Octodec
INVESTMENTS LIMITED

2024
Consolidated annual financial statements

Contents

Directors’ responsibility and approval of the consolidated financial statements

It is the directors’ responsibility to ensure that the consolidated financial statements fairly present the state of affairs of Octodec Investments Limited (“Octodec” or “group”) as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and the Companies Act, No 71 of 2008 (Companies Act). The group’s external auditor is engaged to express an independent opinion on the consolidated financial statements.

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and incorporate disclosures in line with the accounting policies of the group. The consolidated financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable judgements and estimates, and have been audited in compliance with section 29(1) of the Companies Act.

The directors have reviewed the group’s cash flow forecast to 28 February 2026 and, in the light of this review and the current financial position, they are satisfied that the group has access to adequate resources to continue in operational existence for the foreseeable future.

The directors confirm that Octodec has complied with the requirements of the Companies Act and that the company is operating in conformity with its Memorandum of Incorporation (MOI).

The consolidated financial statements set out on pages 11 to 43, which have been prepared on the going concern basis, were approved by the board on 20 November 2024 and were signed on its behalf by:

Sharon Wapnick Chairman	**Jeffrey Wapnick** Chief executive officer
Tshwane	Tshwane

Statement of compliance by the group company secretary

In terms of section 88(2)(e) of the Companies Act, I confirm that Octodec Investments Limited has lodged all returns in respect of the year ended 31 August 2024 that are required to be lodged by a public company with the Companies and Intellectual Property Commission of South Africa, and that all such returns are true, correct and up to date.

Elize Greeff
Group company secretary

20 November 2024

Tshwane

Group audit committee report

Octodec's independent group audit committee's (the committee) report for the year ended 31 August 2024 is in line with the Companies Act, the JSE Listings Requirements, King IV™, Debt Listings Requirements, and other applicable regulatory requirements.

Purpose and role of the committee

The committee is an independent statutory committee in terms of section 94(2) of the Companies Act. Its primary responsibility is as an audit committee for Octodec, but it also fulfils the role of a group committee for its subsidiaries, as permitted by section 94(2)(a) of the Companies Act.

Terms of reference

The committee has adopted formal terms of reference, as approved by Octodec's board of directors, which are reviewed and updated as necessary on an annual basis (or more frequently if required).

The detailed duties and responsibilities of the committee are set out in its terms of reference, which are available on Octodec's website at www.octodec.co.za.

In summary, the committee's primary objective is to provide independent oversight of the effectiveness of Octodec's internal financial control environment, its assurance functions and services, and the integrity of the annual financial statements and related reporting. The committee also assists the board in overseeing information technology (IT) governance. The governance of risk at Octodec is delegated to the risk committee, however the committee oversees the governance of financial and other risks that affect the integrity of financial reporting by Octodec.

Composition, meetings, and attendance

The committee comprised four independent non-executive directors who satisfied the requirements of section 94(4) of the Companies Act and King IV™. As a collective and having regard to the size and nature of the group, the committee members collectively possess the appropriate financial and related qualifications, skills, expertise, and experience required to discharge their responsibilities. The composition of the committee, their qualifications, skills and experience and attendance of meetings by its members and invitees during the 2024 financial year, are included on pages 5 and 7 of the Governance and Remuneration Report, at https://octodec.co.za/investor-information/#reporting-suite.

Separate meetings were held with the external auditor and internal auditor to allow open discussion without the presence of management. The committee chairman also meets separately with external and internal auditors between committee meetings. During these meetings, no matters of material concern were raised.

The majority of the committee members are also members of the risk committee, which provides members with insight into the group Enterprise Risk Management (ERM) policy and framework, key risks, and compliance coverage in the group. The cross-committee membership enhances the committee's oversight of financial and other risks that may affect the integrity of the company's external reports (such as financial reporting risks, internal financial controls, fraud risk as they relate to financial reporting, and information and technology risks).

The committee chairman reports to the board at quarterly board meetings on the committee's activities and matters discussed at each meeting, highlighting key items deliberated and those requiring the board's attention.

Delivery against FY2024 key focus areas

In addition to discharging its required duties, as set out in its terms of reference, the committee also concentrated on the key areas of focus as set out in the 2024 report:

- Monitored the enhancement of the second line of defence contained in the Combined Assurance model through more focused reporting by Compliance, Occupational Health and Safety (OHS) and Risk Management
- Focussed on ensuring the group's financial systems, processes and controls were effective in meeting Octodec's requirements
- Continued to monitor the weighted loan and interest hedging expiry profiles, the Loan-to-value (LTV) ratio and Interest Cover Ratio (ICR) debt covenants and liquidity
- Continued to focus on property valuations and their impact on the balance sheet
- Assessed the need for external assurance on Environmental, Social and Governance reporting
- Monitored the optimisation of the Governance, Risk and Compliance structure across all technology teams, Cyber user awareness training and internal information asset controls

Other item of focus

In collaboration with the nominations committee, the committee assisted with the finalisation of the succession of Anabel Vieira, by the appointment of Riaan Erasmus as financial director designate.

Significant matters

The committee has considered the Key Audit Matters (KAMs) reported in the external audit report on page 8. In addition, the committee considered significant matters arising during the year. These included:

Valuation of investment property

Committee's response to the matter

The committee considered the competencies and independence of the external valuers as well as the competencies of the internal valuation team, reviewed and robustly debated the significant detailed assumptions and judgements used by the external and internal valuers (refer to pages 16 to 19 for detailed assumptions and results of investment property valuations). The committee concluded that the investment property was fairly stated in accordance with the accounting policy as outlined in the financial statements.

JSE Listings Requirements on attestation

The JSE Listings Requirement relating to the sign-off by the chief executive officer and financial director on the effectiveness of internal controls over financial reporting for the group can be found on page 7.

Group audit committee report (continued)

External auditor quality and independence

The committee considered and satisfied itself with the audit quality, independence, and suitability of Ernst & Young Inc. and Cornelius Els, in their respective capacities as the appointed external audit firm and designated engagement partner. In doing so, the committee considered the external auditor's suitability assessment and adherence in terms of paragraph 3.84(g)(iii) of the JSE Listings Requirements and paragraph 7.3(e)(iii) of the Debt Listings Requirements. The committee also reviewed audit quality based on the committee's assessment, in addition to considering the documents presented by Ernst & Young Inc., as required by the JSE Listings Requirements and Debt Listings Requirements, and found them to be satisfactory. The committee has recommended their re-appointment as the auditor to the group. The re-appointment will be tabled as a resolution at the annual general meeting. This is the third year of the firm as auditor of the company and group.

Furthermore, the committee ensured that the scope of non-audit services rendered in respect of Octodec's non-audit services policy did not impair auditor independence. The committee, in consultation with executive management, agreed to the terms, nature, scope, quality and proposed audit fee for the 2024 financial year, which is considered appropriate for the work that was done. The audit fees are disclosed in note 19 to the financial statements.

Risk management policy

The ERM policy is in accordance with industry practice and specifically prohibits Octodec from entering into derivative transactions which are not in the ordinary course of business. The committee has monitored compliance with the policy and is satisfied that Octodec has complied with the policy during the year.

Evaluation of the expertise and experience of the financial director and debt officer and the finance function

The committee deliberated on the expertise and experience of the financial director and debt officer, Anabel Vieira, and is satisfied that she has the requisite expertise and experience to execute her designated functions. The committee has also considered and satisfied itself with the appropriateness of the expertise, experience and adequacy of the resources of the finance team of City Property and the adequacy of financial reporting procedures in the preparation of financial statements.

Solvency and liquidity

Based on the solvency and liquidity tests performed at least every quarter, the committee was comfortable in its declaration to the board that the company and group are going concerns. The board's statement on the going concern status of the group, as supported by the committee, appears in the directors' responsibility for the financial reporting section of the annual financial statements.

Effectiveness of internal financial controls

The committee has reviewed the written assessment performed by internal audit on the design, implementation, and effectiveness of the group's internal financial controls. Based on the results of this review, the information provided by management and the risk management process, together with the work and engagement with the independent assurance providers, the committee is of the opinion that the internal financial controls in place are adequate and effective and form a sound basis for the preparation of reliable financial statements.

Internal audit

The committee is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority within the group to perform its duties. Furthermore, the committee oversees cooperation between the internal and external auditors and serves as a link between the board of directors and these functions. Internal audit continued to operate under the internal audit charter which was reviewed and approved during the year. Internal audit has unrestricted access to the committee. The committee is satisfied that the internal audit function is independent and has the authority to adequately discharge its duties. The results of audits performed in terms of the approved plan were reviewed, and the committee is satisfied with the quality and performance of internal audit.

Combined assurance

In respect of the co-ordination of assurance activities, the committee:

- Considered the plans, collaboration and work outputs of the external and internal auditors and concluded they were adequate to address all significant risks facing the group
- Reviewed Octodec's risk appetite and tolerance statements as the basis of the combined assurance model
- Monitored the key risk indicators and the refinement and enhancement thereof
- Evaluated the effectiveness of the combined assurance model

The committee is of the view that the combined assurance model is meeting the needs of the company and will continue to be further enhanced.

Compliance with JSE's report back on proactive monitoring

The committee, in the finalisation of the consolidated financial statements for the year ended 31 August 2024, considered all reports issued by the JSE and, where necessary, has taken appropriate action to address the applicable findings and focus areas identified by the JSE.

Consolidated financial statements, results, and integrated report

The committee has considered the financial reporting procedures adopted by Octodec and is satisfied that internal financial controls in place ensure the fair presentation of the consolidated and company financial statements. It has reviewed the consolidated and company financial statements for the year ended 31 August 2024 and is of the view that, in all material respects, these financial statements and the related results announcements comply with the provisions of the Companies Act, IFRS Accounting Standards as issued by the International Accounting Standards Board and the JSE Listings Requirements.

The committee is satisfied that appropriate financial reporting procedures exist and are operational in all group entities to effectively prepare, and report on the consolidated financial statements.

Group audit committee report (continued)

The external auditors have provided shareholders with an unmodified independent opinion on the financial statements on pages 8 to 10.

There were no complaints from within or outside the group, relating to accounting practices, internal audit, the content or auditing of the group's financial statements, internal financial controls, or related matters.

Recommendation and approval

The committee recommended the consolidated and company financial statements, results announcements and integrated report for the year ended 31 August 2024 to the board for approval on 20 November 2024.

