2023.

	March 2023 Rm	March 2022 Rm
Net asset value as at 31 March	370	330
Vukile's share of net assets	134	119

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

8 INVESTMENT IN JOINT VENTURE (EQUITY ACCOUNTED)

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

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

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

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

8.1 Diversified Real Estate Asset Management S.L. (DREAM)

On 26 October 2022, DREAM executed a share buy-back, in terms of which Vukile's total investment of 1005 shares, representing a 25.09% interest in the shares of DREAM, were acquired for €2.2 million. The share buy-back was partly paid in cash (€1.2 million) and the balance amounting to €1 million was converted to a ZAR denominated loan of R17.5 million, payable before 29 January 2024, accruing interest at prime. Refer to note 16 for further details relating to the outstanding balance of the loan.

	March 2023 Rm	March 2022 Rm
Carrying value of investment at 1 April	48	55
Share of losses for the year	(1)	(4)
Foreign currency translation	7	(3)
Share buy-back	(54)	—
Carrying value of investment at 31 March	—	48

	March 2023 Rm
Proceeds from share buy-back	39
Cost to sell	(1)
Carrying value of investment on date of share buy-back	(54)
Loss on exit	(16)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

8 INVESTMENT IN JOINT VENTURE (EQUITY ACCOUNTED) continued

8.2 ALT Capital Partners

During the year, Vukile acquired a 33% interest in ALT Capital Partners, a private equity real estate investment manager. ALT Capital Partners acts as investment manager for REImagine (refer to note 5.2). A service level agreement is in place for Vukile to provide ALT Capital with property-related asset management services.

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

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

* Amounts less than R1 million.

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

Statement of comprehensive income

	13 months as at 31 March 2023 Rm
Revenue	10
Other income	18
Operating expenses	(22)
Profit for the year	6

Statement of financial position

	March 2023 Rm
ASSETS	
Non-current assets	2
Current assets	14
Total assets	16
EQUITY	4
Non-current Liabilities	2
Current liabilities	10
Total equity and liabilities	16

The information was extracted from the summarised financial statements for the period (13 months) ending 31 March 2023, being the latest available results.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9 INVESTMENT IN SUBSIDIARIES

Vukile's accounting policy is to measure investment in subsidiaries at fair value through profit or loss (FVTPL) for subsidiaries incorporated in South Africa and at fair value through other comprehensive income (FVOCI) for foreign subsidiaries.

The fair value gains or losses are recognised in profit or loss or other comprehensive income relative to the classification. Dividend income is recognised in profit or loss.

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

COMPANY	2023 Rm	2022 Rm
Investment in subsidiaries at FVTPL		
Incorporated in the Republic of South Africa		
Opening balance	1 762	1 837
Change in fair value (P/L)	173	(75)
Closing balance	1 935	1 762
Investment in subsidiaries at FVOCI		
Incorporated in Spain		
Opening balance	8 781	7 121
Additions ⁽¹⁾	276	1 787
Change in fair value (OCI)	2 100	(127)
Closing balance	11 157	8 781
Total investment in subsidiaries	13 092	10 543

⁽¹⁾ Additions for the year includes the Castellana shareholder loan of R276 million (€15 million) that was converted to equity.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

9 INVESTMENT IN SUBSIDIARIES continued

COMPANY	2023 Rm	2022 Rm
Direct holding		
Incorporated in the Republic of South Africa		
100% holding in MICC Properties (Pty) Ltd (2022: 100%)	1 615	1 518
80% holding in Clidet No. 1011 (Pty) Ltd (2022: 80%)	320	244
Incorporated in Spain		
89.8% in Castellana (2022: 89.6%)	11 157	8 781
Indirect holding		
Incorporated in the Republic of South Africa		
MICC Properties (Pty) Ltd		
MICC Property Income Fund		
Special-purpose entity incorporated in the Republic of South Africa		
Vukile Investment Property Securitisation (Pty) Ltd (VIPS)		
Incorporated in Spain		
Junction Parque Castellon SLU		
Junction Parque Principado SLU		
Castellana Innovacion SLU		
Castellana Green SLU		
Junction Parque Huelva SLU		
Junction Parque Motril SLU		
Junction Parque Granada SLU		
Junction Parque Caceres SLU		
Junction Parque Merida SLU		
Castellana Parque Villanueva SL		
Castellana Parque Alcorcon SL		
Junction Parque Habaneras SLU		
Morzal Property Iberia SL		
Junction Parque Alameda SLU		
Lar España Real Estate SOCIMI, S.A		
Total investment in subsidiaries	13 092	10 543

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

10 JOINT OPERATIONS

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

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

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its share of the revenue from the joint operation
- Its expenses, including its share of any expenses incurred jointly

The group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with IFRS 11, applicable to joint arrangements in the particular assets, liabilities, revenues and expenses.

GROUP	2023 % ownership	2022 % ownership
Joint operations comprise the following properties:		
Boksburg East Rand Mall	50.0	50.0
Meadowdale Mall	67.0	67.0
Moratiwa Crossing ⁽¹⁾	—	94.5
Thavhani Mall	33.3	33.3
Tzaneen Maake Plaza	70.0	70.0
Ga-Kgapane Modjadji Plaza	30.0	30.0
Springs Mall	28.0	28.0

⁽¹⁾ The group's interest in Moratiwa Crossing was sold in September 2022.

The above operations are classified as joint operations, whereby the group recognises its share of the assets, liabilities, income and expenses of the joint operation.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

10 JOINT OPERATIONS continued

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

GROUP	2023 Rm	2022 Rm
Vukile's share of profit or loss and net assets		
Statement of profit or loss and OCI		
Revenue	365	358
Property expenses	(130)	(123)
Property operating profit	235	235
Straight-line lease income adjustment	11	(2)
Fair value adjustments	175	(19)
Operating profit	421	214
Statement of financial position		
Opening fair value of property assets	2 700	2 700
Acquisitions and disposals	(166)	12
Capital expenditure	24	7
Net fair value adjustments	175	(19)
Straight-line lease income adjustment	11	(2)
Fair value of investment property for accounting purposes	2 744	2 698
Straight-line lease income adjustment	(11)	2
Closing fair value of property assets	2 733	2 700
Current assets	38	51
Total assets	2 771	2 751
Owners' equity	2 064	1 918
Other non-current liabilities	619	761
Current liabilities	88	72
Total equity and liabilities	2 771	2 751

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

11 OTHER CURRENT ASSETS AND LIABILITIES

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Other non-current assets comprise:				
Property, plant and equipment (note 11.1)	71	67	64	66
Intangible assets (note 11.2)	3	2	—	—
Tenant deposits invested with local administrations	129	103	—	—
	203	172	64	66
Other current assets comprise:				
Tenant deposits invested with local administrations	15	15	—	—
	15	15	—	—
Other non-current liabilities comprise:				
Tenant deposits	235	185	—	—
	235	185	—	—

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

Property, plant, equipment and intangible assets are stated at cost less accumulated depreciation/amortisation, and any impairment losses.

Depreciation/amortisation is charged so as to write off the cost less residual value of assets over their estimated useful lives, using the straight-line basis.

The principal useful lives used for this purpose are:

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

11 OTHER CURRENT ASSETS AND LIABILITIES continued

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

11.1 Property, plant and equipment

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Property, plant and equipment				
Cost	86	80	75	74
Accumulated depreciation (including FCTR)	(15)	(13)	(11)	(8)
Carrying value	71	67	64	66
Movement for the year				
Net carrying value at 1 April	67	70	66	69
Additions	6	3	1	—
Foreign currency translation (FCTR)	1	(2)	—	—
Depreciation	(3)	(4)	(3)	(3)
Net carrying value at 31 March	71	67	64	66

11.2 Intangible assets

Intangible assets comprise computer software.

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Intangible assets				
Cost	12	12	12	12
Accumulated amortisation (including FCTR)	(9)	(10)	(12)	(12)
Carrying value	3	2	—	—
Movement for the year				
Net carrying value at 1 April	2	3	—	2
Foreign currency translation reserve (FCTR)	1	1	—	—
Amortisation	—	(2)	—	(2)
Net carrying value of intangible assets	3	2	—	—

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

12 SHARE SCHEME LIABILITY

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Cash-settled scheme comprises:				
South Africa (note 12.1)	5	1	5	1
Spain (note 12.2)	69	—	—	—
	74	1	5	1
Reflected on the statement of financial position under:				
Non-current liability	30	1	5	1
Current liability	44	—	—	—
	74	1	5	1

12.1 Cash-settled share scheme – South Africa

The Total Shareholder Return Hurdled Incentive Plan (the TIP) is a scheme designed specifically to provide an incentive to selected key staff. The TIP ensures complete alignment between management and shareholders given that the plan is based on a total shareholder return (TSR) as determined by growth in share price and dividends received over a five-year period.

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

12 SHARE SCHEME LIABILITY continued

12.1 Cash-settled share scheme – South Africa continued

	2023	2022
Fair value of barrier option asset		
Number of options granted to employees (A)	19 605 207	19 605 207
Fair value per option granted (B)	R1.09	R2.40
Total fair value of options granted to employees (Rm) (AxB)	21	47
Fair value of cash-settled share scheme liability		
Total fair value of options granted to employees (Rm) (C)	21	47
Employee services rendered to date in respect of total vesting period (months) (D)	0.22	0.02
Total fair value of cash-settled share scheme liability (Rm) (CxD)	5	1

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

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

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

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

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

Refer to the directors' report for details in respect of directors' interests in shares via the TIP.

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

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

12.2 Cash-settled share scheme – Spain

During the year, the equity-settled share scheme in Castellana was reclassified to a cash-settled scheme. The vesting date of awards will be three to four years from the award date, dependent on performance measures. The current portion of the cash-settled scheme of R44 million is payable in H1 FY24, in respect of the period April 2019 to March 2022.

	2023 Rm
Balance at 1 April	—
Reclassification from equity	58
Employee benefits expense	23
Payments	(12)
Balance at 31 March	69

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

13 LONG-TERM LOANS GRANTED

13.1 Loans granted to directors

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

The loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, the loans are measured at amortised cost using the effective interest method, less allowances for impairment.

During the current reporting period, the ECL increased by R2 million to R18 million due to a decrease in the Vukile share price at year-end and the resulting impact on the loan security. The ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument, by assessing the probability of default (PD) and the related loss given default (LGD), for three economic scenarios. The base scenario sets out the assumptions that are expected to result in the most realistic outcome from a series of events, with a 10% increase/decrease then being applied to the inputs in the remaining two scenarios.

	2023 Rm	2022 Rm
Loans granted to executives and staff to acquire Vukile shares	274	274
Estimated Credit Loss (ECL)	(18)	(16)
Carrying value at 31 March	256	258

The loans bear interest at the official SARS interest rate. The loans are secured by 14 342 072 Vukile shares (2022: 14 342 072) with a level 1 fair value of R178 million (2022: R202 million). The loans are repayable on the 10th anniversary of the loans being granted or the date of retirement, death or resignation (if earlier), unless otherwise determined by the Social, Ethics and Human Resources Committee.

Refer to the Directors' Report for further details.

13.2 Loan to Fetch Analytics

Fetch Analytics is a c.31% held investment in associate. (refer to note 7.1). During the current year, the carrying value of the investment reached zero due to Vukile's share of losses from the associate. Subsequent losses have been recognised against the convertible notes in accordance with IAS 28 – refer to the table below.

EUR-denominated convertible notes: The convertible notes earn interest at 5% compounded monthly. The notes are redeemable/repayable after 12 months but before 18 months, after which the notes will automatically convert into ordinary shares of Fetch Analytics. In the current year, an advance of €42,150 was made, bringing the total outstanding balance to €202,184 at year-end.

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

GROUP	2023 Rm	2022 Rm
GBP-denominated loan		
Opening balance	1	—
Loans advanced	—	1
Foreign exchange movement	—	—
Closing balance	1	1
EUR-denominated convertible notes		
Opening balance	3	—
Loans advanced	5	3
Share of loss from associate	(5)	—
Foreign exchange movement	2	—
Closing balance	5	3
Carrying value at 31 March	6	4

The loans are measured at amortised cost in accordance with IFRS 9. Foreign exchange movements are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

13 LONG-TERM LOANS GRANTED continued

13.3 Loan to Mistraline (Pty) Ltd

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

	2023 Rm	2022 Rm
Vendor loan – Sandton Linbro 7 on Mastiff Business Park	16	16

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

13.4 Loan to Our Generation Properties (Pty) Ltd

In respect of the sale agreement relating to Monsterlus Moratiwa Crossing (refer to note 10), a portion of the acquisition price payable by the purchaser was deferred. The resulting loan earns interest annually at the SA prime rate plus 3%, compounded monthly in arrears and is repayable on 31 August 2025.