Key focus areas for the year ending 31 August 2025

The committee has set the following key areas of focus for the 2025 financial year, which include continuing items from the year under review:

- Assess the effectiveness of the assurance obtained from the second line of defence contained in the Combined Assurance framework.
- Continue to monitor the weighted loan and interest hedging expiry profiles, the LTV ratio and ICR debt covenants, and liquidity.
- Continue to focus on property valuations.
- Monitor the City Property ICT control environment's effectiveness to ensure:
  - ICT resilience and sustainability.
  - Appropriate levels of control are operational.
  - Actions are tracked to enhance ICT Governance.
  - Cyber-attack defence initiatives are operating effectively and efficiently.

Concluding remarks

The committee is satisfied that it has complied with and discharged all statutory duties in terms of Section 94(7) of the Companies Act and the JSE Listings Requirements, as well as with the functions and responsibilities assigned to it by the board under its terms of reference and committee mandate, for the 2024 financial year.

Louis van Breda
Chairman of the committee

20 November 2024

Report of the directors

for the year ended 31 August 2024

To the shareholders of Octodec Investments Limited

The directors have pleasure in submitting their report for the year ended 31 August 2024.

Preparation of the consolidated financial statements

The consolidated financial statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act.

The consolidated financial statements were prepared under the supervision of Mrs A Vieira CA(SA), in her capacity as group financial director. The separate company financial statements contain information about Octodec as an individual company and do not contain consolidated financial information as the parent of a group. The separate financial statements of the company are available on the company's website, www.octodec.co.za, and at the registered office of the company.

Nature of business and review of operations

Octodec is a REIT and is listed on the JSE, investing in residential, retail, office and industrial properties, deriving income from the rental of its properties and its investments.

Johannesburg CBD gas explosion (gas explosion)

The gas explosion that occurred in July 2023 on Lilian Ngoyi Street in Johannesburg has had an indirect impact on Octodec results.

Octodec owns 41 properties located within the Johannesburg CBD, of which 14 properties have been directly impacted due to their location on Lilian Ngoyi Street. These properties comprise a combination of residential, retail street shops and office properties.

The damage that occurred in Lilian Ngoyi Street has not yet been repaired and expectations are that the road repairs will only be completed between December 2025 and June 2026.

No material property damage to any of Octodec's properties has been reported to date, however due to the lack of access to the properties as a result of the ongoing repair work, retaining tenants or letting to new tenants is significantly impeded. This has resulted in increased vacancies and arrears, and this is not expected to improve until such time that access to these properties has been restored and retailers can operate unhindered.

Report of the directors (continued)

In the current year, rental income at these 14 properties decreased by R2.8 million to R115.7 million when compared to the prior year. However, although this is only a 2.4% reduction, the collection of rentals has been problematic and the provision for bad debts increased from 3.5% of gross revenue to 8.2% or R12.1 million. Although costs have been well contained, no assistance has been forthcoming from council for administered costs such as assessment rates. The resultant net property income of these assets decreased by R13.0 million or 22.3% year on year.

The insurance underwriters have accepted the liability, and management is currently working closely with Octodec's insurance broker and the appointed loss adjuster to quantify and agree the business interruption claim. The sub-limit per the insurance policy is R20 million but it is estimated that the claim will significantly exceed this limit. The rental concessions given in the current year are included in the claim. Rental concessions are subject to tenants providing proof of loss to the loss adjuster. All arrear balances arising from tenants impacted by the gas explosion are included in the expected credit loss allowance.

Share capital

The authorised stated capital comprises 500 000 000 (2023: 500 000 000) shares of no par value. There were no issues of shares in the current year and, consequentially, there were no changes in the number of issued shares by the company from the prior year, with 266 197 535 shares in issue as at 31 August 2024.

Dividends

Octodec's dividend policy is based on the premise of retaining sufficient funds for maintenance and development and acquisition opportunities as and when these arise, maintaining a strong balance sheet with an acceptable loan to value ratio, while at the same time taking into consideration our shareholders' expectations in respect of distributions. In determining the funds for distribution, we use distributable income (SA REIT funds from operations) and deduct the anticipated amount for refurbishments and developments, while ensuring that the distribution complies with the JSE Listings Requirements of a minimum distribution of 75% of distributable income (taxable income), taking into account the solvency and liquidity of the underlying property-controlled subsidiaries. The distribution for FY2024 as a percentage of distributable income is 78.9% at group level and 99.9% at company level, ensuring that the group remains a REIT.

Based on the above policy, the board has declared a final dividend of 65.0 cents (FY2023: 75.0 cents) per share. In line with the performance of the current year, the total dividend for the year decreased by 7.4% to 125.0 cents (FY2023: 135.0 cents) per share.

Subsidiaries

The company has a 100% interest in the under-mentioned companies and they are all incorporated in the Republic of South Africa.

IPS Investments (Pty) Ltd
Killarney Mall Properties (Pty) Ltd
Octprop Properties (Pty) Ltd
Premium Properties (Pty) Ltd*
Presmooi (Pty) Ltd
Tribeca Properties (Pty) Ltd

The following companies are 100% held by Premium Properties (Pty) Ltd and IPS Investments (Pty) Ltd

Centpret Properties (Pty) Ltd
Centuria 369 (Pty) Ltd
Jardtal Properties (Pty) Ltd (held by Joybee (Pty) Ltd)
Joybee Properties (Pty) Ltd
OPC Properties (Pty) Ltd
Savyon Building (Pty) Ltd
Vuselela Investments (Pty) Ltd
Simprit Properties Share Block (Pty) Ltd (held by Centpret Properties (Pty) Ltd)

The subsidiaries' principal activities are those of property companies, investing in residential, retail, office and industrial sectors, deriving income from the rental of their properties and their investments. There are no restrictions on the subsidiaries or on the distribution of income from the subsidiaries.

* *Premium Properties was converted from a public company to a private company in August 2024.*

Joint ventures and joint operations

The group holds the following interests:

Prensas Properties (Pty) Ltd – 50% interest in the joint venture owning the Blaauw Village shopping centre; and The Manhattan property in which a 50% undivided share is owned and is accounted for as a joint operation.

Management contract

The group's investment properties are managed by City Property in terms of the asset and property management agreement for a period of five years and two months from 1 July 2023 to 31 August 2028. City Property is a related party as it is wholly owned by the Wapnick family.

Report of the directors (continued)

Events after the reporting date

Other than those listed below, the directors are not aware of any events subsequent to 31 August 2024 and up to the date of approval of these financial statements, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

The following events have taken place subsequent to 31 August 2024:

- A dividend of 65 cents per share was declared on 20 November 2024, to be paid to shareholders in December 2024.
- The disposal of four small properties for a total gross consideration of R12.7 million.
- The acquisition of one property, that is complimentary to an existing property, for a total consideration of R7.9 million at a yield of 13.3%.
- The refinance of R370 million in facilities with Standard Bank of South Africa Limited that would mature in the next financial year.

Directorate

The directors of the company during the year under review and up to the date of this report were:

Executive directors

JP Wapnick (chief executive officer)

A Vieira (financial director and debt officer)

Non-executive directors

S Wapnick (chairman)

PJ Strydom (lead independent director)*

DP Cohen (independent non-executive director)*

RWR Buchholz (independent non-executive director)

NC Mabunda (independent non-executive director)

EMS Mojapelo (independent non-executive director)

MZ Pollack (non-executive director)

LP van Breda (independent non-executive director)

* *DP Cohen resigned as lead independent director on 2 October 2024 and PJ Strydom was appointed lead independent director on the same date. DP Cohen remains an independent non-executive director.*

Directors' remuneration

We refer you to the detailed information on directors remuneration set out on page 42 of this report.

Directors' shareholding

The direct and indirect interest held by the directors in the company at the reporting date and up to the date of approval of the financial statements, is as follows:

	2024 **Direct beneficial**	**Indirect beneficial**	**Total**
S Wapnick	**38 842**	**–**	**38 842**
JP Wapnick	**39 374**	**–**	**39 374**
S Wapnick and JP Wapnick (combined)[1]	**–**	**100 419 836**	**100 419 836**
MZ Pollack[2]	**895 068**	**3 104 345**	**3 999 413**
	973 284	**103 524 181**	**104 497 465**

	2023 Direct beneficial	Indirect beneficial	Total
S Wapnick	38 842	–	38 842
JP Wapnick	39 374	–	39 374
S Wapnick and JP Wapnick (combined)[1]	–	100 333 533	100 333 533
MZ Pollack[2]	1 795 068	2 204 345	3 999 413
	1 873 284	102 537 878	104 411 162

1 *Combined holdings of S Wapnick and JP Wapnick including interests held in associates where they are either shareholders, members, trustees or directors of entities holding Octodec shares and/or have the control of voting rights of the respective entities and de facto have the control of the voting rights in respect of the Octodec shares.*

2 *Combined holdings of MZ Pollack including interests held in associates where he is either a shareholder, member, trustee or director of entities holding Octodec shares and/or has the control of the voting rights of the respective entities and de facto has the voting rights in respect of the Octodec shares. 1 460 912 shares have been pledged to Standard Bank as collateral for overdraft facilities.*

Changes in shareholding between the financial year end and the date of this report

There have been no changes in the number of shares held by directors between 31 August 2024 to the date of this report.

Report of the directors (continued)

Going concern

The current liabilities exceed the current assets by R1.7 billion (2023: R0.4 billion), mainly due to the fact that an amount of R1.5 billion will be maturing in FY2025 (Refer to note 12). The group has R679.0 million (2023: R735.3 million) in cash and unutilised banking facilities available as at 31 August 2024 to fund its working capital requirements and to refinance maturing debt, if required. Post year-end, facilities of R370 million have already been refinanced.

The board has reviewed the cash flow projections for the eighteen months to 28 February 2026 and, based on the cash flow projections, and having considered the solvency and liquidity tests taking the above into consideration, has concluded that the group has adequate resources to continue to operate for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

Auditor

Ernst & Young Inc. is the independent auditor of the group, with Cornelius Els CA(SA) as the engagement partner. A proposal for the re-appointment of Ernst & Young Inc. with Cornelius Els as the engagement partner, will be put forward at the AGM for approval.

Group company secretary

Elize Greeff
CPA House
101 Du Toit Street
Tshwane, 0002

PO Box 15, Tshwane, 0001

CEO and CFO Responsibility Statement

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

- The consolidated financial statements set out on pages 11 to 43, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards as issued by the International Accounting Standards Board;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated 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 consolidated 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 auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- We are not aware of any fraud involving directors.