	2023 Rm
Vendor loan – Monsterlus Moratiwa Crossing	29

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

14 LOANS TO/(FROM) SUBSIDIARIES

COMPANY	2023 Rm	2022 Rm
Loans to/(from) subsidiaries		
All Great Investments (Pty) Ltd	21	25
MICC Properties (Pty) Ltd	(303)	(345)
Clidet No. 1011 (Pty) Ltd	281	283
Castellana Properties SOCIMI, S.A.	251	162
Total	250	125
Reflected in the statement of financial position under:		
Non-current assets	302	308
Current assets	251	162
Non-current liabilities	(303)	(345)
Total	250	125

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

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

The loan to Castellana Properties SOCIMI, S.A. is a Euro-denominated loan of €13million (2022: €10million). The loan earns interest at 5% and is repayable on 14 November 2023. There has not been a significant increase in the credit risk; therefore the loan is classified as Stage 1 resulting in a zero ECL for the next 12 months.

The loan to All Great Investments (Pty) Ltd earns interest at 8.7% and is repayable on 31 May 2025. During the current period, there was an increase in the credit risk. The loan has been classified as Stage 2, resulting in an ECL of R11.7 million being recognised. All Great Investments (Pty) Ltd is the holding company for Vukile's investment in Fetch Analytics (Fetch). The credit risk is assessed by reference to the performance of the underlying investment (i.e. Fetch). Fetch is still in a start-up phase of its business development and hence, the enhanced credit risk assessment.

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

15 DEFERRED TAXATION

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

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

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

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

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Amounts received in advance	15	12	13	11
Allowance for bad debts	15	15	13	13
Wear and tear on developments	(92)	(69)	(74)	(56)
Wear and tear on office building	—	2	—	2
Allowance for future expenditure	(6)	(5)	(5)	(5)
Prepayments	(4)	1	(4)	2
Leave pay and other accruals	9	11	9	11
	(63)	(33)	(48)	(22)
Movement				
Balance at 1 April	(33)	(20)	(22)	(10)
Overprovision in prior year	—	4	—	2
Loss of control of subsidiary	—	(7)	—	—
Other temporary differences ⁽¹⁾⁽²⁾	(28)	(10)	(26)	(14)
Foreign currency translation	(2)	—	—	—
Balance at 31 March	(63)	(33)	(48)	(22)
Reflected on the statement of financial position under:				
Deferred taxation assets	—	—	—	—
Deferred taxation liabilities	(63)	(33)	(48)	(22)
	(63)	(33)	(48)	(22)

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

⁽²⁾ National treasury has decreased the corporate tax rate from 28% to 27% effective for the year ended 31 March 2023. The effect of the reduction is included in other temporary differences.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

16 TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less ECLs.

Discounting is omitted where the effect of discounting is immaterial.

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Gross lease receivables	163	171	65	82
Municipal accruals	120	115	99	94
Expected credit losses (ECL)	(101)	(94)	(63)	(65)
Prepaid expenses	20	23	17	21
Short-term loan*	6	—	6	—
Municipal deposits	33	31	20	21
Dividends receivable	249	—	7	10
VAT and sundry debtors	25	63	18	41
Total	515	309	169	204

* This relates to a short-term loan to DREAM, payable before 29 January 2024 and accruing interest at prime. The loan is a vendor loan, ie a deferred payment for a part of the proceeds due to Vukile on Vukile's exit from its investment in DREAM.

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

17 STATED CAPITAL

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

	2023	2022
Authorised ordinary shares of no par value (000)	1 500 000	1 500 000
Issued ordinary shares of no par value (000)		
Opening balance of issued shares	980 227	956 227
Shares issued during the year	—	24 000
Closing balance of issued shares	980 227	980 227
Reconciliation of movement of issued shares	Rm	Rm
Stated capital at the beginning of the year	13 138	12 838
Shares issued during the year	—	300
Stated capital at the end of the year	13 138	13 138

Shares under control of the directors

At the AGM held on 1 September 2022, 98 022 662 shares were placed under the control of the directors. After year-end (on 5 April 2023), 56 000 000 shares were allotted and issued under the general authority to issue shares for cash as approved by shareholders on 1 September 2022. As at 12 June 2023, 42 022 662 shares remain under the authority of the directors.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

18 OTHER COMPONENTS OF EQUITY

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

GROUP	Non-distributable reserves Rm	Fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedges Rm	Total Rm
Balance at 31 March 2021	3 797	—	(428)	(216)	3 153
Transfers to non-distributable reserves	24	—	—	—	24
Change in ownership of a subsidiary recognised in equity	(38)	—	—	—	(38)
Equity-settled share scheme	35	—	—	—	35
OCI	—	(156)	(642)	153	(645)
Balance at 31 March 2022	3 818	(156)	(1 070)	(63)	2 529
Transfers to non-distributable reserves	525	—	—	—	525
Equity-settled share scheme	(18)	—	—	—	(18)
OCI	—	120	1 479	100	1 699
Balance at 31 March 2023	4 325	(36)	409	37	4 735

COMPANY	Non-distributable reserves Rm	Fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedges Rm	Total Rm
Balance at 31 March 2021	2 583	(966)	(204)	126	1 539
Equity-settled share scheme	25	—	—	—	25
Transfer from non-distributable reserves	81	—	—	—	81
OCI	—	26	(3)	(66)	(43)
Balance at 31 March 2022	2 689	(940)	(207)	60	1 602
Equity-settled share scheme	33	—	—	—	33
Transfer from non-distributable reserves	551	—	—	—	551
OCI	—	1 985	7	(38)	1 954
Balance at 31 March 2023	3 273	1 045	(200)	22	4 140

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

19 NON-CONTROLLING INTEREST 2023

The non-controlling interest of R1.3 billion represents 10.2% of the net asset value of Castellana and 20.0% of the net asset value of Clidet No. 1011 (Clidet) (which owns Moruleng Mall) at 31 March 2023. During January 2023, Castellana issued 2.4 million shares that were acquired by Vukile by way of a loan capitalisation. The following reflects summarised financial information for Castellana and Clidet, prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in group accounting policies. The information is before intercompany eliminations with other companies in the group.

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

19 NON-CONTROLLING INTEREST continued

2022

GROUP	Castellana Rm	Clidet Rm	March 2022 Rm
Extracts from statement of profit or loss and OCI			
Revenue, excluding straight-line lease income adjustment	1 252	69	1 321
Loss after taxation	787	62	849
Attributable to owners of the parent	716	50	766
Attributable to non-controlling interest	71	12	83
Total comprehensive income	756	61	817
Attributable to owners of the parent	717	50	767
Attributable to non-controlling interest	39	11	50
Dividends paid to non-controlling interest during the year	18	5	23
Extracts from statement of financial position			
Non-current assets	17 734	573	18 307
Current assets	560	40	600
Non-current liabilities	(8 065)	(287)	(8 352)
Current liabilities	(424)	(21)	(445)
Net assets	9 805	305	10 110
Net assets attributable to non-controlling interest	1 021	61	1 082
Extracts from statement of cash flows			
Cash flows from operating activities	764	13	777
Cash flows from investing activities	(1 513)	(4)	(1 517)
Cash flows from financing activities	652	—	652
Net cash inflow	(97)	9	(88)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

20 INTEREST-BEARING BORROWINGS

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

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

Reconciliation of interest-bearing borrowings:

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Balance at 1 April	14 495	15 226	6 596	6 688
Additional borrowings raised	3 163	8 974	3 138	5 870
Transaction costs paid	(24)	(103)	(5)	(18)
Transaction costs amortised (non-cash)	40	117	5	19
Repayment of debt	(2 296)	(9 066)	(2 264)	(5 888)
Foreign exchange differences (non-cash)	117	(76)	117	(76)
Foreign currency translation reserve (non-cash)	1 532	(576)	—	—
Balance at 31 March 2023	17 027	14 496	7 587	6 595
Current portion	1 013	1 163	936	1 135
Non-current portion	16 014	13 333	6 651	5 460

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

20 INTEREST-BEARING BORROWINGS continued

Details of borrowings

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

20 INTEREST-BEARING BORROWINGS continued

Details of borrowings continued

	2022			
	Total facilities available Rm	Issuances/ drawdowns Rm	Interest rate %	Repayment dates
DMTN programme	1 744			
Variable rate bonds⁽²⁾		1 744	5.7 – 6.2	February 2025
Secured		194		
Unsecured		1 550		
Less: Net debt raising fees offset against borrowings		(1)		
Variable rate bank loans⁽²⁾	7 459	4 538	1.8 – 6.8	March 2027
Secured		4 433		
Covenant Exclusive ⁽¹⁾		105		
Less: Net debt raising fees offset against borrowings		(9)		
Fixed rate bank loans	323	323	3.0	July 2023
Secured		—		
Covenant Exclusive		323		
Company total		6 595		
Secured fixed rate loans	7 123	7 123	2.4	February 2029
Less: Net debt raising fees offset against borrowings		(12)		
Secured variable rate loans⁽²⁾	1 134	926	2.1 – 2.2	June 2031
Less: Net debt raising fees offset against borrowings		(136)		
Foreign debt – Spain		7 901		
Group total		14 496		

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

21 LEASE LIABILITY

The lease liability applies to the group's South African portfolio where Vukile is the lessee in shopping centres held in terms of land leases.

The incremental borrowing rate applied to the lease liabilities for the year ranged from 10.35% to 15.50%, depending on the lease terms. The average lease term is 38 years. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Lease liability recognised at 1 April	290	220	289	195
Extension on land lease	—	90	—	90
Loss of control of subsidiary	—	(24)	—	—
Finance costs	34	22	34	22
Lease payments	(19)	(18)	(19)	(18)
	305	290	304	289
Current portion	19	18	19	18
Non-current portion	286	272	285	271
Lease liability at 31 March	305	290	304	289

22 TRADE AND OTHER PAYABLES

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Trade creditors	298	275	73	58
Accrued municipal expenses	153	144	81	68
Accrued capital expenditure	69	33	58	32
Accrued trade expenses	82	95	78	93
Tenant deposits	65	63	56	55
	667	610	346	306

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT

23.1 Fair value measurement of financial instruments

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

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

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

Level 3: Unobservable inputs for the asset or liability

23.2 Fair value hierarchy

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

GROUP	2023				2022			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Equity investments at fair value through profit or loss	285	—	—	285	360	—	—	360
Equity investments at fair value through other comprehensive income	2 044	—	—	2 044	1 452	—	—	1 452
Executive share scheme financial asset	130	—	—	130	109	—	—	109
Derivative financial instruments	—	187	—	187	—	300	—	300
Total	2 459	187	—	2 646	1 921	300	—	2 221
Liabilities								
Executive share scheme financial liability	—	(77)	—	(77)	—	(63)	—	(63)
Derivative financial instruments	—	(96)	(185)	(281)	—	(220)	(232)	(452)
Total	—	(173)	(185)	(358)	—	(283)	(232)	(515)
Net fair value	2 459	14	(185)	2 288	1 921	17	(232)	1 706

COMPANY	2023				2022			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Equity investments at fair value through profit or loss	71	—	—	71	127	—	—	127
Executive share scheme financial asset	130	—	—	130	109	—	—	109
Derivative financial instruments	—	187	—	187	—	300	—	300
Total	201	187	—	388	236	300	—	536
Liabilities								
Executive share scheme financial liability	—	(77)	—	(77)	—	(63)	—	(63)
Derivative financial instruments	—	(96)	(185)	(281)	—	(220)	(232)	(452)
Total	—	(173)	(185)	(358)	—	(283)	(232)	(515)
Net fair value	201	14	(185)	30	236	17	(232)	21

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

23.2 Fair value hierarchy continued

Equity investment at fair value

The fair value of shares held in listed property securities (Fairvest and Lar España) is determined by reference to the quoted closing price at the reporting date. The fair value of shares held in unlisted investments (REImagine Social Impact Retail Fund) is determined with reference to the underlying net assets in the fund.