Signed by the CEO and the FD

JP Wapnick Chief executive offier	**A Vieira (CA) SA** Financial director
20 November 2024 Tshwane	20 November 2024 Tshwane

Independent auditor's report

To the Shareholders of Octodec Investments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Octodec Investments Limited and its subsidiaries ('the group') set out on pages 11 to 43, which comprise the consolidated statement of financial position as at 31 August 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at 31 August 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent auditor's report (continued)

Key Audit Matter	How the matter was addressed in the audit
Valuation of investment properties (Note 5) The Group's investment properties to the value of R11 billion (2023: R11 billion), including those classified as held-for-sale, are measured at fair value, and comprise 96% (2023: 95%) of total assets of the Octodec Investments Limited Group as at 31 August 2024. The portfolio consists of residential, retail, office, and industrial properties. The Group apply the Capitalisation of income method in determining the fair value of properties. This method is based on the premise that an investor/owner occupier would determine the price that they are willing to pay for the property by capitalising the net annual income that the property is capable of generating. • The income capitalisation method involves multiple inputs that demand judgment and are subject to complexity. Key inputs encompass expense ratios, capitalisation rates, and long-term vacancy rates. The use of different valuation inputs could produce significantly different estimates of fair value. The valuation of investment properties remains a key audit matter due to its significance to the consolidated financial statements as a whole, and the aforementioned inputs used in the valuation of investment property are inherently judgemental. The disclosures are set out in the consolidated financial statements in note 5 in accordance with IAS 40 Investment property and IFRS 13 Fair Value Measurement.	Our procedures included, amongst others, the following: • We obtained an understanding of and evaluated the design of management's internal process for determining the fair value of investment property. • We have performed tests of controls around the valuations process followed by management. • We agreed all investment properties' fair values to the management and external specialist valuations. • With the support of our EY specialists, we assessed the method and inputs applied in determining the fair value of investment properties. In doing so, we: › Checked that the valuation method applied by management and their external specialists in determining the fair value of investment properties are consistent with generally accepted property valuation techniques in the property industry and International Financial Reporting Standards; › Compared the capitalisation rates to Rode, South African Property Owners Association reports, and management's external specialists valuation reports; › Compared the inputs such as expense ratios and long-range vacancy rates to lease agreements and tenancy schedules; and › Determined whether management's values, compared to our independent valuation, are within reasonable ranges. • We evaluated the objectivity, capability and competence of management's external specialists used by assessing their qualifications and industry experience. • We inspected that each property within the portfolio had been subject to an external valuation during the three-year rotational basis. We assessed the disclosures in terms of the requirements of IAS 40, Investment Property and IFRS 13, Fair Value Measurement.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 58-page document titled "Octodec Investments Limited 2024 Consolidated annual financial statements", the 59-page document titled "Octodec Investments Limited (Registration Number 1956/002868/06) Annual Financial Statements for the year ended 31 August 2024", the 81-page document titled "Octodec Investments Limited 2024 Integrated report" and the 42-page document titled "Octodec 2024 Governance and remuneration report" which includes the Directors' responsibility and approval of the consolidated financial statements, Statement of compliance by the group company secretary, Group audit committee report, Report of the directors, the CEO and CFO responsibility statement as required by the Companies Act of South Africa and the Appendices and Corporate information. The other information does not include the consolidated financial statements and our auditor's reports thereon.

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

Our opinion on the consolidated 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 Ernst & Young Inc has been the auditor of Octodec Investments Limited for 3 years.

Ernst & Young Inc
Per Director – Cornelius Alwyn Els
Registered Auditor

21 November 2024

102 Rivonia Road
Sandton

Consolidated statement of financial position

at 31 August 2024

	Notes	2024 R'000	2023 R'000
ASSETS			
Non-current assets		10 565 679	11 096 877
Investment property	5	10 396 215	10 905 950
Straight-line rental income accrual	5	74 217	88 584
Unamortised tenant installations and lease costs	5	45 268	46 066
Investment property at fair value		10 515 700	11 040 600
Furniture, fittings and equipment	6	3 230	1 536
Interest in and loan to joint venture	7	46 749	44 356
Derivative financial instruments	13	–	10 385
Current assets		268 088	343 542
Accounts receivable and prepayments	9	186 808	178 562
Derivative financial instruments	13	11 173	51 267
Taxation receivable	23	934	–
Cash and bank balances	10	69 173	113 713
Non-current assets held for sale	5	570 200	50 100
Total assets		11 403 967	11 490 519
EQUITY AND LIABILITIES			
Equity		6 416 238	6 559 626
Stated capital	11	4 210 134	4 210 134
Non-distributable reserve	11	1 287 406	1 493 585
Retained income		918 698	855 907
Non-current liabilities		3 041 694	4 234 529
Long-term borrowings	12	2 881 690	4 068 493
Derivative financial instruments	13	1 993	–
Lease liabilities	14	10 868	10 901
Deferred taxation	15	147 143	155 135
Current liabilities		1 946 035	696 364
Short-term borrowings	12	1 527 476	277 463
Trade and other payables	16	418 357	416 327
Lease liabilities	14	32	29
Taxation payable	23	170	2 545
Total equity and liabilities		11 403 967	11 490 519

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Revenue	17.1	2 076 143	1 982 537
Rental earned on a contractual basis and recoveries		2 076 366	1 995 095
Straight-line rental income accrual		295	(12 558)
Rental concession relating to the gas explosion		(518)	–
Sundry income	17.2	570	12 329
Property expenses	18	(1 104 994)	(1 030 480)
Expected credit loss – accounts receivable and utility accrual		(44 098)	(36 638)
Net property income		927 621	927 748
Administrative and corporate expenses	19	(111 339)	(102 664)
Fair value changes		(215 371)	186 349
Investment property	5	(161 526)	179 055
Derivative financial instruments	31.2	(52 472)	10 500
Disposal of investment property		(1 373)	(3 206)
Profit on disposal of movable assets		–	142
Share of income/(loss) from joint venture	20	5 830	(288)
Profit before finance costs		606 741	1 011 287
Net finance costs	21	(395 392)	(381 759)
Finance income		16 734	13 256
Finance costs		(412 126)	(395 015)
Profit before taxation		211 349	629 528
Taxation	22	4 630	(19 065)
Current		(3 362)	(4 073)
Deferred		7 992	(14 992)
Profit for the year and total comprehensive income attributable to shareholders		215 979	610 463
Weighted number of shares in issue – ('000)		266 198	266 198
Number of shares in issue ('000)		266 198	266 198
Basic and diluted profit per share (cents)		81.1	229.3

Consolidated statement of changes in equity

for the year ended 31 August 2024

	Stated capital R'000	Non-distributable reserve R'000	Retained income R'000	Total R'000
Balance at 31 August 2022	4 210 134	1 326 464	785 242	6 321 840
Total comprehensive income for the year	–	–	610 463	610 463
Dividends paid	–	–	(372 677)	(372 677)
Transfer to non-distributable reserve				
Deferred tax	–	(14 992)	14 992	–
Fair value changes				
• Investment property	–	179 055	(179 055)	–
• Investment property – joint venture	–	(4 236)	4 236	–
• Disposal of investment property	–	(3 206)	3 206	–
• Derivative financial instruments	–	10 500	(10 500)	–
Balance at 31 August 2023	4 210 134	1 493 585	855 907	6 559 626
Total comprehensive income for the year	–	–	215 979	215 979
Dividends paid	–	–	(359 367)	(359 367)
Transfer to non-distributable reserve				
Deferred tax	–	7 992	(7 992)	–
Fair value changes				
• Investment property	–	(161 526)	161 526	–
• Investment property – joint venture	–	1 200	(1 200)	–
• Disposal of investment property	–	(1 373)	1 373	–
• Derivative financial instruments	–	(52 472)	52 472	–
Balance at 31 August 2024	4 210 134	1 287 406	918 699	6 416 238

Consolidated statement of cash flows

for the year ended 31 August 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Cash generated from operations	26	835 410	862 578
Interest received		16 734	13 256
Finance costs paid		(412 899)	(428 369)
Dividends paid		(359 367)	(372 677)
Taxation paid	23	(6 671)	(287)
Net cash flows from operating activities		73 207	74 501
Cash flows from investing activities			
Additions to investment property		(154 735)	(123 870)
Acquisition of furniture, fittings and equipment		(2 480)	(880)
Increase in tenant installation and lease costs		(37 050)	(4 309)
Proceeds on disposal of investment property		13 767	109 359
Proceeds from disposal of movable assets		–	142
Loan advanced to joint venture		(4 237)	–
Payment received on loan to joint venture		7 674	3 117
Net cash flows from investing activities		(177 061)	(16 441)
Cash flows from financing activities			
Proceeds from borrowings		129 344	2 559 656
Repayment of borrowings		(70 000)	(2 570 528)
Repayment of lease liabilities		(30)	(29)
Net cash flows from financing activities		59 314	(10 901)
Net (decrease)/increase in cash and bank balances		(44 540)	47 159
Cash and bank balances at the beginning of the year		113 713	66 554
Cash and bank balances at the end of the year	10	69 173	113 713

Notes to the consolidated financial statements

for the year ended 31 August 2024

1. Reporting entity

Octodec is incorporated in the Republic of South Africa. These consolidated financial statements comprise the company and its subsidiaries (together referred to as "the group").

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act.

The consolidated 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 in note 4. The accounting policies adopted and methods of computation are consistent with those applied in the consolidated financial statements of the previous year.

These consolidated financial statements are presented in Rands and have been rounded to the nearest thousand (R'000).

3. Critical accounting judgements and estimates

In the application of the group's accounting policies below, the directors are required to make judgements that have a significant impact on the amounts recognised in the consolidated financial statements and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events, and are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Assumptions and estimation uncertainty

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

3.1 Fair value measurement of investment properties

The fair value of investment properties is determined using current rentals, expected market rentals, expected vacancies, expected property expenses, maintenance requirements and appropriate capitalisation rates. Market rentals are determined by reference to current market rentals for similar buildings in the same location and condition. The inputs in the calculation which are subject to a significant degree of estimation are the long-range vacancy factor, the expense ratio and capitalisation rate. Any change to these inputs can have a significant impact on the financial position of the group.

3.2 Impairments

Calculation of expected credit losses

At each reporting date, management considers each borrower, taking into account the current economic conditions and the likelihood of the borrower defaulting on the debt, and makes a provision for that portion that is considered to be impaired in the next 12 months.

Calculation of lifetime expected credit losses

The group has adopted the simplified approach for the calculation of the expected credit loss on lease receivables. When calculating the lifetime expected credit loss (LECL), the group makes assumptions taking into account historical information as well as future economic conditions impacting the market in which it operates.