Executive share scheme financial assets and liabilities

This comprises equity-settled share-based long-term incentive reimbursement rights stated at fair value. The level 1 asset is determined with reference to Vukile's share price. Refer to note 5.3 for further details.

Derivative financial instruments

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

Measurement of fair value

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

23.3 Financial instruments by category

GROUP	2023			2022		
	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm
Assets per statement of financial position						
Cash and cash equivalents	1 387	—	—	565	—	—
Equity investments at fair value through profit or loss	—	285	—	—	360	—
Equity investment at fair value through other comprehensive income	—	—	2 044	—	—	1 452
Executive share scheme financial asset	—	53	—	—	46	—
Derivative financial instruments	—	187	—	—	300	—
Long-term loans granted	307	—	—	278	—	—
Trade and other receivables (excluding prepayments)	495	—	—	286	—	—

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

23.3 Financial instruments by category continued

	2023		2022	
	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm
GROUP				
Liabilities per statement of financial position				
Non-current portion of borrowings	16 014	—	13 333	—
Derivative financial instruments	—	281	—	452
Lease liability	305	—	290	—
Share scheme liability	—	74	—	1
Trade and other payables (excluding IFRS 9 liabilities)	667	—	610	—
Current portion of borrowings	1 013	—	1 163	—
	2023		2022	
	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Fair value through profit or loss Rm
COMPANY				
Assets per statement of financial position				
Cash and cash equivalents	685	—	43	—
Equity investments at fair value through profit or loss	—	71	—	127
Executive share scheme financial asset	—	53	—	46
Derivative financial instruments	—	187	—	300
Long-term loans granted	301	—	274	—
Trade and other receivables (excluding prepayments)	152	—	183	—
Loans to subsidiaries	553	—	470	—

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

23.3 Financial instruments by category continued

COMPANY	2023		2022	
	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm
Liabilities per statement of financial position				
Non-current portion of borrowings	6 651	—	5 460	—
Derivative financial instruments	—	281	—	452
Lease liability	304	—	289	—
Share scheme liability	—	5	—	1
Trade and other payables (excluding IFRS 9 liabilities)	346	—	306	—
Current portion of borrowings	936	—	1 135	—
Loans from subsidiaries	303	—	345	—

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

At 31 March 2023, the directors valued the South African property portfolio at R14.97 billion (31 March 2022: R14.47 billion) (excluding the non-controlling interest in Clidet which owns Moruleng Mall), and an external valuer valued the Spanish portfolio at R19.5 billion / €1.01 billion (31 March 2022: R16.2 billion / €1.0 billion).

At 31 March 2023, the directors valued the Vukile company property portfolio at R13.2 billion (31 March 2022: R12.8 billion).

Note that in all instances referred to above, any reduction in value from the previous year to the current year is due to non-core asset sales, as opposed to a reduction in the fair valuation of the existing property portfolio.

The external valuations performed by Quadrant Properties (Pty) Ltd and Knight Frank (Pty) Ltd at 31 March 2023 on 52% of the South African portfolio were in line with the directors' valuations. The Spanish portfolio was valued by Colliers International.

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

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

	2023				2022			
	Discount rate (%)		Reversionary capitalisation rate (%)		Discount rate (%)		Reversionary capitalisation rate (%)	
	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average
South Africa	12.7 to 19.6	13.4	7.8 to 15.3	8.9	12.7 to 19.6	13.5	7.7 to 15.3	9.0
Spain	8.0 to 10.5	9.1	5.3 to 7.0	6.2	7.3 to 9.5	8.1	5.0 to 6.9	6.1
Company	12.7 to 19.6	13.4	7.8 to 15.3	8.9	12.7 to 19.6	13.5	7.7 to 15.3	9.0

South Africa

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

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

⁽¹⁾ Less than 1%.

The table below also illustrates the impact on valuations resulting from changes in NOI for the year ended 31 March 2022:

2022							
Southern African directly held property portfolio	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	100	13.5	9.0	(5.6)	(4.1)	(3.5)	(5.1)
Retail	95	13.5	8.9	(5.6)	(4.1)	(3.5)	(5.1)
Other	5	14.0	10.7	(5.0)	(4.8)	(2.6)	(5.2)
Gauteng	40	13.4	8.9	(5.7)	(4.0)	(3.6)	(5.1)
KwaZulu-Natal	20	13.4	8.8	(5.4)	(4.0)	(3.2)	(5.1)
Free State	9	13.1	8.5	(5.9)	(3.9)	(3.7)	(5.1)
Western Cape	8	13.2	9.1	(5.5)	(4.2)	(3.4)	(5.1)
Eastern Cape	8	13.6	9.1	(5.5)	(4.1)	(3.6)	(5.1)
Limpopo	7	14.1	9.4	(5.1)	(4.6)	(3.3)	(5.0)
Mpumalanga	4	15.1	10.6	(4.9)	(4.8)	(3.4)	(5.1)
North West	4	14.0	9.2	(5.6)	(4.3)	(3.4)	(5.0)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

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

2022							
Discount rate below 14%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	66	12.9	8.4	(5.9)	(3.8)	(3.5)	(5.1)
Retail	63	12.9	8.3	(5.9)	(3.8)	(3.6)	(5.1)
Other	3	13.0	9.4	(5.7)	(4.4)	(2.4)	(5.4)
Gauteng	28	12.9	8.3	(6.0)	(3.9)	(3.7)	(5.1)
KwaZulu-Natal	16	13.2	8.6	(5.5)	(3.9)	(3.2)	(5.1)
Free State	6	12.7	7.7	(6.4)	(3.5)	(3.8)	(5.1)
Western Cape	5	12.7	8.7	(5.7)	(4.0)	(3.4)	(5.1)
Eastern Cape	4	13.2	8.5	(5.8)	(3.9)	(3.7)	(5.1)
Limpopo	3	12.7	8.0	(6.1)	(3.7)	(3.7)	(5.0)
North West	4	13.2	8.4	(5.9)	(3.9)	(3.6)	(5.0)

2022							
Discount rate between 14% and 16%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	29	14.2	9.7	(5.1)	(4.4)	(3.4)	(5.1)
Retail	28	14.2	9.7	(5.1)	(4.4)	(3.4)	(5.1)
Other	1	14.2	11.2	(4.6)	(4.8)	(2.8)	(5.1)
Gauteng	9	14.2	9.6	(5.3)	(4.2)	(3.5)	(5.1)
KwaZulu-Natal	4	14.2	9.7	(5.2)	(4.4)	(3.5)	(5.1)
Free State	3	14.0	10.1	(4.9)	(4.6)	(3.4)	(5.0)
Western Cape	3	14.0	9.7	(5.1)	(4.4)	(3.5)	(5.0)
Eastern Cape	4	14.0	9.6	(5.1)	(4.3)	(3.5)	(5.0)
Limpopo	3	14.9	10.3	(4.2)	(5.4)	(2.8)	(5.0)
Mpumalanga	3	14.3	9.5	(5.3)	(4.3)	(3.6)	(5.1)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

2022							
Discount rate above 16%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	5	16.7	12.7	(4.0)	(5.7)	(3.0)	(5.1)
Retail	4	16.8	12.5	(4.1)	(5.6)	(3.0)	(5.1)
Other	1	16.3	13.6	(3.7)	(5.7)	(3.1)	(5.1)
Gauteng	3	16.3	12.4	(4.1)	(5.5)	(3.2)	(5.1)
Limpopo	1	16.3	11.8	(4.2)	(5.2)	(3.2)	(5.0)
Mpumalanga	1	17.0	13.4	(3.9)	(5.9)	(3.0)	(5.2)
North West	0 ⁽¹⁾	19.6	15.3	(3.5)	(7.2)	(1.5)	(5.2)

⁽¹⁾ Less than 1%.

Spain

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

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

2022		
Change in discount rate		
	25bps decrease €'000	25bps increase €'000
Retail	14 960	(20 270)
Theoretical result	14 960	(20 270)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

23 FAIR VALUE MEASUREMENT continued

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

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

GROUP – South Africa ⁽¹⁾	Fair value Rm	25bps increase			25bps decrease		
		Decreased fair value Rm	Decrease Rm	% decrease	Increased fair value Rm	Increase Rm	% increase
2023	14 968	14 554	(414)	(2.8)	15 409	441	2.9
2022	14 472	14 066	(406)	(2.8)	14 903	431	3.0

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

GROUP – Spain	Fair value €m	Decreased fair value €m			Increased fair value €m		
		Decreased fair value €m	Decrease Rm	% decrease	Increased fair value €m	Increase Rm	% increase
2023	1 012	995	(333)	(1.7)	1 030	341	1.7
2022	1 001	981	(328)	(2.0)	1 016	242	1.5

COMPANY	Fair value Rm	Decreased fair value Rm			Increased fair value Rm		
		Decreased fair value Rm	Decrease Rm	% decrease	Increased fair value Rm	Increase Rm	% increase
2023	13 159	12 794	(365)	(2.8)	13 547	388	2.9
2022	12 849	12 489	(360)	(2.8)	13 231	382	3.0

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

	GROUP		COMPANY	
	31 March 2023 Recurring fair value measurements Level 3 Rm	31 March 2022 Recurring fair value measurements Level 3 Rm	31 March 2023 Recurring fair value measurements Level 3 Rm	31 March 2022 Recurring fair value measurements Level 3 Rm
Investment property	34 454	30 571	13 097	12 663
Right-of-use asset	305	290	304	289

	GROUP		COMPANY	
	31 March 2023 Non-recurring fair value measurements Level 3 Rm	31 March 2022 Non-recurring fair value measurements Level 3 Rm	31 March 2023 Non-recurring fair value measurements Level 3 Rm	31 March 2022 Non-recurring fair value measurements Level 3 Rm
Investment property held for sale	173	187	62	187

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

24 DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments, including interest rate swaps (IRS) and caps, and forward exchange contracts (FEC) to hedge its exposure to interest rates and currency risk. No new cross currency interest rate swaps (CCIRS) were entered into during the year. It is the policy of the group not to trade in derivative financial instruments for speculative purposes. Derivative financial instruments are initially and subsequently recognised at fair value.

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

		GROUP		COMPANY	
	Note	2023 Assets/ (liabilities) Rm	2022 Assets/ (liabilities) Rm	2023 Assets/ (liabilities) Rm	2022 Assets/ (liabilities) Rm
Derivative assets are disclosed as follows:					
Non-current portion		121	260	121	260
FEC	25	62	212	62	212
IRS/Caps	25	38	1	38	1
Barrier option	24.2	21	47	21	47
Current portion		66	40	66	40
FEC	25	59	34	59	34
CCIRS	25	—	1	—	1
IRS/Caps	25	7	5	7	5
Total		187	300	187	300
Derivative liabilities are disclosed as follows:					
Non-current portion		(249)	(373)	(249)	(373)
FEC	25	(57)	(51)	(57)	(51)
IRS/Caps	25	(7)	(90)	(7)	(90)
Net settled derivative	24.1	(185)	(232)	(185)	(232)
Current portion		(32)	(79)	(32)	(79)
FEC	25	(32)	(76)	(32)	(76)
CCIRS	25	—	(2)	—	(2)
IRS/Caps	25	—	(1)	—	(1)
Total		(281)	(452)	(281)	(452)

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

Current year movements in derivative instruments were as follows:

	CCIRS Rm	FEC Rm	IRS/ Caps Rm	Other derivatives Rm	Group/ Company Rm
GROUP					
Balance at 1 April 2022	(1)	119	(85)	(185)	(152)
Cash flow – net CCIRS	(41)	—	—	—	(41)
Cash flow – settlement of derivatives	68	26	10	19	123
Cash flow – finance costs	—	—	59	—	59
Other comprehensive income (OCI)	(40)	(138)	121	(26)	(83)
Realised gains and losses (profit or loss)	41	25	(59)	(19)	(12)
Other (profit or loss)⁽¹⁾	(27)	—	(8)	47	12
Balance at 31 March 2023	—	32	38	(164)	(94)

⁽¹⁾ Fair value movement on other financial instruments of -R5 million in the statement of profit or loss comprises other derivatives: net settled derivative R47 million (refer to note 24.1) and interest rate derivatives -R8 million; executive share scheme of -R44 million.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

24 DERIVATIVE FINANCIAL INSTRUMENTS continued

24.1 Net settled derivative

Derivative financial liabilities include a net settled derivative of R185 million (31 March 2022: R232 million) arising from the Morzal acquisition where the shareholder agreement provides for an exit of the co-investor. Castellana is required to act as agent to sell the Merev shareholding in Castellana to a third party, at a predetermined price. In the event that Castellana does not successfully place the shares at the predetermined price, Vukile will be required to make good the difference between the selling price and the predetermined price (Vukile will be required to net settle any shortfall).

During the prior year, the put option was extended by three years to 31 July 2024. The counterparty (ie Merev) agreed to the three-year extension in terms of which Vukile agreed to a three-year top-up of the Castellana dividend, if the annual dividend was less than €0.39 (equivalent to a 6% annual yield, based on a Castellana share price of €6.50).

In the prior year, the option was also amended to cater for the purchase of 3.5 million Castellana shares during December 2021, and the strike price was simultaneously reduced to €6.00 plus a fee of €6,761,167 (equivalent to c.€0.50 per share).

The valuation of the derivative has been calculated using a Black Scholes option pricing model, which assumes the efficient market hypothesis, requiring that markets react to perfect information and that share price movements are normally distributed. Although Castellana shares are listed, they are illiquid; the Black Scholes model still provides the best estimate of the value of this derivative.

The following inputs were used in the Black Scholes option pricing model at 31 March 2023:

Description	Put	
Number of shares (options)	As specified in legal agreements	9 833 333
Strike price	As specified in legal agreements	6.00
Remaining portion of fee (after exercising a portion of the option in December 2021)	As specified in legal agreements	€4 986 361 (equivalent to c.€0.50 per share)
Exchange rate	Closing rate	19.29
Expiry date	As specified in legal agreements	31 July 2024
Discount rate	Three-year Euribor (Euro Interbank Offered Rate) swap (%)	3.24
Volatility of the index price	In terms of an index based on the largest 10 Spanish REITs (%)	8.73
Share price	Fair value of Castellana, less present value of dividend forecast	5.44

Sensitivity analysis

If the discount rate of 3.24% was increased to 3.34%, the valuation would increase by €63 747. If the discount rate was decreased to 3.14%, the valuation would decrease by €64 200.

If the volatility of the index price of 8.73% was increased to 11.0%, the valuation would decrease by €513 042. If the volatility was decreased to 7.5%, the valuation would increase by €262 152.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

24 DERIVATIVE FINANCIAL INSTRUMENTS continued

24.1 Net settled derivative continued

The following inputs were used in the Black Scholes option pricing model at 31 March 2022:

Description	Put	
Number of shares (options)	As specified in legal agreements	9 833 333
Strike price	As specified in legal agreements	6.00
Remaining portion of fee (after exercising a portion of the option in December 2021)	As specified in legal agreements	€4 986 361 (equivalent to c.€0.50 per share)
Exchange rate	Closing rate	16.16
Expiry date	As specified in legal agreements	31 July 2024
Discount rate	Three-year Euribor swap (%)	0.80
Volatility of the index price	In terms of an index based on the largest 10 Spanish REITs (%)	10.22
Share price	Fair value of Castellana, less present value of dividend forecast	5.27

The table below details the movement in the derivative balance:

	2023 Rm	2022 Rm
Opening balance	(232)	(202)
Fair value movement	47	(30)
Closing balance	(185)	(232)

24.2 Barrier option

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

The barrier option was initially measured at the outlay of the option premium paid and is subsequently remeasured to fair value at each reporting date. The fair value at 31 March 2023 amounts to R21 million (31 March 2022: R47 million). The valuation of the derivative has been calculated using the Barrier Option pricing model by Standard Bank of South Africa.

The following inputs were used in the Barrier option pricing model at 31 March 2023:

Description	Call	
Number of shares (options)	As specified in legal agreements	19 605 207
Strike price	As specified in legal agreements	12.96
Expiry date	As specified in legal agreements	15 March 2027
Share price – March 2023	Fair value of Vukile	12.44
Share price – March 2022	Fair value of Vukile	14.06

	2023 Rm	2022 Rm
Opening balance	47	—
Purchase of barrier option	—	45
Fair value movement	(26)	2
Closing balance	21	47

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

25 HEDGE ACCOUNTING

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

	GROUP	COMPANY
Interest rate swaps (IRS)	Interest rate swaps are used to hedge floating rate debt, designated as a cash flow hedge. Refer to note 25.1.	Interest rate swaps are used to hedge floating rate debt, designated as a cash flow hedge. Refer to note 25.1.
Barrier option	Barrier option used to hedge cash-settled share scheme, designated as a cash flow hedge. Refer to note 25.2.	Barrier option used to hedge cash-settled share scheme, designated as a cash flow hedge. Refer to note 25.2.
Foreign exchange contracts (FEC)	Forward exchange contracts are used to hedge exposures arising from net investments in foreign operations and Euro cash held by Vukile, designated as a net investment hedge. Refer to note 25.3.	Forward exchange contracts are used to hedge exposures arising from investments in group entities and Euro cash held by Vukile, designated as a cash flow hedge. Refer to note 25.3.
Cross-currency interest rate swaps (CCIRS)	CCIRS were used to hedge exposures arising from net investments in foreign operations and Euro cash held by Vukile, designated as a net investment hedge. Refer to note 25.4.	CCIRS were used to hedge exposures arising from investments in group entities and Euro cash held by Vukile, designated as a net investment hedge. Refer to note 25.4.

25.1 Interest rate swaps

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

At 31 March 2023 the group and company had interest-bearing borrowings of R17.0 billion and R7.6 billion, respectively, (31 March 2022: R14.5 billion, company: R6.6 billion). In the group, the interest rates of 89.1% (company: 80.3%) of interest-bearing debt, excluding access facilities (group 31 March 2022: 75.5%, company: 59.2%) have been hedged. The group has entered into interest rate swaps whereby the variable rate loans have been converted to fixed rate debt as follows:

	GROUP		COMPANY	
	2023 nominal value Rm	2022 nominal value Rm	2023 nominal value Rm	2022 nominal value Rm
Rand-denominated swaps	5 404	3 384	5 404	3 384
Foreign currency denominated swaps	—	105	—	105
Total interest rate swaps	5 404	3 489	5 404	3 489
Weighted average fixed and hedged maturity (years)	1.8	2.7	1.7	2.4

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

25 HEDGE ACCOUNTING continued

25.2 Barrier option

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

	2023 Rm	2022 Rm
Cash flow hedge reserve released to employee benefits expense	(5)	*
Share-based payment recognised as employee benefits expense	(4)	(1)
Total impact on profit/(loss) for the year	(9)	(1)

* Amounts below R1 million.

25.3 Forward exchange contracts

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

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

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

Euro foreign exchange currency hedges

	2023	2024	2025	2026	2027	2028
Fixed EUR/ZAR rate	20.1	21.7	22.2	22.6	22.9	24.9
% hedge target	100	100	80	60	40	20
% net EUR dividend hedge	102	105	124	90	63	34

25.4 Cross-currency interest rate swaps

Rand-denominated loans obtained for certain foreign acquisitions, together with cash raised from property sales and equity raises, were utilised to enter into cross-currency interest rate derivatives to swap the Rand for a foreign currency. The interest receipt on the hedge of R16 million was recognised in profit or loss. As only the nominal amount of the CCIRS is designated in a hedge relationship, an amount of R27 million was recognised directly in profit or loss as the fair value movement on the non-designated portion of the derivative. Following the settlement of the last remaining CCIRS in June 2022, Vukile no longer has any CCIRS exposure.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK

26.1 Financial risk management objectives and policies

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

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

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

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

26.2 Credit risk analysis

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

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

While cash and cash equivalents and tenant deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The risks regarding long-term loans granted to directors and senior management are minimised by a cession of Vukile-listed shares, held by directors and senior management, and personal suretyship provided by the borrowers in favour of the company. At 31 March 2023, Vukile raised an expected credit loss (ECL) of R18 million (31 March 2022: R16 million), due to the value of the security. The provision was calculated using three scenarios – a baseline, an optimistic, and a pessimistic scenario. The probability of default was applied against the LGD at the date of maturity for each of the three scenarios.

Trade receivables consist of a large, widespread tenant base. Management has established a credit policy in terms of which each new tenant is analysed individually for creditworthiness before the group's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, the group's credit review includes external ratings. The group monitors the financial position of its tenants on an ongoing basis. The group's lease receivables are subject to an ECL model, and amounted to approximately R101 million (31 March 2022: R94 million). The group held tenant cash deposits amounting to R130.4 million at 31 March 2023 (31 March 2022: R104 million) as collateral for the rental commitments of tenants.

The expected loss rates are based on the payment profiles of the tenants, and the historical credit losses experienced within the period. A default was considered to be at the point where a tenant passes 90 days. Once an amount passes the default point for the purposes of calculating the ECL, the recoveries, write-offs and timing are tracked to determine loss rates. The group performed the calculation of ECL rates separately for national tenants, government entities, and other tenants. Exposures within each group were segmented based on common credit risk characteristics. The weighted average loss rate was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the group's view of future economic conditions taking into consideration the pressure facing smaller tenants and the possible increase in probability of default.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.2 Credit risk analysis continued

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Gross lease receivables	163	171	65	82
Municipal accruals	120	115	99	94
Less: ECL	(101)	(94)	(63)	(65)
Net balance	182	192	101	111

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Opening balance at 1 April	94	70	65	33
Change in ECL ⁽¹⁾	4	24	(2)	32
Foreign currency translation reserve (FCTR)	3	—	—	—
At 31 March	101	94	63	65

⁽¹⁾ Bad debts written off during the year amounted to R24 million (31 March 2022: R33 million).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.2 Credit risk analysis continued

South African tenants account for the majority of the provision and gross carrying amount. "South African regular tenants" are the biggest contributor to the group ECL, since smaller entities are more likely to experience a greater financial impact due to the challenging economic environment. Forward-looking macro-economic factors have been incorporated, such as the long-term impact of the COVID-19 pandemic, depressed economic conditions, civil unrest in South Africa, and the knock-on effect on tenants' businesses.

The impairment provision at 31 March 2022 was determined as follows:

	GROUP			COMPANY		
	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm
Gross tenant receivables						
South Africa national tenants						
Current	9	—	—	8	—	—
30 days past due	2	—	—	2	—	—
60 days past due	7	—	—	1	—	—
90+ days past due	15	20.0	3	15	13.3	2
South Africa regular tenants						
Current	23	34.8	8	11	27.3	3
30 days past due	11	54.5	6	5	40.0	2
60 days past due	4	75.0	3	4	75.0	3
90+ days past due	37	81.1	30	36	83.3	30
Spanish tenants						
Current	41	—	—	—	—	—
30 days past due	1	—	—	—	—	—
60 days past due	1	—	—	—	—	—
90+ days past due	20	95.0	19	—	—	—
Municipal accruals	115	21.7	25	94	26.6	25
Total	286	32.9	94	176	36.9	65

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.3 Market risk

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

Interest rate risk management

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

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

Group total debt⁽¹⁾ and swap expiry profile

	2024	2025	2026	2027	2028	>2029	Total
Loan expiry profile (Rm)	1 013	2 091	7 585	1 427	1 129	3 566	16 811
Access facility expiry profile (Rm)	—	—	386	—	—	—	386
Hedging (swap and fixed debt) profile (Rm)	6 879	2 840	1 317	3 795	55	85	14 971
Loan expiry profile (%)	6	12	44	8	7	21	98
Access facility expiry profile (%)	—	—	100	—	—	—	100
Hedging (swap and fixed debt) profile (%)	46	19	9	25	—	1	100

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

Company total debt⁽¹⁾ and swap expiry profile

	2024	2025	2026	2027	2028	Total
Loan expiry profile (Rm)	936	2 014	1 877	1 350	1 035	7 212
Access facility expiry profile (Rm)	—	—	386	—	—	386
Hedging (swap and fixed debt) profile (Rm)	1 886	2 785	569	550	—	5 790
Loan expiry profile (%)	12	27	24	18	14	95
Access facility expiry profile (%)	—	—	5	—	—	5
Hedging (swap and fixed debt) profile (%)	33	48	10	9	—	100

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

Interest rate sensitivity

It is estimated that for the year ended 31 March 2023, a 1.0% increase/decrease in interest rates would have affected the group's profit before taxation by approximately R22 million (31 March 2022: R38.3 million) and the company's profit before taxation by approximately R18 million (31 March 2022: R28.6 million).