At each reporting date, management considers each debtor in respect of whom legal proceedings have been instituted or the debtor has vacated, and all those debtors which are past their due date, in order to determine the level of recoverability. A provision is raised for all trade receivables.

4. Significant accounting policies

4.1 Basis of consolidation

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

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee;
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

The company is the sole shareholder of each subsidiary and therefore controls each subsidiary.

The consolidated financial statements incorporate the financial statements of the company and all the subsidiaries controlled by the group. All the subsidiaries have the same financial year end and apply the same accounting policies.

The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All transactions and balances between group companies are eliminated in full on consolidation.

Notes to the consolidated financial statements (continued)

4. Significant accounting policies (continued)

4.2 Financial instruments

4.2.1 Recognition and measurement

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities that are subsequently measured at amortised cost, are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at fair value through profit or loss (FVTPL) are expensed immediately in profit or loss.

4.2.2 Financial assets

The financial assets are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)

The group has the following financial assets:

- Trade receivables
- Cash and bank balances
- Loans
- Derivative financial instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, the financial assets are measured at amortised cost using the effective interest method. The group's cash and bank balance, trade and other receivables and loans fall into this category. Interest is recognised under finance income in profit or loss.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are classified at FVTPL. All derivative financial instruments fall into this category and include the group's interest rate swaps.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

4.2.3 Expected credit loss of financial assets

Expected credit loss (ECL) and lifetime expected credit loss (LECL)

LECL represents the expected credit losses (ECLs) that will result from all possible default events over the expected life of a financial instrument. A 12-month ECL represents the portion of LECL that is expected to result from default events on a financial instrument that is possible within 12 months after the reporting date.

Loans at amortised cost

The group recognises a loss allowance for ECLs on financial instruments that are measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial instrument. When there has been a deterioration in the credit quality of the financial instrument, the group recognises LECLs since initial recognition. If there has been no deterioration in the credit quality of the financial instrument since initial recognition, the group measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL. The group considers the following factors in assessing whether credit risk has increased:

- The financial position of the debtor
- Significant increase in credit risk on other financial instruments of the same borrower
- Failure to meet current repayment obligations

Trade and other short-term receivables

The group recognises LECLs for trade receivables. The group considers that default has occurred when a lease receivable is more than seven days past due, legal proceedings have been instituted against the debtor or the tenant has vacated the premises. The LECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, prevailing economic conditions as well as an assessment of current and future direction of economic conditions at the reporting date.

The group assesses impairment of lease receivables for residential and commercial lease receivables separately since they possess different credit risk characteristics.

The expected credit losses of loans and trade and other receivables are recognised in the statement of profit or loss and other comprehensive income for the year.

4.2.4 Financial liabilities

The group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Borrowings and trade and other payables are classified at amortised cost. These are originally measured at fair value and adjusted for transaction costs. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments include interest rate swaps. These are designated at FVTPL. Any gains or losses arising from changes in fair value are recognised in the statement of profit or loss and other comprehensive income.

All interest-related charges are reported in profit or loss and included within finance costs.

Notes to the consolidated financial statements (continued)

4. Significant accounting policies (continued)

4.2 Financial instruments (continued)

4.2.5 Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

When a trade receivable is considered irrecoverable due to factors such as insolvency, liquidation or the inability of the debtor to settle the debt, the amount is written off to profit or loss during the year in which it is identified that the debt is no longer recoverable, and the impairment provision is reversed. Any amounts subsequently recovered are recognised in profit or loss in the year that they are recovered.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

4.3 Fair value

The group measures financial instruments, which include interest rate swaps, as well as investment properties at fair value at each reporting date. The fair values of financial instruments measured at amortised cost are disclosed when the carrying values of these instruments do not reasonably approximate their fair value at the reporting date.

Fair value hierarchy

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The different levels have been defined as follows:

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

Level 2: Input other than quoted prices included within Level 1 that is observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Input for the asset or liability that is not based on observable market data (unobservable input)

4.4 New or revised Standards and Interpretations

4.4.1 Standards and interpretations effective and adopted in the current year

The group has adopted the following new standards, amendments and interpretations that became effective for the first time in the current financial year. The impact of the adoption of these standards and amendments has been considered and deemed immaterial on the group.

Standard	Effective date
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendment is intended to help preparers in deciding which accounting policies to disclose in their financial statements.	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8) The amendment introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish between accounting policies and accounting estimates.	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) The amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations.	1 January 2023

4.4.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following relevant standards, which have been published and are mandatory for the group's accounting period beginning on or after the effective date indicated below:

Standard	Effective date
Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants (Amendments to IAS 1) The amendment clarifies how the conditions with which an entity must comply within 12 months after the reporting period affects the classification of a liability. The amendment is not expected to have a material impact on the group.	1 January 2024

Notes to the consolidated financial statements (continued)

4. Significant accounting policies (continued)

4.4 New or revised Standards and Interpretations (continued)

Standard	Effective date
Classification and Measurement of Financial instruments (Amendments to IFRS 9 and IFRS 7) The amendment clarifies: • that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement if certain conditions are met • how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features • the treatment of non-recourse assets and contractually linked instruments • additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements IFRS 18 will replace IAS 1 and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements, and enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and notes. Many of the other existing principles in IAS 1 will remain. IFRS 18 will not impact the recognition and measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss. Retrospective application is required. The group is yet to assess the impact of IFRS 18.	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures The purpose of IFRS 19 is to reduce disclosure requirements of subsidiaries reporting to their parent for consolidation purposes if it does not have public accountability, and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. It specifies the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. The group is yet to assess the impact of IFRS 19.	1 January 2027

5. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

Investment properties are initially recognised at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, adjusted for the carrying values of fixtures and fittings, straight-line rental income accrual, unamortised tenant installations and lease costs which are recognised as separate assets, so as not to double account for these assets that are recognised separately. A gain or loss arising from a change in fair value is recognised in profit or loss. Subsequent refurbishing expenditure relating to investment properties is capitalised to the asset's carrying amount only if it meets the recognition criteria for investment properties. All other subsequent expenditure is expensed to profit or loss in the period in which it is incurred.

Investment properties are derecognised on disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The gain or loss (fair value changes) on disposal of investment properties is calculated as the difference between the net disposal proceeds and the carrying amount of the investment properties and is recognised in profit or loss in the period in which it arises.

Fair value

At the reporting date all investment properties are measured at fair value. The directors consider the valuations to determine the appropriateness of the valuation techniques and inputs used for fair value measurements. The valuation process is reviewed and approved by the directors at each reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of investment property that necessarily take a substantial period of time to get ready for their intended use are added to the cost of investment property, until such time as the investment property is substantially ready for its intended use. The group borrows funds generally and therefore uses the weighted average cost of borrowings to the group to calculate the interest capitalised. In cases where the group uses specific funding for the development, the actual cost of the specific funding is capitalised to the cost of the development.

Investment income earned on the temporary investment of any specific borrowings pending their expenditure is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the consolidated financial statements (continued)

5. Investment property (continued)

Reconciliation of investment property	2024 R'000	2023 R'000
Carrying value at beginning of year	10 905 950	10 633 189
Acquisitions and additions	167 195	122 469
Disposals	(14 976)	(28 051)
Fair value changes	(161 915)	178 343
Transferred (to)/from held for sale (nett)	(500 039)	–
	10 396 215	10 905 950
Reconciliation of valuation to carrying value – investment property		
Valuation of portfolio at end of year	11 085 900	11 090 700
Less:		
Straight line rental income accrual	(74 217)	(88 584)
Unamortised tenant installations and lease costs	(45 268)	(46 066)
Non-current assets held for sale	(570 200)	(50 100)
Carrying amount at end of year	10 396 215	10 905 950

The investment properties are valued biannually by a finance team at City Property and the portfolio valuation is reviewed and approved by the board. In terms of the JSE Listings Requirements, all the properties are valued by external independent valuers at least once over a rolling three-year period. In the current year 64 (2023: 87) properties representing 48.5% (2023: 25.4%) of the portfolio, with a carrying amount of R5.4 billion (2023: R2.8 billion) were externally valued. The board confirms that there have been no material changes to the information used and assumptions applied by the registered valuers.

The portfolio was valued by the following valuers who are all registered valuers in terms of section 19 of the Property Valuers Profession Act, No 47 of 2000 and have extensive experience in property valuations.

Entity	Valuator	Qualifications
Mills Fitchet Global	William Hewitt	NDPV, MIEA, FIVSA, RICS Registered Valuer
Gert van Zyl Valuations	Gerhardus Jacobus Van Zyl	Professional Associate Valuer
Premium Valuations Services	Yusuf Vahed	Professional Valuer
Mogalakwena Valuers	Kgoshi Sasa	Professional Valuer (SACPVP)
Intengo Valuers & Property Consultants	Sthembiso Khumalo	Professional Valuer (SACPVP)

Mills Fitchet Global valued the properties using the discounted cash flow model while the other four valuers used the capitalisation of income method. The entire property portfolio was also internally valued using the capitalisation of income method, which represents the carrying amount on the statement of financial position and the above note. There were no significant differences between the internal and external valuations.

Fair value information

Valuation of investment property is subject to a significant amount of judgement and estimation and any change in assumptions and estimations will result in different property values. The inputs in the calculation which are subject to a significant degree of estimation are the capitalisation rates, the long-range vacancy factor and the expense ratio. Due to the mixed use of many properties, it is not possible to summarise the inputs by sector. To provide more insight into the valuations, the tables set out below reflect the ranges and number of buildings and values within the ranges.