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.3 Market risk continued

Price risk

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

The effect of a one percentage point change to the share price of the listed investments will have the following impact on the 31 March 2023 total comprehensive income:

	Fair value Rm	1% decrease in share price		1% increase in share price	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
GROUP					
Fairvest Limited	285	283	(2)	288	3
Lar España	2 044	2 025	(19)	2 066	22

	Fair value Rm	1% decrease in share price		1% increase in share price	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
COMPANY					
Fairvest Limited	71	70	(1)	72	1

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

	Fair value Rm	1% decrease in share price		1% increase in share price	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
GROUP					
Fairvest Limited	360	356	(4)	363	3
Lar España	1 452	1 438	(14)	1 467	15

	Fair value Rm	1% decrease in share price		1% increase in share price	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
COMPANY					
Fairvest Limited	127	126	(1)	128	1

Foreign currency risk

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

	March 2023	March 2022
	€m	€m
GROUP		
Financial liabilities	(538)	(535)
COMPANY		
Financial liabilities	(40)	(37)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.3 Market risk continued

Currency risk sensitivity analysis

A strengthening/(weakening) of the Euro against the Rand at 31 March 2023 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group and company		March 2023		March 2022	
	March 2023	March 2022	Profit before tax		Profit before tax	
	Change versus R	Change versus R	Strengthening Rm	Weakening Rm	Strengthening Rm	Weakening Rm
EUR	15%	15%	6	(6)	21	(21)

On average, 106% of foreign dividends are hedged by way of forward exchange contracts over a three-year period.

26.4 Liquidity risk management

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

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

The group's liquidity is adequately managed by means of undrawn facilities at 31 March 2023 amounting to R2.5 billion (31 March 2022: R3.1 billion).

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.4 Liquidity risk management continued

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

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

	Current		Non-current				
	Carrying amount Rm	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2022							
Group							
Maturity analysis							
Borrowings	14 496	1 163	1 675	2 085	5 469	1 221	3 041
Interest component of borrowings		637	536	429	325	73	268
Lease liability	290	19	21	22	24	26	1 112
Trade and other payables (excluding non-IFRS 9 liabilities)		547	—	—	—		—
Company							
Maturity analysis							
Borrowings	6 595	1 135	1 605	2 014	701	1 150	—
Interest component of borrowings		449	349	242	75	124	
Lease liability	289	19	21	22	24	26	1 108
Trade and other payables (excluding non-IFRS 9 liabilities)		251	—	—	—		—

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.4 Liquidity risk management continued

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
External value of property assets and value of listed property securities	36 425	32 572	24 615	22 411
50% thereof	18 212	16 286	12 308	11 206
Nominal value of borrowings utilised at year-end	(17 197)	(14 654)	(7 597)	(6 605)
Unutilised borrowing capacity	1 015	1 632	4 711	4 601

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

26 FINANCIAL INSTRUMENTS RISK continued

26.4 Liquidity risk management continued

	Current	Non-current				
	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2022						
Group and company						
Derivative assets						
Forward exchange contracts	34	89	79	35	9	—
Interest rate swaps	5	1	—	—	—	—
CCIRS	1	—	—	—	—	—
Barrier option	—	—	—	47	—	—
Derivative liabilities						
Forward exchange contracts	2	25	26	—	—	—
CCIRS	76	—	—	—	—	—
Interest rate swaps	1	—	46	17	—	27
Net settled derivative	—	—	—	232	—	—

27 STATEMENT OF CASH FLOWS

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

27.1 Adjustments

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Adjustments for non-cash items:				
Fair value adjustments	(625)	(637)	(456)	(335)
Fair value loss/(gain) on property securities	28	(35)	9	(61)
Fair value adjustments on investment in subsidiaries	—	—	(173)	75
Share-based remuneration	49	38	38	25
Loss on sale of listed investments	16	21	16	21
(Profit)/loss share on equity-accounted investments	(10)	(23)	(1)	4
Loss on realisation of net-settled derivative	19	59	19	59
Impairments	2	(1)	14	(11)
Right-of-use asset at fair value	(15)	(5)	(15)	(4)
Depreciation on furniture, fittings and equipment and amortisation of intangible assets	3	6	3	5
Foreign exchange loss	(4)	18	—	—
Other non-cash items	34	104	34	85
Items disclosed separately on statement of cash flows:				
Net cash flow from CCIRS	(16)	(108)	(16)	(108)
Investment and other income	(351)	(285)	(742)	(647)
Finance costs	834	809	610	535
	(36)	(39)	(660)	(357)

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

27 STATEMENT OF CASH FLOWS continued

		GROUP		COMPANY	
		2023 Rm	2022 Rm	2023 Rm	2022 Rm
27.2	Net changes in working capital				
	Movement in working capital				
	Increase in trade and other receivables	45	78	33	85
	Increase/(decrease) in trade and other payables	28	6	(62)	16
	Loss of control of subsidiary	—	(5)	—	—
	Foreign currency translation	(10)	12	—	—
		63	91	(29)	101
27.3	Taxation paid				
	Amount owing at the beginning of the year	(8)	4	—	—
	Loss of control of subsidiary	—	(17)	—	—
	Current taxation	—	15	—	—
	Non-resident shareholders' tax	7	14	6	2
		(1)	16	6	2
	Net amount owing at the end of the year	12	8	—	—
	Tax paid during year	11	24	6	2
27.4	Dividends paid				
	Dividends at the beginning of the year	3	2	—	—
	Dividends declared	1 104	1 354	1 104	1 354
	NCl portion	55	23	—	—
	Dividends owing at the end of the year	(2)	(3)	—	—
	Dividends paid during the year	1 160	1 376	1 104	1 354
27.5	Cash and cash equivalents				
	Held on deposit for tenants ⁽¹⁾	1	1	1	1
	Held on short-term interest-bearing deposits	605	—	605	—
	Cash on hand	781	564	79	42
	Cash and cash equivalents at the end of the year	1 387	565	685	43

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

28 REVENUE

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

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Property revenue	3 594	3 485	1 886	1 885
Included in property revenue: Turnover rental	41	32	9	6
Included in property revenue: Recoveries	877	878	403	387

29 PROPERTY EXPENSES

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Municipal fixed charges	236	198	143	143
Municipal consumption costs	390	404	345	343
Operating costs	535	539	176	184
Repairs and maintenance	51	39	46	34
Property management fees	57	58	51	50
ECL movement	4	24	(2)	32
Total	1 273	1 262	759	786

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

30 CORPORATE AND ADMINISTRATIVE EXPENSES

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Administration expenses include:				
Salaries and employee benefits ⁽¹⁾	154	146	74	77
Administration costs	84	86	32	40
Share-based remuneration ⁽²⁾	65	38	42	25
Directors' remuneration	13	12	5	5
Depreciation of fixed assets and amortisation of intangible assets	3	6	3	5
Internal audit fee	4	1	2	1
	323	289	158	153

⁽¹⁾ Employee benefits

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

⁽²⁾ Share-based remuneration

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Cash-settled share scheme	32	—	9	—
South Africa	9	—	9	—
Spain	23	—	—	—
Equity-settled share scheme	33	38	33	25
South Africa	33	25	33	25
Spain	—	13	—	—
	65	38	42	25

Cash-settled share scheme – South Africa

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

Equity-settled share scheme – South Africa

Vukile awards conditional shares to management in terms of the share-based payment scheme, referred to as the Conditional Share Plan (CSP). Refer to note 5.3 for further details on the CSP.

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

When the services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

As the share-based payments granted do not vest until the counterparty completes a specified period of service and also meets various performance hurdles, the group accounts for those services on a straight-line basis over the vesting period.

If the share-based payments vest immediately, the services received are recognised immediately in full.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

31 AUDITOR'S REMUNERATION

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
External audit fees	7	7	3	3
	7	7	3	3

32 INVESTMENT AND OTHER INCOME

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Dividends received from subsidiaries	—	—	457	208
FEC realised and early terminated	26	127	26	27
	26	127	483	235
Intergroup interest	—	—	197	293
Dividend income ⁽¹⁾	272	130	12	94
	298	257	692	622
Interest on deposits, receivables and CCIRS	69	136	66	133
	367	393	758	755

⁽¹⁾ Dividend income for the group comprises the following: R44 million from Fairvest Limited and R228 million from Lar España.

33 FINANCE COSTS

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Interest-bearing borrowings	759	666	542	491
Intergroup interest	—	—	28	—
Lease liability	34	22	34	22
Other interest	1	4	1	3
Amortisation of debt raising fees	40	117	5	19
	834	809	610	535

Refer to note 25.1 for hedging details.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

34 TAXATION

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

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Normal taxation (Namibia)	—	(15)	—	—
Non-resident shareholders' tax	(7)	(14)	(6)	(2)
Total current taxation	(7)	(29)	(6)	(2)
Deferred taxation overprovision in prior year	—	4	—	2
Deferred taxation on other temporary differences – refer to note 15 for the detailed composition	(28)	(9)	(26)	(14)
	(35)	(34)	(32)	(14)
Reconciliation of tax rate	%	%	%	%
Standard tax rate ⁽¹⁾	27.0	28.0	27.0	28.0
Permanent differences	(5.9)	(3.7)	(0.6)	1.1
Fair value adjustment – investment property	(8.1)	(9.3)	(7.4)	(5.5)
Fair value adjustment – listed property securities	(0.1)	(0.8)	(0.5)	(0.9)
Fair value adjustment – subsidiaries	—	1.0	(2.6)	1.6
Fair value adjustment – executive share scheme	0.6	—	0.7	0.1
Profit/(loss) from share of income of associate	0.1	0.1	—	—
Non-resident shareholders' tax (NRST)	0.3	0.7	0.4	0.2
Overprovision of prior year normal taxation	—	(0.2)	—	(0.2)
REIT dividend	(12.1)	(14.1)	(15.1)	(23.2)
Effective tax rate	1.8	1.7	1.9	1.2

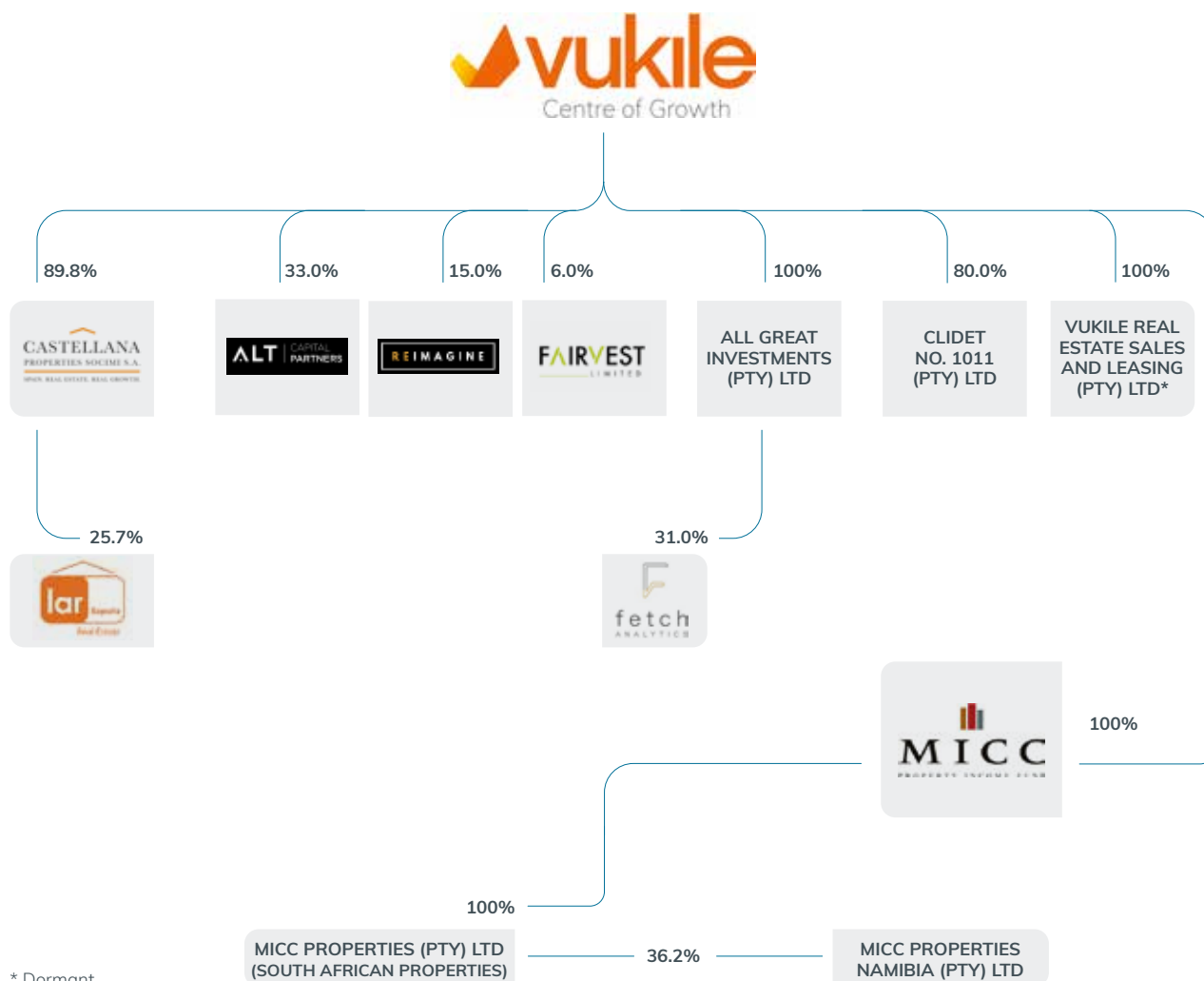
⁽¹⁾ National treasury decreased the corporate tax rate from 28% to 27%, effective for the year ended 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