Notes to the consolidated financial statements (continued)

5. Investment property (continued)

Fair value information (continued)

The following unobservable inputs were used by the group at 31 August 2024:

	31 August 2024					31 August 2023				
Capitalisation Rate	Number of properties	Fair value R'000	Weighted average capitalisation rate %	Weighted average long range vacancy factor %	Weighted average expense ratio %	Number of properties	Fair value R'000	Weighted average capitalisation rate %	Weighted average long range vacancy factor %	Weighted average expense ratio %
8.50% – 8.75%	2	704 200	8.6	1.8	26.8	2	645 800	8.6	1.8	27.9
9.00% – 10.00%	75	6 903 200	9.6	6.6	32.2	78	7 020 500	9.5	6.7	31.8
10.25% –11.50%	124	2 955 300	10.7	9.3	29.4	138	3 090 400	10.6	9.9	28.3
Greater than 11.50%	21	356 300	12.6	19.3	29.9	9	177 600	10.5	18.2	24.2
Total	222	10 919 000	9.9	8.1	30.8	227	10 934 300	9.8	7.8	30.2
Long range vacancy factor										
1.00% – 5.00%	102	5 784 100	9.8	3.3	28.3	99	5 365 200	9.8	3.0	27.5
6.00% – 10.00%	68	2 651 800	9.9	7.8	33.8	84	3 474 300	9.8	7.9	33.8
11.00% – 15.00%	27	1 929 300	9.7	14.1	33.8	20	1 441 200	9.6	14.0	30.8
Greater than 15.00%	25	553 800	11.4	24.3	34.5	24	653 600	10.4	23.1	33.4
Total	222	10 919 000	9.9	8.1	30.8	227	10 934 300	9.8	7.8	30.2
Expense ratio										
6.00% – 15.00%	9	306 900	9.8	3.5	11.7	11	236 800	10.8	2.6	11.0
15.01% – 25.00%	57	2 225 000	10.0	5.4	20.5	59	2 403 100	9.9	4.7	21.1
25.01% – 35.00%	92	5 160 700	10.0	9.2	30.9	96	5 308 400	9.8	9.0	30.7
Greater than 35.00%	64	3 226 400	9.8	10.2	38.3	61	2 986 000	9.7	9.9	37.4
Total	222	10 919 000	9.9	8.1	30.8	227	10 934 300	9.8	7.8	30.2

The balance of the portfolio of 11 properties (2023: 10 properties) with a carrying value of R166.9 million (2023: R156.4 million) represents properties held for sale, land or mothballed properties. Where a firm offer has been received, the properties were valued at the net offer consideration. Land and mothballed buildings have been valued using bulk rates determined from sales of similar properties using the lower range of the average selling price and adjusted downwards by a further 10% to 35% where relevant, to take into account the current economic climate. A 5% average selling price increase/(decrease) would result in an increase/(decrease) of R8.3 million (2023: R7.8 million). There are no other material significant unobservable inputs or interrelationships between such inputs.

Notes to the consolidated financial statements (continued)

5. Investment property (continued)

Sensitivity to changes in valuation inputs

The significant unobservable inputs used in the fair value measurement of the group's investment properties are the capitalisation rates, the expense-to-income ratios and the long-range vacancy factor. Significant (increases)/decreases in any of these inputs in isolation would result in a significantly (lower)/higher fair value measurement.

	2024 R'000	2023 R'000
1% Increase in capitalisation rates, while all other inputs remain constant	(1 000 434)	(1 012 174)
1% Decrease in capitalisation rates, while all other inputs remain constant	1 224 891	1 242 140
2% Increase in long-range vacancy factor, while all other inputs remain constant	(344 695)	(314 449)
2% Decrease in long-range vacancy factor, while all other inputs remain constant	344 695	314 449
2% Increase in expense ratio, while all other inputs remain constant	(316 733)	(237 254)
2% Decrease in expense ratio, while all other inputs remain constant	316 733	237 254

In estimating the fair value of the properties, the highest and best use is taken into account. The judgements regarding the valuations and the inputs into the calculations have changed, but the methodology used has remained unchanged from the previous reporting period. Investment property has been categorised as a Level 3 in the fair value hierarchy, and no transfers have been made between Levels 1, 2 or 3 during the year under review (refer to fair value note 4.3 in the accounting policies).

Reconciliation of fair value changes to investment property	2024 R'000	2023 R'000
Investment property	(161 915)	178 343
Non-current assets held for sale	389	712
	(161 526)	179 055

Investment property pledged as security

The group has encumbered the majority of its investment properties with a fair value of R10.2 billion (2023: R10.2 billion) to secure mortgage loan facilities as set out in note 12. There are no other restrictions on the realisability of investment property or distribution of its income.

A schedule of investment properties owned by the group is set out on pages 45 to 54.

Straight-line rental income accrual

Straight-line rental income accrual represents the asset that arises from the recognition of rental income on a straight-line basis.

	2024 R'000	2023 R'000
Carrying value at beginning of year	88 584	100 879
Straight-line rental income accrual	184	(12 246)
Disposals	(164)	(49)
Transferred to non-current assets held for sale	(14 387)	–
	74 217	88 584

Unamortised tenant installations and lease costs

Letting commission and tenant installation costs incurred in negotiating and arranging operating leases are deferred and amortised over the lease term on a straight-line basis.

	2024 R'000	2023 R'000
Carrying value at beginning of year	46 066	22 132
Additions	15 475	33 400
Amortisation	(11 099)	(9 466)
Transferred to non-current assets held for sale	(5 174)	–
	45 268	46 066

Non-current assets held for sale

A non-current asset is classified as held for sale if it is expected that its carrying amount will be recovered principally through sale rather than continuing use, it is available for immediate sale and the sale is highly probable to occur within one year.

Non-current assets held for sale comprising investment property are measured in accordance with International Accounting Standard (IAS) 40 Investment Property, at fair value less costs to sell, and the gain or loss arising from a change in fair value is recognised in profit or loss. Where a firm offer has been received, the properties classified as held for sale are valued at the offer value less costs to sell.

Notes to the consolidated financial statements (continued)

5. Investment property (continued)

Non-current assets held for sale (continued)

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

	2024 R'000	2023 R'000
Carrying value at beginning of year	50 100	134 165
Disposals	–	(84 465)
Straight-line rental income accrual	111	(312)
Fair value changes	389	712
Transferred from/(to) investment property (nett)	519 600	–
	570 200	50 100

The following investment properties are classified as held-for-sale:

Property name	2024 R'000	2023 R'000
Carlzeil(3)	1 700	–
Carlzeil(4)	2 100	–
Indacom (2)	3 200	–
Ischurch (1)	2 300	–
Killarney Mall	416 100	–
Lister Medical Centre	61 400	–
Potmeul*	–	7 400
Rosnew	43 200	42 700
Sunnyside Galleries	21 800	–
Unity Heights	18 400	–
	570 200	50 100

* *Property transferred back to investment property during the year*

Octodec is committed to disposing of the identified properties and is actively marketing their sales.

6. Furniture, fittings and equipment

Furniture, fittings and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is based on the cost of the asset less its residual value and is recognised on a straight-line basis over the current estimated useful lives of the asset. The estimated useful lives of assets for the current and comparative periods are:

- Furniture and equipment 5 – 6 years
- Computer equipment 3 years

	2024 R'000	2023 R'000
Cost	5 822	3 342
Accumulated depreciation	(2 592)	(1 806)
Carrying value	3 230	1 536
Movement during the year:		
Carrying value at beginning of year	1 536	939
Additions	2 480	880
Depreciation charge	(786)	(283)
	3 230	1 536

7. Interest in and loan to joint venture

A joint venture is an arrangement in which the group has joint control over the net assets held under the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control under the arrangement, which occurs only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Interests in joint ventures are accounted for using the equity method of accounting. They are recognised initially at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and the other comprehensive income of equity-accounted investees, until the date on which the investment ceases to be a joint venture or when the investment is classified as held for sale.

When the group transacts with a joint venture of the group, profits and losses resulting from transactions with the joint venture are recognised in the group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the group.

Notes to the consolidated financial statements (continued)

7. Interest in and loan to joint venture (continued)

The joint venture, Prensas Properties (Pty) Ltd ("Prensas"), is a property investment company deriving income from rentals. The company is incorporated in the Republic of South Africa and has the same financial year end as the company. The joint venture applies the same accounting policies as the group.

Octodec has the right to cast 50% of the voting rights at shareholder meetings. Octodec and the other joint venture partner have joint control over Prensas Properties (Pty) Ltd and neither party can take decisions on their own without the consent of the other, therefore the joint venture is accounted for using the equity method in these consolidated financial statements.

	2024 R'000	2023 R'000
Proportion of ownership interest/voting rights held by the group		
Name of joint venture		
Prensas Properties (Pty) Ltd (Prensas)	50%	50%
Investment in and loan to joint venture		
Cost of investment	1	1
Reserves since acquisition	26 574	24 419
	26 575	24 420
Loan to joint venture	20 174	19 936
Loan 1	8 135	5 977
Loan 2	12 039	13 959
	46 749	44 356

Loan 1 of R8.1 million (2023: R6.0 million) bears interest at prime plus 3% (2023: prime plus 3%) per annum and there are no terms of repayment.

Loan 2 of R12.0 million (2023: R14.0 million) bears interest at prime plus 3% (2023: prime plus 3%) per annum, payable monthly in arrears. The capital and interest is repayable in equal monthly installments over a period of seven years, taking into account the available cash flows generated by the joint venture company, which commenced in September 2022.

The ECL of the loan has been considered taking into account the financial position of the joint venture company and its ability to generate profits and positive cash flows in the future as well as the current economic climate. The company generates strong cash flows and therefore no loss is anticipated and no provision for impairment has been made.

Summarised financial information of the joint venture as at 31 August 2024

The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

	2024 R'000	2023 R'000
Assets		
Non-current	107 500	99 000
Investment property	104 049	94 558
Straight-line rental income accrual	2 620	3 997
Unamortised tenant installations and lease costs	831	445
Current	2 788	1 794
Accounts receivable and prepayments	2 112	1 793
Taxation receivable	676	–
Cash and bank balances	1	1
	110 288	100 794
Equity and liabilities		
Equity	52 424	48 114
Share capital	1	1
Non-distributable reserve	33 287	30 886
Retained earnings	19 136	17 227
Non-current liabilities	55 534	51 607
Shareholder loan accounts	42 297	39 741
Deferred taxation	13 237	11 866
Current liabilities	2 330	1 073
Trade and other payables	2 330	919
Taxation due	–	154
	110 288	100 794

Notes to the consolidated financial statements (continued)

7. Interest in and loan to joint venture (continued)

Summarised financial information of the joint venture as at 31 August 2024 (continued)

	2024 R'000	2023 R'000
Results of operations		
Revenue	23 024	20 811
Property operating expenses	(13 053)	(12 494)
Net property income	9 971	8 317
Administrative and corporate expenses	(900)	(900)
Fair value changes to investment property	3 062	(10 806)
Profit before finance costs	12 133	(3 389)
Net finance charges	(6 451)	(5 805)
Finance income	7	14
Finance costs	(6 458)	(5 820)
Profit before taxation	5 682	(9 194)
Taxation	(1 371)	1 899
Profit for the year and total comprehensive income	4 311	(7 295)

Commitments and contingencies of joint venture

The joint venture has no material commitments and contingencies requiring disclosure in the current year.

8. Joint operation

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. Jointly controlled operations are accounted for by including the group's share of the jointly controlled assets, liabilities, revenues and expenses on a line-by-line basis in the financial statements from the date that joint control commences until the date that joint control ceases.

The group accounts for these assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to the particular assets, liabilities, revenues and expenses.