35 RELATED-PARTY TRANSACTIONS AND BALANCES

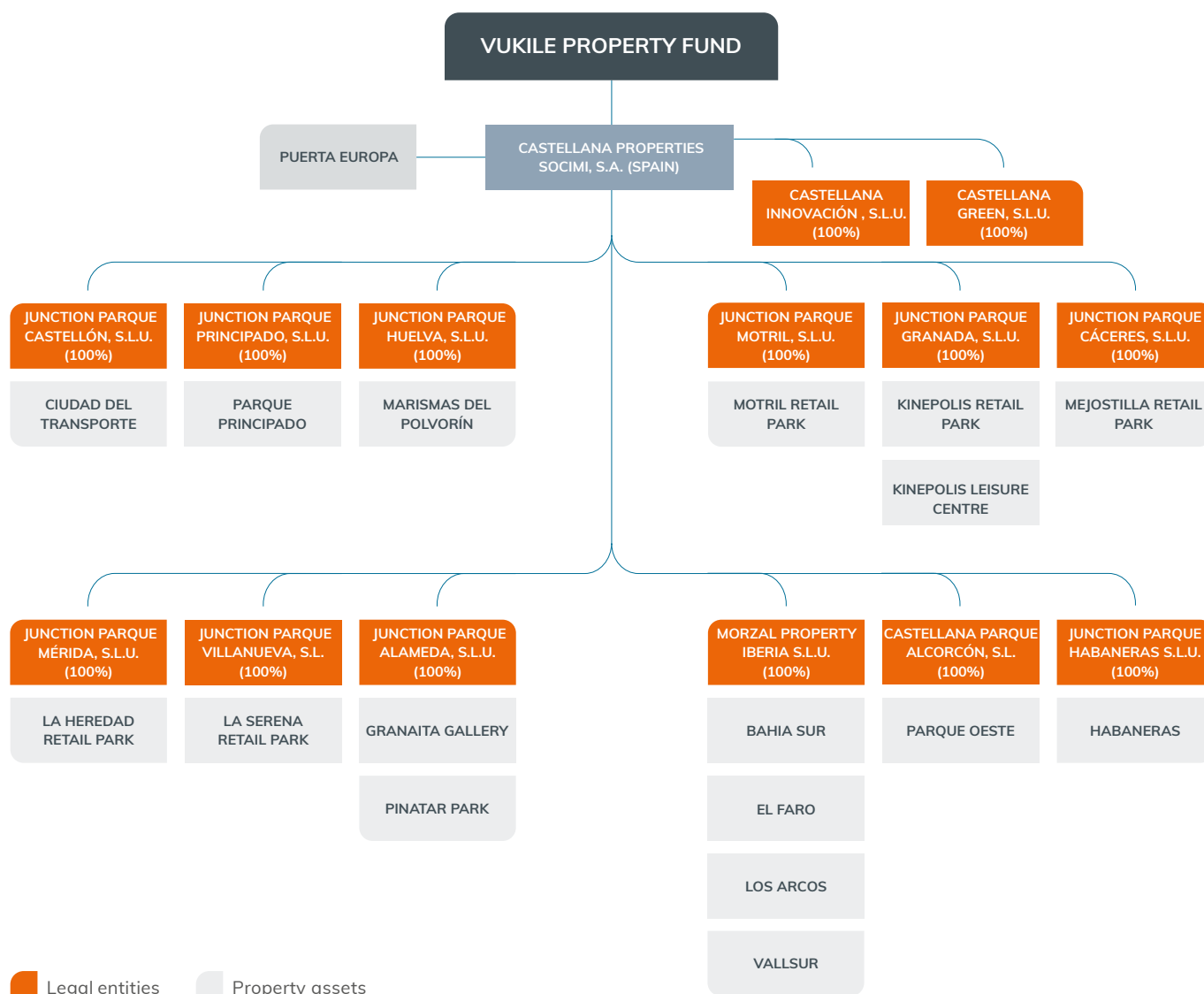
The group comprises three primary operating companies, namely Vukile, Clidet and Castellana. Clidet owns 100% of Moruleng Mall, Vukile owns 80% of the issued shares in Clidet.



NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

35 RELATED-PARTY TRANSACTIONS AND BALANCES continued



NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

35 RELATED-PARTY TRANSACTIONS AND BALANCES continued

Related-party transactions and balances

Type of transaction		2023		2022	
		Amount paid/ (received) by Vukile Rm	Amount owed to/(by) related parties Rm	Amount paid/ (received) by Vukile Rm	Amount owed to/(by) related parties Rm
Group companies					
MICC Property Income Fund (MICC PIF)	Debenture interest	(164)	—	(245)	—
MICC Properties	Interest received	28	303	(18)	(246)
MICC Namibian subsidiaries	Dividends received	—	—	(19)	—
MICC Namibia	Management fees	(5)	(1)	—	—
Clidet No. 1011	Dividends received	(16)	(7)	(18)	(10)
Clidet No. 1011	Interest received	(24)	(281)	(18)	(283)
AGI	Interest received	(2)	(32)	(2)	(25)
Fairvest Property Holdings Limited*	Dividend received	(44)	—	(75)	—
Arrowhead Properties Limited	Dividend received	—	—	(55)	—
Castellana	Dividend received	(441)	—	(89)	—
Castellana	Interest received	(7)	(251)	(12)	(162)
Directors and other officers	Interest	(17)	(281)	(12)	(274)
Executive directors	Remuneration	37	—	29	—
Key management (excluding directors)	Remuneration	14	—	10	—

* R12 million (2022: R39 million) of this amount relates to the company.

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

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

36 SEGMENT REPORT

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

Reportable segments for the year ended 31 March 2023 are consistent with those reported as at 31 March 2022. The group's Exco evaluates the group's performance on a monthly basis based on the following geographical segments:

- South Africa
- Spain

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

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

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

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

⁽ⁱ⁾ Revenue and property expense have been reflected net of recoveries. The consolidated statement of profit or loss and OCI reflects gross property revenue and gross property expenses.

⁽ⁱⁱ⁾ Taxation excludes deferred tax.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

36 SEGMENT REPORT continued

	South Africa			Spain			Total group
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	Rm
Group statement of financial position at 31 March 2023							
ASSETS							
Non-current assets	14 738	1 461	16 199	19 663	2 046	21 709	37 908
Investment property	14 264	590	14 854	19 526	—	19 526	34 380
Straight-line rental income accrual	374	5	379	—	—	—	379
Equity investment at fair value through profit or loss	—	338	338	—	—	—	338
Equity investments at fair value through other comprehensive income	—	—	—	—	2 044	2 044	2 044
Investment in associate	—	134	134	—	—	—	134
Investment in joint venture	—	2	2	—	—	—	2
Derivative financial instruments	100	21	121	—	—	—	121
Long-term loans granted	—	307	307	—	—	—	307
Other non-current assets	—	64	64	137	2	139	203
Current assets	1 196	34	1 230	674	264	938	2 168
Trade and other receivables	165	31	196	70	249	319	515
Derivative financial instruments	66	—	66	—	—	—	66
Current taxation	12	—	12	—	—	—	12
Other current assets	—	—	—	—	15	15	15
Cash and cash equivalents	780	3	783	604	—	604	1 387
Non-current assets held for sale	173	—	173	—	—	—	173
Total assets							40 076
EQUITY AND LIABILITIES							
Equity attributable to the owners of the parent							20 077
Non-controlling interest							1 345
Non-current liabilities	7 056	190	7 246	9 606	25	9 631	16 877
Interest-bearing borrowings	6 651	—	6 651	9 363	—	9 363	16 014
Long-term lease liability	286	—	286	—	—	—	286
Share scheme liability	—	5	5	—	25	25	30
Derivative financial instruments	64	185	249	—	—	—	249
Deferred tax	55	—	55	8	—	8	63
Other non-current liabilities	—	—	—	235	—	235	235
Current liabilities	1 329	100	1 429	298	50	348	1 777
Trade and other payables	342	98	440	221	6	227	667
Short-term portion of interest-bearing borrowings	936	—	936	77	—	77	1 013
Short-term portion of lease liability	19	—	19	—	—	—	19
Cash-settled scheme	—	—	—	—	44	44	44
Derivative financial instruments	32	—	32	—	—	—	32
Shareholders for dividends	—	2	2	—	—	—	2
Total equities and liabilities							40 076

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

36 SEGMENT REPORT continued

	South Africa			Spain			Total group Rm
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	
Group income for the year ended 31 March 2022							
Revenue ⁽ⁱ⁾	1 557	67	1 624	891	92	983	2 607
Property expenses ⁽ⁱ⁾	(279)	(10)	(289)	(83)	(12)	(95)	(384)
Net income from property operations	1 278	57	1 335	808	80	888	2 223
Corporate and administrative expenses	(151)	(6)	(157)	(130)	(9)	(139)	(296)
Investment and other income	247	10	257	—	—	—	257
Finance income	5	23	28	—	—	—	28
Net interest from CCIRS	103	5	108	—	—	—	108
Loss on realisation of derivative financial instruments	—	(59)	(59)	—	—	—	(59)
Income before finance costs	1 482	30	1 512	678	71	749	2 261
Finance costs	(61)	(459)	(520)	(278)	(11)	(289)	(809)
Income before equity-accounted income	1 421	(429)	992	400	60	460	1 452
Share of income from associate	—	27	27	—	—	—	27
Share of income from joint venture	—	(4)	(4)	—	—	—	(4)
Income before taxation	1 421	(406)	1 015	400	60	460	1 475
Taxation ⁽ⁱⁱ⁾	(34)	13	(21)	—	—	—	(21)
Income	1 387	(393)	994	400	60	460	1 454
Net income attributable to NCI	—	(5)	(5)	—	(42)	(42)	(47)
Attributable to Vukile Group	1 387	(398)	989	400	18	418	1 407
Non-IFRS adjustments	5	(60)	(55)	—	(16)	(16)	(71)
FEC early terminated	—	—	—	—	(58)	(58)	(58)
Accrued dividends	—	(27)	(27)	—	42	42	15
Non-cash impact of IFRS entries	5	(33)	(28)	—	—	—	(28)
FFO	1 392	(458)	934	400	2	402	1 336

⁽ⁱ⁾ Revenue and property expense have been reflected net of recoveries. The consolidated statement of profit or loss and OCI reflects gross property revenue and gross property expenses.