When the group transacts with a joint operation in which a group entity is a joint operator, the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's consolidated financial statements only to the extent of the other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells those assets to a third party.

The Manhattan (50% interest)

Octodec has a 50% interest in the undivided share of the immovable property development, The Manhattan. The other 50% undivided share is owned by Burcress (Pty) Ltd. Decisions are taken jointly by each party and Octodec does not have control over The Manhattan. Octodec has rights to the assets and obligations for the liabilities of The Manhattan and therefore accounts for the interest in The Manhattan as a joint operation.

Included in the assets and liabilities and profit or loss of Octodec is the 50% undivided share in The Manhattan property, which is summarised below:

	2024 R'000	2023 R'000
Assets		
Non-current		
Investment property	59 200	60 100
Current	904	337
Accounts receivable and prepayments	870	294
Cash and bank balances	34	43
	60 104	60 437
Equity and liabilities		
Equity	783	(3 226)
Non-distributable reserve	(31 837)	(30 937)
Retained earnings	32 620	27 711
Non-current liabilities		
Long-term borrowings	59 154	63 386
Current liabilities		
Trade and other payables	167	277
	60 104	60 437
Results of operations		
Revenue	9 258	8 604
Property operating expenses	(4 364)	(3 874)
Net property income	4 894	4 730
Fair value changes to investment property	(900)	(2 400)
Profit before finance income	3 994	2 330
Finance income	15	31
Profit for the year and total comprehensive income	4 009	2 361

Notes to the consolidated financial statements (continued)

9. Accounts receivable and prepayments

	2024 Carrying amount R'000	2024 Expected credit loss R'000	2024 Net R'000	2023 Carrying amount R'000	2023 Expected credit loss R'000	2023 Net R'000
Financial instruments						
Trade receivables	92 171	(53 139)	39 032	94 217	(45 217)	49 000
Other receivables – utility recoveries	78 183	(1 564)	76 619	72 868	(1 457)	71 411
Loans to B-BBEE suppliers & employees	3 028	(3 028)	–	3 044	(3 044)	–
Interest rate derivatives	2 438	–	2 438	7 077	–	7 077
Sundry receivables	15 397	–	15 397	3 882	–	3 882
	191 217	(57 731)	133 486	181 088	(49 718)	131 370
Non-financial instruments						
Payments in advance	33 737	–	33 737	25 506	–	25 506
Other receivables – municipal refunds	13 723	–	13 723	16 329	–	16 329
Deposits	5 862	–	5 862	5 357	–	5 357
	53 322	–	53 322	47 192	–	47 192
	244 539	(57 731)	186 808	228 280	(49 718)	178 562

All trade and other receivables are short-term in nature. Interest is charged at prime plus 4% per annum (2023: prime plus 4% per annum) on arrear tenant balances and loans to employees. The loans to B-BBEE suppliers are interest free.

Refer to note 31.1 in respect of the ECL of trade receivables and other receivables – utility recoveries. No provision has been raised in respect of sundry receivables. The balance of the sundry receivables was reviewed, and based on the payment experience, it was concluded that no ECL is required, and consequently, no provision for ECL was raised.

10. Cash, bank balances and overdraft

	2024 R'000	2023 R'000
Cash on hand and bank balances	33 849	80 776
Bank account held for residential tenant deposits	35 324	32 937
	69 173	113 713

Cash and cash equivalents of R35.3 million (2023: R32.9 million) relating to residential tenant deposits are held on behalf of tenants of the subsidiaries in a separate interest-bearing bank account in terms of the Rental Housing Act, No 50 of 1999. The group policy is to separate these funds for the purposes of repaying the liability owing to residential tenants at the expiry of their lease, subject to the conditions contained in the lease agreement. The residential tenant deposits, inclusive of a provision for interest, are disclosed under note 16 "Trade and other payables", which is inclusive of both commercial and residential tenant deposits.

The group has overdraft facilities of R25.4 million (2023: R25.4 million) which are reviewable on an annual basis. The group's overdraft facilities are unsecured and bear interest at the prime overdraft rate. The overdraft facilities were not utilised at 31 August 2024.

The group banks with Nedbank which has a credit rating of long-term zaAA and short term of zaA-1+ with a positive outlook. No provision for impairment of the bank balance has been made as there are no indications that a loss will be incurred in the foreseeable future.

Notes to the consolidated financial statements (continued)

11. Stated capital and reserves

Stated capital and reserves represent the residual interest in the group's assets after deducting all of its liabilities. Stated capital and reserves are classified as equity.

Shares issued by the company are recognised in equity at the proceeds received, net of issue costs. When the group repurchases its own shares, the cost is deducted from equity and any gain or loss on the subsequent sale or cancellation of the company's own equity instruments is recognised directly in equity.

Realised profits on the disposal of investment properties, although legally distributable, are transferred to a non-distributable reserve, as it is the group's policy to regard such profits as not being available for distribution, and to apply such profits towards the settlement of debt where required or the acquisition of investment property or similar assets. Similarly, gains and losses arising from changes in fair value of investment property and interest rate derivatives, as well as gains and losses arising from changes in fair value of investment property and interest rate derivatives of joint ventures and expected credit losses on loans receivable, net of deferred tax where applicable, are transferred to a non-distributable reserve, as these are not distributable to shareholders.

11. Stated capital and reserves (continued)

Stated capital	2024 R'000	2023 R'000
Authorised		
500 000 000 ordinary shares of no par value		
Issued		
266 197 535 (2023: 266 197 535) ordinary shares of no par value	4 210 134	4 210 134

The unissued ordinary shares are under the control of the directors and are subject to the conditions of the company's MOI, the JSE Listings Requirements and the Companies Act. This authority remains in force until the company's next AGM. All shares are fully paid up.

Non-distributable reserve	2024 R'000	2023 R'000
Capital reserve arising on disposal of investment property	6 249	7 622
Fair value changes to investment property	387 120	540 654
Fair value changes to derivative financial instruments	1 425	53 897
Fair value changes to joint venture reserves	25 269	24 069
Additions through business combination	874 262	874 262
Fair value on recognition of right-of-use asset on first time adoption of IFRS 16	1 177	1 177
Fair value changes to unlisted equity shares	(5 551)	(5 551)
Impairment of loans	(2 545)	(2 545)
	1 287 406	1 493 585

Notes to the consolidated financial statements (continued)

12. Borrowings

Loans at amortised cost	Interest rate %	Expiry date	Interest payment frequency	2024 R'000	2023 R'000
Secured loans					
Nedbank Limited (Nedbank)					
Loan 1				–	653
Loan 2 (RCF) – 24 months	3 month JIBAR plus 1.75	31 August 2025	Quarterly	649 061	648 050
Loan 3 (RCF) – 36 months	3 month JIBAR plus 2.00	31 August 2026	Quarterly	51 078	19 156
Loan 4 – 48 months	3 month JIBAR plus 2.10	31 August 2027	Quarterly	349 312	348 950
Loan 5 – 60 months	3 month JIBAR plus 2.20	31 August 2028	Quarterly	498 852	498 500
Standard Bank of South Africa Ltd (Standard Bank)					
Loan 1* (RCF) – 36 months	Prime less 1.40	30 June 2025	Monthly	44	20 218
Loan 2* – 36 months	3 month JIBAR plus 1.89	30 June 2025	Quarterly	200 028	199 873
Loan 3 – 36 months	3 month JIBAR plus 1.98	30 June 2026	Quarterly	273 965	273 786
Loan 4 – 48 months	3 month JIBAR plus 2.09	30 June 2027	Quarterly	199 943	199 827
Loan 5 – 48 months	3 month JIBAR plus 2.03	30 June 2027	Quarterly	363 604	363 285
Loan 6 – 60 months	3 month JIBAR plus 2.08	30 June 2028	Quarterly	494 389	494 013
ABSA Group Ltd (ABSA)					
Loan 1 – 36 months	3 month JIBAR plus 2.10	30 June 2025	Quarterly	225 002	224 789
Loan 2 – 60 months	3 month JIBAR plus 2.18	29 January 2029	Quarterly	224 408	225 050
Loan 3 – 60 months	3 month JIBAR plus 2.175	29 January 2029	Quarterly	124 740	124 924
Loan 4 – 36 months	3 month JIBAR plus 2.475	08 October 2025	Quarterly	124 972	124 842
Loan 5 – 36 months	3 month JIBAR plus 2.10	30 June 2025	Quarterly	249 968	249 684
				4 029 366	4 015 600
DMTN Programme					
Unsecured loans – listed					
PMM 57 – issuance 24 months	3-month JIBAR plus 2.05	10 October 2023	Quarterly	–	50 741
PMM 58 – issuance 36 months	3-month JIBAR plus 2.15	28 February 2025	Quarterly	100 002	99 920
PMM 59 – issuance 24 months	3-month JIBAR plus 1.90	28 February 2025	Quarterly	99 976	99 845
PMM 60 – issuance 36 months	3-month JIBAR plus 2.05	28 February 2026	Quarterly	79 933	79 850
OCT001 – issuance 36 months	3-month JIBAR plus 1.95	30 November 2026	Quarterly	99 889	–
				379 800	330 356
				4 409 166	4 345 956

* *Refinance of facilities amounting to R170 million (RCF) and R200 million (Term loan) respectively post year-end, effective 30 November 2024 for a tenor of three years.*

Notes to the consolidated financial statements (continued)

12. Borrowings (continued)

	2024 R'000	2023 R'000
Disclosed in statement of financial position		
Non-current	2 881 690	4 068 493
Current	1 527 476	277 463
	4 409 166	4 345 956

The loans and notes are repayable on the maturity dates while interest is payable on a quarterly basis. The facilities are secured by mortgage bonds over various properties with a fair value of R10.2 billion (2023: R10.2 billion). The group has R679.0 million (2023: R735.3 million) of cash, overdraft and unutilised debt facilities available on demand as at 31 August 2024 to settle maturing facilities and there are no restrictive funding arrangements in place.

	2024 R'000	2023 R'000
Reconciliation of borrowings		
Balance at the beginning of the year	4 345 956	4 375 197
Proceeds from borrowings	129 344	2 559 656
Repayment of borrowings	(70 000)	(2 570 528)
Movement in accrued interest and unamortised borrowing costs	3 866	(18 369)
Balance at the end of the year	4 409 166	4 345 956

Loan covenants

The table below reflects the required covenants by the respective lenders calculated in accordance with the loan agreements. No covenants were breached during the year.