⁽ⁱⁱ⁾ Taxation excludes deferred tax.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

36 SEGMENT REPORT continued

	South Africa			Spain			Total group
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	Rm
Group statement of financial position at 31 March 2022							
ASSETS							
Non-current assets	13 983	1 882	15 865	15 346	2 386	17 732	33 597
Investment property	13 675	686	14 361	15 253	921	16 174	30 535
Straight-line rental income accrual	308	18	326	—	—	—	326
Equity investment at fair value through profit or loss	—	406	406	—	—	—	406
Equity investments at fair value through other comprehensive income	—	—	—	—	1 452	1 452	1 452
Investment in associate	—	120	120	—	—	—	120
Investment in joint venture	—	48	48	—	—	—	48
Derivative financial instruments	—	260	260	—	—	—	260
Financial assets at amortised cost	—	278	278	—	—	—	278
Other non-current assets	—	66	66	93	13	106	172
Current assets	406	162	568	424	136	560	1 128
Trade and other receivables	173	58	231	71	7	78	309
Derivative financial instruments	—	40	40	—	—	—	40
Current taxation	—	12	12	—	—	—	12
Other current assets	—	—	—	—	15	15	15
Cash and cash equivalents	46	52	98	353	114	467	565
Non-current assets held for sale	187	—	187	—	—	—	187
Total assets							34 725
EQUITY AND LIABILITIES							
Equity attributable to the owners of the parent							17 568
Non-controlling interest							1 082
Non-current liabilities	272	5 860	6 132	185	7 880	8 065	14 197
Interest-bearing borrowings	—	5 460	5 460	—	7 873	7 873	13 333
Lease liability	272	—	272	—	—	—	272
Share scheme liability	—	1	1	—	—	—	1
Derivative financial instruments	—	373	373	—	—	—	373
Deferred tax	—	26	26	—	7	7	33
Other non-current liabilities	—	—	—	185	—	185	185
Current liabilities	293	1 321	1 614	231	33	264	1 878
Trade and other payables	293	81	374	231	5	236	610
Short-term portion of interest-bearing borrowings	—	1 135	1 135	—	28	28	1 163
Short-term portion of lease liability	—	18	18	—	—	—	18
Derivative financial instruments	—	79	79	—	—	—	79
Current taxation	—	5	5	—	—	—	5
Shareholders for dividends	—	3	3	—	—	—	3
Total equities and liabilities							34 725

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

37 CAPITAL MANAGEMENT

The group's capital management objectives are:

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

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

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Total equity	20 077	17 568	19 766	17 250
Derivative liabilities	281	452	281	452
Cash and cash equivalents	(1 387)	(565)	(685)	(43)
Capital	18 971	17 455	19 362	17 659
Total equity	20 077	17 568	19 766	17 250
Borrowings	17 027	14 496	7 587	6 595
Overall financing (total equity plus borrowings)	37 104	32 064	27 353	23 845
Capital-to-overall financing ratio (%)	51.1	54.4	70.8	74.1

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure. The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may issue new shares or sell assets to reduce debt.

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

Apart from a stated intention to reduce the group LTV ratio over time, there were no changes in the group's approach to capital management during the year. Vukile has complied with all of its bank and corporate bond covenants during the year.

Covenants	2023	2022
LTV ratio (net of cash and cash equivalents)	42.6%	43.0%
LTV covenant level ⁽¹⁾	50.0%	50.0%
Interest cover ratio	3.1 times	3.4 times
Interest cover ratio covenant level	2 times	2 times

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

38 FUTURE MINIMUM LEASE INCOME

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Receivable within one year	2 440	2 101	1 043	992
Receivable between one and five years	3 471	2 379	1 628	1 708
Receivable after five years	2 068	2 880	1 499	1 083
Total future contractual lease revenue	7 979	7 360	4 170	3 783
Rental straight-line adjustment already accrued	(384)	(331)	(301)	(251)
Future straight-line lease revenue	7 595	7 029	3 869	3 532

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

39 LEASE COMMITMENTS

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

	Term
Land leases	20–50 years
Office equipment	5 years

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

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

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Less than one year	22	20	21	19
Premises	1	1	—	—
Land leases	21	19	21	19
Between one and five years	100	93	100	92
Land leases	100	93	100	92
More than five years	1 086	1 114	1 082	1 109
Land leases	1 086	1 114	1 082	1 109
Total	1 208	1 227	1 203	1 220

40 CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Authorised and contracted	358	242	89	127
Authorised but not contracted	1 168	486	580	96

Vukile has committed R200 million to REImagine Social Impact Retail Fund as an equity investment, of which R4.1 million has already been invested. Refer to note 5.

Authorised projects also include R350 million, of which R40 million has already been contracted, relating to an investment in sustainable backup power in South Africa.

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

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

41 NON-CURRENT ASSETS HELD FOR SALE

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

	Note	GROUP		COMPANY	
		2023 Rm	2022 Rm	2023 Rm	2022 Rm
Non-current assets held for sale					
Rustenburg Edgars Building		62	—	62	—
Piet Retief Shopping Centre		111	—	—	—
Mbombela Truworths Centre		—	22	—	22
Monsterlus Moratiwa Crossing		—	165	—	165
		173	187	62	187
Straight-line rental income adjustment	4	(5)	(5)	(2)	(5)
Straight-line rental income asset	4	5	5	2	5
Other assets		—	5	—	5
Other liabilities		—	(5)	—	(5)
		173	187	62	187

42 RECONCILIATION OF EARNINGS TO HEADLINE EARNINGS

GROUP	31 March 2023		31 March 2022	
	Rm	Cents per share	Rm	Cents per share
Profit attributable to owners of the parent	1 932	197.10	1 909	199.10
Earnings and diluted earnings	1 932	197.10	1 909	199.10
Change in fair value of investment property (net of allocation to non-controlling interest)	(609)	(62.17)	(601)	(62.73)
Remeasurement of right-of-use asset	(15)	(1.57)	(5)	(0.48)
Loss/(profit) on sale of investment property	6	0.64	(1)	(0.14)
Profit on joint operation acquisition/disposal	(2)	(0.25)	(1)	(0.08)
Loss on sale of joint venture	16	1.61	—	—
Loss of control of subsidiary	—	—	17	1.75
Impairment of investment in associate	—	—	8	0.81
Remeasurement included in equity-accounted earnings of associate	(6)	(0.64)	(38)	(3.98)
Headline and diluted headline earnings	1 322	134.72	1 288	134.25
Number of shares in issue at year-end	980 226 628		980 226 628	
Weighted average number of shares	980 226 628		958 593 751	

There are no dilutionary shares in issue.

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

43 PROFIT/(LOSS) ON DISPOSALS

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

	Note	GROUP		COMPANY	
		31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
(Loss)/profit on sale of investment property		(6)	1	(6)	4
Loss on sale of listed property securities	5	—	(21)	—	(21)
Loss on sale of joint venture	8	(16)	—	(16)	—
Profit on acquisition/disposal of joint operations		2	1	2	1
Loss on sale of subsidiary		—	(17)	—	—
		(20)	(36)	(20)	(16)

44 FAIR VALUE GAIN/(LOSS) ON FINANCIAL INSTRUMENTS

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

	Note	GROUP		COMPANY	
		31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
Fair value (loss)/gain on property securities	5	(28)	35	(9)	61
Fair value loss on other financial instruments	5, 24	(5)	(32)	(5)	(32)
		(33)	3	(14)	29

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 31 March 2023

45 PROCEEDS ON DISPOSAL OF INVESTMENT PROPERTY

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

	Note	GROUP		COMPANY	
		31 March 2023 Rm	31 March 2022 Rm	31 March 2023 Rm	31 March 2022 Rm
Carrying amount of investment property before sale	3	311	1 217	311	792
Profit/(loss) on disposal	43	(4)	1	(4)	4
		307	1 218	307	796
Deferred receivable (vendor loan)	13	(29)	—	(29)	—
Proceeds on disposal of investment property		278	1 218	278	796

46 EVENTS AFTER REPORTING PERIOD

i. Declaration of dividend

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

The board approved a final dividend on 12 June 2023 of 65.11 cents per share for the year ended 31 March 2023, (31 March 2022: 65.29 cents) amounting to R675 million (31 March 2022: R640 million). The dividend represents a payout ratio of 81% of the total group FFO.

ii. Capital raise

On 5 April 2023, 56 million new shares were issued at R12.50 per share, amounting to R700 million.

In line with IAS 10, the capital raise is a non-adjusting event that is not recognised in the financial statements at 31 March 2023.

Although the capital raise is a non-adjusting event for IFRS and reporting purposes, the board did elect to increase the final dividend for the year ended 31 March 2023 by R36.7 million (an “antecedent dividend”), in order to limit any dilution to existing shareholders as a consequence of the new issue of shares.

iii. MEREV transaction

On 10 May 2023, Vukile exercised its call option to acquire 9 833 333 shares in Castellana from MEREV. These shares represent the last remaining Castellana shares held by MEREV. The total consideration, including a contractual fee payable, amounted to €64 million, equating to €6.50 per share. As a result, Vukile's shareholding in Castellana increased to 99.5%.

In line with IAS 10, the additional investment in Castellana by exercising the call option is a non-adjusting event that is not recognised in the financial statements.

ANNEXURE A – DETAILED PROPERTY INFORMATION

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

* Leasehold property.

ANNEXURE A – DETAILED PROPERTY INFORMATION continued

Properties owned by the group At 31 March 2023	Town	GLA m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
South Africa – other, comprising:					
Auto dealerships		7 426		210.6	—
Cape Town Bellville Barons	Cape Town	7 426	Apr 2012	210.6	—
Industrial		6 342		88.0	—
Midrand Sanitary City	Midrand	6 342	Apr 2004	88.0	—
Office		23 761		119.2	23.3
Jhb Houghton Estate Oxford Terrace	Johannesburg	2 588	Jul 2014	149.9	—
Midrand Ulwazi Building	Midrand	15 634	Apr 2004	114.3	—
Sandton Bryanston Ascot Offices	Sandton	5 539	Apr 2012	—	100.0
Residential		8 885		113.8	3.8
Randburg Square Apartments	Randburg	8 885	Apr 2004	113.8	3.8
Vacant land		—		—	—
Germiston Meadowdale Mall Undeveloped Land	Germiston	—	Oct 2003	—	—
Midrand IBG Undeveloped Land	Midrand	—	Mar 2014	—	—
Held for sale		17 330		116.5	2.4
Rustenburg Edgars Building	Rustenburg	9 785	Apr 2004	95.0	—
Piet Retief Shopping Centre	Piet Retief	7 545	Nov 2007	146.1	5.6

	Town	GLA m ²	Effective date of acquisition	Weighted average rental €/m ² pm	Vacancy by GLA %
Spain total		350 926		16.2	1.3
El Faro	Extremadura	40 718	Jul 2018	21.5	1.8
Bahía Sur	Andalucía	35 297	Jul 2018	24.5	1.2
Los Arcos	Andalucía	26 577	Jul 2018	25.7	5.1
Granaita Retail Park	Andalucía	54 633	Jun 2017	11.1	0.6
Habaneras	Com. Valenciana	24 892	May 2018	19.8	1.4
Puerta Europa	Algeciras	29 783	July 2019	17.4	0.1
Vallsur	Castilla Leon	35 879	Jul 2018	16.2	1.1
Parque Oeste	Madrid	13 604	Jun 2017	18.1	—
Parque Principado	Asturias	16 090	Jun 2017	11.2	—
Marismas del Polvorín	Andalucía	18 220	Jun 2017	8.6	0.8
La Heredad	Extremadura	13 447	Jun 2017	8.8	—
La Serena	Extremadura	12 405	Jun 2017	8.1	—
Pinatar Park	Murcia	13 291	Dec 2017	7.7	5.8
Mejostilla	Extremadura	7 281	Jun 2017	7.5	—
Motril Retail Park	Andalucía	5 559	Jun 2017	10.1	—
Ciudad del Transporte	Com. Valenciana	3 250	Jun 2017	12.5	—