		31 August 2024			31 August 2023		
	Required	Nedbank	Standard Bank	ABSA	Nedbank	Standard Bank	ABSA
Group interest cover ratio – total portfolio (times)	Minimum – 2.0		2.1			2.2	
Interest cover ratio by secured property per lender (times)	Minimum – 1.8 to 2.0	2.2	2.0	2.2	2.5	2.2	2.3
LTV ratio – total portfolio (%)*	Maximum – 50		39.8			39.2	
LTV ratio by secured property per lender (%)	Maximum – 50 to 55	37.6	39.3	42.8	35.8	41.2	43.7

* Calculated in terms of the bank loan agreements

Notes to the consolidated financial statements (continued)

13. Derivative financial instruments

	2024 R'000	2023 R'000
Interest rate derivatives		
Carrying value at beginning of year	61 652	51 151
Fair value changes	(52 472)	10 501
	9 180	61 652
Disclosed in statement of financial position		
Derivative financial instruments		
Non-current asset	–	10 385
Current asset	11 173	51 267
Non-current liabilities	(1 993)	–
	9 180	61 652

The notional principal amount of the outstanding contracts for the group at year end was R3.0 billion (2023: R3.5 billion) (refer to note 31.2).

Fair value information

The fair values of the interest rate swaps are determined on a mark-to-market valuation calculated by discounting the estimated future cash flows based on the terms and maturity of each contract and using the market interest rate indicated on the SA swap curve.

Fair value hierarchy

Derivative financial instruments have been categorised as a Level 2 in the fair value hierarchy and no transfers have been made between Levels 1, 2 or 3 during the year under review. Refer to note 31.4 for the detailed classification of the financial instruments.

14. Lease liabilities

Lessee accounting

The group recognises a right-of-use asset and a lease liability on the commencement date of the lease.

The right-of-use asset is measured at the initial amount of the lease liability adjusted for any lease payments made in advance, plus any initial direct costs incurred less any lease incentives received. The right-of-use asset is recognised under investment property and subsequently remeasured at fair value under IAS 40.

The lease liability is initially recognised at the present value of future lease payments discounted using the group's weighted average cost of debt at the inception of the lease. For leases with variable lease payments that are linked to turnover, the variable portion is excluded from the definition of lease payments and no lease liability is recognised for the variable lease payments. These variable lease payments are expensed in profit or loss as incurred.

	2024 R'000	2023 R'000
Lease liabilities		
Carrying value at beginning of year	10 930	10 957
Finance costs (note 21)	1 016	1 019
Lease payments	(1 046)	(1 046)
	10 900	10 930
Disclosed in statement of financial position		
Non-current	10 868	10 901
Current	32	29
	10 900	10 930

The right-of-use asset consists of Woodmead Value Mart and Intersite buildings which are carried at fair value and classified as investment property.

	2024 R'000	2023 R'000
Commitments		
Future minimum lease payments		
Within one year	1 046	1 046
Two to five years	4 183	4 183
More than five years	42 644	43 689
	47 873	48 918

Notes to the consolidated financial statements (continued)

15. Deferred taxation

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are not recognised for assessed losses as the group is a REIT and any subsequent profits will be distributed to the shareholders and therefore the likelihood of utilising a deferred tax asset is remote.

The group is a REIT, and any capital gains arising on the disposal of investment property are exempt from capital gains tax. The group therefore does not recognise deferred tax on the changes in fair value of investment properties. Deferred tax is also not calculated on timing differences of those assets and liabilities that when reversed may be distributed to shareholders. Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss.

A REIT cannot claim building allowances. Allowances claimed in previous years will be recouped on sale of investment property. The deferred tax liability was therefore retained.

In instances where the group believes that it is not probable that a particular tax treatment is accepted, the group has used the most likely amount or the expected value of the tax treatment in the determination of taxable profit/(loss), tax bases, unused tax losses, unused tax credits and tax rates.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the period-end and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

	2024 R'000	2023 R'000
Deferred tax liability		
The deferred tax liability arises from the following temporary differences:		
Tax losses available for set-off against future taxable income	(106 931)	(113 109)
Building allowances – pre conversion to a REIT	233 175	233 175
Wear and tear allowance	18 420	18 423
Fair value changes – derivative financial instruments	2 479	16 646
	147 143	155 135
Reconciliation of movement for the year		
Carrying value at beginning of year	155 135	140 143
Tax losses utilised	6 177	11 022
Wear and tear allowance	(2)	(8)
Fair value changes – derivative financial instruments	(14 167)	3 978
	147 143	155 135

A deferred tax asset of R6.4 million (2023: R13.2 million) has not been recognised as it is group policy not to raise a deferred tax asset, because profits are normally distributed to shareholders. In the current year, certain subsidiary companies paid a dividend of less than 100% of their taxable income and utilised their assessed losses to the extent allowable.

Notes to the consolidated financial statements (continued)

16. Trade and other payables

	2024 R'000	2023 R'000
Financial instruments		
Trade payables	27 227	28 380
Tenant deposits – commercial and residential tenants	89 852	88 457
Accruals – utilities and assessment rates	145 697	146 996
Accruals – repairs and maintenance	15 713	12 965
Accruals – capital expenditure	31 501	13 867
Accruals – assessment rates	–	879
Accruals – tenant installation costs	3 425	30 174
Other accruals	25 115	26 125
Unclaimed dividends	3 161	2 930
	341 691	350 773
Non-financial instruments		
VAT payable – current	6 105	6 084
Rent received in advance	70 561	59 470
	76 666	65 554
	418 357	416 327

The group has financial risk management policies in place to ensure that all payables are paid within the credit framework. Amounts are settled within payment terms to ensure that no interest is payable.

17.1 Revenue

Revenue comprises rental received from properties as well as other revenue arising from "contracts with customers". The group applies a revenue recognition method that faithfully depicts the group's performance in transferring control of the service provided to the customer. Revenue is recognised as follows:

Type of revenue	Recognition
Rental income	Rental income is recognised on the straight-line basis over the lease period and turnover-based rental income is recognised when due and the amount can be measured reliably. An adjustment is made to contractual rental income earned to bring to account in the current period, the difference between the rental income to which the group is currently entitled and the rental for the period calculated on a straight-line basis.
Recoveries	Recoveries comprise recoveries from tenants in respect of assessment rates, utilities, repairs and any other costs incurred and recovered from tenants. Recoveries are recognised over the period that the services are rendered. The group acts as a principal on its own account when recovering these costs from the tenants.
Other revenue	Other revenue comprises lease cancellation fees, casual parking, revenue from events and other sundry revenue. These services are provided at a point in time and are recorded when they are earned.

	2024 R'000	2023 R'000
Revenue		
Contractual rental income	1 494 822	1 461 136
Recoveries	558 211	509 514
Other revenue	23 333	24 445
Revenue	2 076 366	1 995 095
Rental concession relating to the gas explosion*	(518)	–
Straight-line rental income accrual	295	(12 558)
	2 076 143	1 982 537

* *Refer to additional information on the gas explosion and the impact thereof in the Director's report on page 4.*

Notes to the consolidated financial statements (continued)

17.2 Sundry income

	2024 R'000	2023 R'000
Business interruption claim relating to Covid-19 loss received	–	5 722
Insurance proceeds in respect of property damage in prior years	–	5 217
Other sundry items	570	1 390
	570	12 329

18. Property expenses

	2024 R'000	2023 R'000
Fees for services		
Collections fees	135 766	128 636
Commissions	21 923	21 652
Other		
Amortisation of tenant installation costs and commission paid	11 099	9 466
Assessment rates	161 971	146 442
Cleaning costs	60 258	54 883
Depreciation of plant and equipment	786	283
Employee costs	39 820	37 893
Insurance*	22 116	16 605
Lease payments – contingent	8 753	7 800
Lease payments – short term or low value leases	4 522	5 006
Other property expenditure	95 818	86 918
Repairs and maintenance costs	104 140	117 881
Security costs	76 884	72 060
Utilities	361 138	324 955
	1 104 994	1 030 480

* *The increase in insurance is as a result of the increase in property replacement cost values as well as insurance cover rates.*

19. Administrative and corporate expenses

	2024 R'000	2023 R'000
Auditors' remuneration		
External audit fee – current year	5 732	5 500
External audit fee – prior year	–	1 356
Internal audit fees	376	68
Fees for services		
Asset management fees*	66 215	53 066
Incentive fee paid relating to prior year	–	6 729
Fees paid for other services provided by management company	6 274	5 707
Directors' emoluments	7 130	7 040
Salaries^	4 589	3 072
VAT apportionment – prior period	210	273
Other administrative costs	20 813	19 853
	111 339	102 664

* *The asset management fees are based on the new Asset and Property Management Agreement approved by shareholders in the prior year.*

^ *The increase in salaries is as a result of the appointment of a compliance officer in the company.*

20. Share of income of joint ventures

	2024 R'000	2023 R'000
Management fees	450	450
Interest received	3 225	2 910
Equity-accounted profit/(loss)	2 155	(3 648)
Share of profits	955	588
Share of fair value change to investment property	1 200	(4 236)
	5 830	(288)

Notes to the consolidated financial statements (continued)

21. Net finance costs

	2024 R'000	2023 R'000
Interest income	16 734	13 256
Tenants	11 571	9 487
Bank	5 112	3 727
Other	51	42
Finance costs	(412 126)	(395 015)
Interest rate derivatives	43 440	11 956
Borrowings	(453 994)	(404 878)
Finance lease	(1 016)	(1 019)
South African Revenue Services – (paid)/reversed	(398)	43
Other suppliers	(158)	(1 117)
	(395 392)	(381 759)

22. Taxation

Current and deferred tax expenses are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax expenses are also recognised in other comprehensive income or directly in equity respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in prior years, and items that are not taxable or deductible. The group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

	2024 R'000	2023 R'000
Taxation included in profit or loss		
Current taxation	(3 362)	(4 073)
Deferred taxation	7 992	(14 992)
	4 630	(19 065)
Reconciliation of the income tax expense for the year to accounting profit		
Profit before tax	211 349	629 528
Income tax expense calculated at 27% (2023: 27%)	57 064	169 973
Fair value changes to investment property and derivative financial instruments	43 612	(48 345)
Non taxable income	(28 321)	(24 525)
Non-taxable equity income	(582)	1 144
Non-deductible expenses – of a capital nature	16 682	16 865
Income received in advance	18 672	15 422
Allowances		
Wear and tear	(10 720)	(10 234)
Provision for doubtful debts	(5 908)	(5 041)
Prepaid expenses	(4 237)	(3 295)
Solar installation (section 12B)	(2 714)	–
Reversal of allowances/deductions granted in previous years	8 321	6 437
Lease payments	(8)	(282)
Qualifying distribution	(89 842)	(97 029)
Assessed losses utilised/limited	(6 824)	(1 896)
Other timing differences	175	(129)
	(4 630)	19 065
Effective tax rate	(2.2%)	3.0%

The group has tax losses amounting to R419.9 million (2023: R467.7 million) which can be utilised against future taxable income.