ANNEXURE A – DETAILED PROPERTY INFORMATION continued

Properties owned by the group At 31 March 2022	Town	Gross lettable area (GLA) m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
Southern Africa total		851 971		148.9	2.9
Southern Africa – retail		767 198		153.2	2.6
Atlantis City Shopping Centre	Atlantis	21 984	Feb 2015	176.2	2.1
Bloemfontein Plaza	Bloemfontein	44 159	Apr 2004	98.7	1.9
Boksburg East Rand Mall (50%)	Boksburg	34 261	Apr 2013	261.1	1.5
Daveyton Shopping Centre	Daveyton	19 815	Apr 2004	209.7	—
Durban Phoenix Plaza	Durban	24 072	Apr 2004	287.8	0.4
Durban Workshop*	Durban	20 031	Apr 2012	233.9	6.2
Elim Hubveni Shopping Centre	Elim	12 686	Feb 2015	119.3	0.9
Emalahleni Highland Mews	Emalahleni	16 952	Feb 2015	132.0	3.0
Ermelo Game Centre	Ermelo	6 639	Feb 2015	104.1	8.3
Ga-Kgapane Modjadji Plaza (30%)	Ga-Kgapane	2 940	Mar 2014	163.8	—
Germiston Meadowdale Mall (67%)	Germiston	33 156	Oct 2003	97.0	—
Giyani Plaza	Giyani	9 446	Jul 2011	160.5	—
Gugulethu Square	Gugulethu	25 699	Feb 2015	186.2	—
Hammanskraal Renbro Shopping Centre	Hammanskraal	13 484	Feb 2015	144.5	6.4
Hammarisdale Junction*	Hammarisdale	20 105	Jul 2013	147.1	2.2
KwaMashu Shopping Centre	KwaMashu	11 197	Feb 2015	139.3	8.2
Mbombela Shoprite Centre	Mbombela	14 015	Sep 2010	102.2	21.8
Mdantsane City Shopping Centre	East London	36 604	Nov 2019	138.9	4.3
Moruleng Mall (results displayed as 100% ownership)*	Moruleng	31 558	Apr 2015	136.5	—
Phuthaditjhaba Maluti Crescent	Phuthaditjhaba	35 741	Feb 2015	167.6	—
Piet Retief Shopping Centre	Piet Retief	7 545	Oct 2003	140.7	3.4
Pietermaritzburg The Victoria Centre	Pietermaritzburg	10 310	Oct 2003	139.3	3.1
Pinetown Pine Crest	Pinetown	43 338	Apr 2004	202.9	3.6
Pretoria Kolonnade Retail Park	Pretoria	39 665	Nov 2018	131.2	—
Queenstown Nonesi Mall	Queenstown	27 971	Jul 2015	153.7	4.3
Randburg Square	Randburg	40 777	Apr 2004	111.8	7.0
Roodepoort Hillfox Power Centre	Roodepoort	37 573	Oct 2003	90.1	1.6
Roodepoort Ruimsig Shopping Centre	Roodepoort	11 594	Feb 2015	143.6	5.1
Rustenburg Edgars Building	Rustenburg	9 785	Sep 2010	89.9	—
Soweto Dobsonville Mall	Soweto	26 438	Apr 2004	173.9	—
Springs Mall (28%)	Springs	14 947	Mar 2017	183.9	1.0
Thohoyandou Thavhani Mall (33.33%)	Thohoyandou	17 779	Aug 2017	192.2	0.5
Tzaneen Maake Plaza (70%)*	Tzaneen	10 988	Aug 2014	145.2	2.5
Vereeniging Bedworth Centre	Vereeniging	33 944	Nov 2015	86.6	1.7

* Leasehold property.

ANNEXURE A – DETAILED PROPERTY INFORMATION continued

Properties owned by the group At 31 March 2022		Town	GLA m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
Southern Africa – other, comprising:						
Auto dealerships			7 426		196.8	—
Cape Town Bellville Barons	Cape Town		7 426	Apr 2012	196.8	—
Industrial			27 686		69.5	6.7
Midrand Allandale Industrial Park	Midrand		21 343	Apr 2004	63.5	8.7
Midrand Sanitary City	Midrand		6 343	Apr 2004	88.0	—
Office			28 176		113.7	4.2
Jhb Houghton 1 West Street	Johannesburg		4 415	Sep 2007	124.4	26.9
Jhb Houghton Estate Oxford Terrace	Johannesburg		2 588	Jul 2014	149.9	—
Midrand Ulwazi Building	Midrand		15 634	Apr 2004	106.4	—
Sandton Bryanston Ascot Offices	Sandton		5 539	Apr 2012	112.2	—
Residential			7 508		130.6	12.5
Randburg Square Apartments	Randburg		7 508	Apr 2004	130.6	12.5
Vacant land			—		0	—
Germiston Meadowdale Mall Undeveloped Land	Germiston		—	Oct 2003	0	—
Midrand IBG Undeveloped Land	Midrand		—	Mar 2014	0	—
Held for sale			13 978		126.96	3.0
Mbombela Truworths Centre	Mbombela		1 920	Apr 2004	126.0	—
Monsterlus Moratiwa Crossing (94.50%)	Monsterlus		12 058	Nov 2007	127.1	3.5

		Town	GLA m ²	Effective date of acquisition	Weighted average rental €/m ² pm	Vacancy by GLA %
Spain total			350 271		15.2	1.6
Granaita Retail Park	Andalucia		54 807	Jun 2017	10.9	2.2
El Faro	Extremadura		40 318	Jul 2018	20.3	1.1
Bahía Sur	Andalucia		35 333	Jul 2018	22.9	0.8
Vallsur	Castilla Leon		35 212	Jul 2018	15.1	3.9
Puerta Europa	Algeciras		29 783	July 2019	15.8	0.6
Los Arcos	Andalucia		26 680	Jul 2018	23.9	6.5
Habaneras	Com. Valenciana		25 021	May 2018	18.9	1.7
Marismas del Polvorín	Andalucia		18 220	Jun 2017	8.2	—
Parque Principado	Asturias		16 090	Jun 2017	10.4	—
Parque Oeste	Madrid		13 604	Jun 2017	17.5	—
La Heredad	Extremadura		13 447	Jun 2017	8.4	—
Pinatar Park	Murcia		13 261	Dec 2017	7.2	—
La Serena	Extremadura		12 405	Jun 2017	7.5	—
Mejostilla	Extremadura		7 281	Jun 2017	7.0	—
Motril Retail Park	Andalucia		5 559	Jun 2017	9.3	—
Ciudad del Transporte	Com. Valenciana		3 250	Jun 2017	11.9	—

SHAREHOLDERS' ANALYSIS

for the year ended 31 March 2023

Shareholders' analysis of ordinary shareholders as at 31 March 2023

Shareholder spread shares	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000 shares	9 090	52.9	1 049 148	0.1
1 001 – 10 000 shares	5 696	33.1	23 030 052	2.4
10 001 – 100 000 shares	1 805	10.5	52 040 765	5.3
100 001 – 1 000 000 shares	441	2.6	149 565 249	15.3
Over 1 000 000 shares	151	0.9	754 541 414	76.9
Total	17 183	100	980 226 628	100
Distribution of shareholders⁽¹⁾				
Assurance companies	72	0.42	24 326 802	2.48
BEE entities	2	0.01	58 146 931	5.93
Close corporations	82	0.48	3 250 583	0.33
Collective investment schemes	380	2.20	325 526 448	33.21
Control accounts	2	0.01	28	0.00
Custodians	21	0.12	243 769	0.02
Foundations and charitable funds	119	0.69	7 794 599	0.80
Insurance companies	7	0.04	1 483 673	0.15
Investment partnerships	37	0.22	505 694	0.05
Managed funds	41	0.24	14 249 739	1.45
Medical aid funds	18	0.10	8 600 862	0.88
Organs of state	7	0.04	158 388 743	16.16
Private companies	287	1.68	28 291 286	2.89
Public companies	10	0.06	12 516 734	1.28
Public entities	5	0.03	1 306 761	0.13
Retail shareholders	13 987	81.40	58 786 348	6.00
Retirement benefit funds	1 061	6.17	206 098 631	21.03
Scrip lending	12	0.07	35 267 224	3.60
Sovereign funds	1	0.01	240 165	0.02
Stockbrokers and nominees	20	0.12	8 687 278	0.89
Trusts	1 007	5.86	26 514 319	2.70
Unclaimed scrip	5	0.03	11	0.00
Total	17 183	100.00	980 226 628	100.00

⁽¹⁾ Pursuant to the provisions of section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.

Shareholder type				
Non-public shareholders	6	0.04	152 032 343	15.51
Directors and associates	5	0.03	9 674 413	0.99
Government Employees Pension Fund (>10%)	1	0.01	142 357 930	14.52
Public shareholders	17 177	99.96	828 194 285	84.49
Total	17 183	100.00	980 226 628	100.00

SHAREHOLDERS' ANALYSIS continued

for the year ended 31 March 2023

Shareholders' analysis of ordinary shareholders as at 31 March 2023 continued

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Public Investment Corporation	143 961 390	14.69
Sesfikile Capital	56 391 053	5.75
Old Mutual Investment Group	44 251 030	4.51
Truffle Asset Management	42 050 457	4.29
Meago Asset Managers	41 053 416	4.19
Vanguard Investment Management	37 951 161	3.87
Catalyst Fund Managers	36 861 758	3.76
STANLIB Asset Management	31 888 089	3.25
Sanlam Investment Management	29 798 206	3.04
Total	464 206 560	47.35

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Government Employees Pension Fund	142 357 930	14.52
Encha Properties Equity Investments	58 143 466	5.93
Eskom Pension and Provident Fund	48 763 525	4.97
Old Mutual Group	41 506 464	4.23
Sanlam Group	40 755 739	4.16
Vanguard	37 951 161	3.87
Total	369 478 285	37.68

	Number of shareholdings
Total number of shareholdings	17 183
Total number of shares in issue	980 226 628
Share price performance	
Opening price 1 April 2022	R14.40
Closing price 31 March 2023	R12.44
Closing high for the year	R15.06
Closing low for the year	R12.32
Number of shares in issue	980 226 628
Volume traded during year	437 371 815
Ratio of volume traded to shares issued (%)	44.62
Rand value traded during the year	R5 905 974 250
Market capitalisation at 31 March 2023	R12 194 019 252

SHAREHOLDERS' DIARY

for the year ended 31 March 2023

Financial year-end	31 March 2023
Publication of audited consolidated financial statements	12 June 2023
Interim period end	30 September 2023
AGM	1 September 2023

CORPORATE INFORMATION

DIRECTORS

Nigel Payne ^(e, i)	(Chairman, independent non-executive director)	^(e) Member of social, ethics and human resources committee. ⁽ⁱ⁾ Chairman of nominations committee.
Laurence Rapp ^(a, g)	(Chief Executive Officer)	^(a) Executive. ^(g) Member of property and investment committee.
Laurence Cohen ^(a)	(Chief Financial Officer)	^(a) Executive.
Itumeleng Mothibeli ^(a, g)	MD: SA	^(a) Executive. ^(g) Member of property and investment committee.
Sedise Moseneke ^(g)	non-executive director	^(g) Member of property and investment committee.
Steve Booysen ^(d, g, i)	independent non-executive director	^(d) Chairman of social, ethics and human resources committee. ^(g) Chairman of property and investment committee. ⁽ⁱ⁾ Member of nominations committee.
Renosi Mokate ^(e, c, i)	independent non-executive director (lead)	^(e) Member of social, ethics and human resources committee. ^(c) Member of ARC. ⁽ⁱ⁾ Member of nominations committee.
Tshidi Mokgabudi ^(c)	independent non-executive director	^(c) Member of ARC.
Hatla Ntene ^(g)	independent non-executive director	^(g) Member of property and investment committee.
Babalwa Ngonyama ^(b)	independent non-executive director	^(b) Chairman of ARC.
BM Kodisang ^{(1) (g)}	non-executive director	^(g) Member of property and investment committee.

⁽¹⁾ Appointed 1 April 2023.

GROUP SECRETARY AND REGISTERED OFFICE

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

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

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

JSE code: VKE	NSX code: VKN	ISIN: ZAE000056370	Sector: Financial – retail REITs
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TRANSFER SECRETARIES

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

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

Absa Bank Limited	3rd Floor, Absa Towers East, 160 Main Street, Johannesburg, 2001	PO Box 7335, Johannesburg, 2000
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INVESTOR AND PUBLIC RELATIONS

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



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