Notes to the consolidated financial statements (continued)

23. Taxation paid

	2024 R'000	2023 R'000
Amounts unpaid at the beginning of the year	(2 545)	1 241
Amounts charged to the statement of profit or loss and other comprehensive income	(3 362)	(4 073)
Less amounts (receivable)/payable at the end of the year	(764)	2 545
	(6 671)	(287)

24. Leases

Lessee accounting

Where leases include a variable amount linked to turnover, the variable amount is excluded from the lease and is recognised in profit or loss as and when incurred. All short-term leases (period of less than 12 months) and leases of low-value assets are also recognised in profit or loss as and when incurred.

	2024 R'000	2023 R'000
Lease payments recognised in profit or loss		
Lease payments – variable	8 753	7 800
Lease payments – short-term or low-value leases	4 522	5 006
	13 275	12 806

Lease payments of a short-term nature relate to payments for rental of parking spaces and building encroachments as well some office equipment.

Lessor accounting

Rental income from operating leases is recognised on a straight-line basis over the period of the lease term and rental income based on a percentage of turnover is recognised when due and the amount can be measured reliably. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term (refer to note 5).

Rental income is disclosed under revenue (refer to note 17).

	2024 R'000	2023 R'000
Commitments under non-cancellable lease agreements		
Non-cancellable rental lease agreements		
Within one year	918 394	713 364
One to five years	1 057 369	881 835
More than five years	88 008	83 444
	2 063 771	1 678 643

Rental receivable represents contractual rental income and fixed operating costs recovered for leases in existence at year end.

Leases are entered into for periods ranging between one and ten years and provides for a monthly agreement on expiry. Residential leases are for a 12-month period and provide for a monthly agreement at expiry.

25. Earnings, headline earnings and distributable earnings per share (cents)

Earnings per share is calculated based on the weighted number of shares in issue for the year and profit attributable to shareholders.

Headline earnings per share is calculated in terms of the requirements set out in circular 1/2023 issued by SAICA.

Given the nature of its business, Octodec uses distributable income per share as its key performance measure, as it is considered a more relevant performance measure than earnings or headline earnings per share. Accordingly, Octodec uses distribution per share as the relevant measure of its financial results for trading statement purposes. Refer to page 52 of the Integrated report 2024 for the calculation of distributable income per share.

Notes to the consolidated financial statements (continued)

25. Earnings, headline earnings and distributable earnings per share (cents) (continued)

	2024 R'000	2023 R'000
Reconciliation of earnings to headline earnings		
Profit after taxation	215 979	610 463
Headline earnings adjustments		
Fair value changes		
Investment property	161 526	(179 055)
Investment property – joint ventures	(1 200)	4 236
Disposal of investment properties	1 373	3 206
Insurance proceeds in respect of property damage	–	(5 217)
Headline earnings attributable to shareholders	377 678	433 633
Actual and weighted number of shares in issue (000)	266 198	266 198
Basic headline and diluted headline earnings per share (cents)	141.9	162.9

26. Cash generated from operations

	2023 R'000	2022 R'000
Profit before taxation:	211 349	629 529
Adjusted for:		
Straight-line rental income accrual	(295)	12 558
Fair value changes to investment property	161 526	(179 055)
Fair value changes to interest rate derivatives	52 472	(10 500)
Fair value changes on disposal of investment property	1 373	3 206
Profit on disposal of movable assets	–	(142)
Expected credit loss of trade and other receivables	44 098	36 638
Rental concession relating to the gas explosion	518	–
Share of income from joint venture	(5 830)	288
Finance costs	412 126	395 015
Investment income	(16 734)	(13 256)
Depreciation and amortisation	11 885	9 749
Operating income before working capital changes	872 488	884 030
Movement in trade and other receivables	(48 223)	(24 390)
Movement in trade and other payables	11 145	2 939
	835 410	862 579

27. Contingencies and guarantees

Contingencies

The group has experienced a substantial increase in billing errors by the Johannesburg and Tshwane Councils and has logged disputes in respect of these errors. Although the group generally pays the amount due and recognises the credit once corrected, these errors have become substantial with the result that the group has made a decision to only pay the correct amounts. The amount owing to the Councils in respect of incorrect billings is R27.8 million (2023: R21.1 million).

In addition, the group has also objected to a number of municipal valuations in Johannesburg. As it is not possible to determine the outcome of the objections, the group settles the assessment rates based on the current valuation and recognises the credit once the objection or appeal has been successful. However, where the objection is due to an error by the Council, the amounts are not paid to the Council. The amount owing to the Council in respect of assessment rates incorrectly charged is R3.0 million (2023: R1.5 million).

Notes to the consolidated financial statements (continued)

27. Contingencies and guarantees (continued)

Guarantees

The group has issued guarantees for the provision of certain services to its subsidiaries:

	2024 R'000	2023 R'000
City of Johannesburg	4 543	–
City Power – Johannesburg	758	1 188
Tshwane Metropolitan Municipality	22 654	22 654
Tshwane Metropolitan Municipality – development performance guarantees	217	–
Eskom	190	190

28. Commitments

Capital expenditure

As at 31 August 2024, the group had commitments of R72.8 million (FY2023: R80.6 million) in respect of approved and committed capital expenditure relating to the refurbishment of properties, including the conversion of Yethu City, solar installations, committed tenant installations and property contracts. These developments will be financed from existing unutilised banking facilities and undistributed cash retained in the business.

29. Retirement benefits

The employees of the group belong to a defined contribution pension fund or provident fund, and contributions to the funds are charged to profit or loss in the year that they are incurred. The group has no obligation to cover any unfunded benefits.

	2024 R'000	2023 R'000
Amount contributed by the group to the fund	2 027	1 861

30. Capital management

The group's policy is to have an adequate capital base so as to maintain stakeholder confidence and to sustain future development of the business. The capital comprises shareholders' equity, including capital and reserves. Octodec's dividend policy is based on the premise of retaining sufficient funds for maintenance and development and acquisition opportunities as and when these arise, maintaining a strong balance sheet with an acceptable loan to value ratio, while at the same time taking into consideration our shareholders' expectations in respect of distributions. In determining the funds for distribution, the group uses distributable income (SA REIT funds from operations) and deducts the anticipated amount for refurbishments and developments, while ensuring that the distribution complies with the JSE Listings Requirements of a minimum distribution of 75% of distributable income (taxable income), taking into account the solvency and liquidity of the underlying property-controlled subsidiaries. The distribution for FY2024 is 78.9% of group distributable income, and 99.9% of company taxable income, ensuring that the company remains a REIT.

Based on the above policy, the board has declared a final dividend of 65.0 cents (2023: 75.0 cents) per share payable in November 2024. The total dividend for the year is 125.0 cents (2023: 135.0 cents) per share, a 7.4% decrease on the prior year.

LTV ratio

The board reviews the capital structure on a quarterly basis. As part of the review, the board considers the cost of capital and the risks associated therewith over time. The group's current borrowings amount to 39.2% (2023: 37.7%) of its total investment portfolio.

	2024 R'000	2023 R'000
Total borrowings (note 12)	4 409 166	4 345 956
Less: Cash and cash equivalents	(33 849)	(80 776)
Cash and bank balances	(69 173)	(113 713)
Add: Bank balance held in regard to residential tenant deposits	35 324	32 937
(Less)/add: Derivative financial instruments (asset and liability)	(9 180)	(61 652)
Net debt	4 366 137	4 203 528
Total assets per statement of financial position	11 403 967	11 490 519
Less: Derivative financial instruments (asset)	(11 173)	(61 652)
Less: Cash and bank balances	(69 173)	(113 713)
Less: Trade and other receivables	(186 808)	(178 562)
Carrying amount of property related assets	11 136 813	11 136 592
LTV ratio	39.2%	37.7%

Notes to the consolidated financial statements (continued)

31. Financial risk management

The board has overall responsibility for the establishment and oversight of the group's risk management framework. The risk committee is responsible for developing and monitoring the group's risk management policies. The risk committee reports to the board on its activities. Details of the group's material financial risks are set out below.

The group's financial instruments consist mainly of deposits with banks, bank overdrafts, loans from banks and DMTN note holders, interest rate swaps, trade receivables and payables. In respect of all financial instruments listed above, the carrying value approximates fair value.

The group is exposed to the following risks arising from its exposure to financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk

31.1 Credit risk

Trade receivables

Credit risk relates mainly to cash deposits, cash equivalents and trade and other receivables. The group deposits cash only with Nedbank Limited, which has a high credit rating. The concentration of credit risk relating to trade receivables is limited due to the large and unrelated tenant base.

Before accepting any new tenant, the tenant is evaluated to assess the potential tenant's credit quality. In addition, to mitigate the credit risk, deposits or bank guaranties equal to one month's rental are requested from high-risk tenants, before taking on the tenant. The group monitors the financial position of defaulting tenants on an ongoing basis.

An allowance for the ECL is calculated in full for all tenant balances where legal proceedings have been instituted against the debtor or the tenant has vacated the premises. An allowance for the ECL is calculated for the remaining tenant balances using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, prevailing economic conditions as well as an assessment of current and future direction of conditions at the reporting date.

The calculation takes into account the deposit or surety held as well as an adjustment for VAT. The current economic climate continues to weigh heavily on the group's tenants. Tight credit control and tenant management remains in place to control and monitor the tenant arrears. The LECL for the current year was calculated on the same basis as in the prior year using the provision matrix below.

	2024		2023	
The provision matrix is applied as follows:	**Commercial %**	**Residential %**	Commercial %	Residential %
120 days and over	**100.0**	**100.0**	100.0	100.0
90 days and over	**75.0**	**100.0**	75.0	100.0
60 days and over	**25.0**	**50.0**	25.0	50.0
30 days and over	**5.0**	**25.0**	5.0	25.0
Current	**2.0**	**3.0**	2.0	3.0

* *The provision matrix was not changed in the current year.*

Notes to the consolidated financial statements (continued)

31. Financial risk management (continued)

31.1 Credit risk (continued)

Trade receivables (continued)

Ageing of trade receivables	Commercial Carrying amount 2024 R'000	Commercial Expected credit loss 2024 R'000	Commercial Unimpaired amount 2024 R'000	Commercial* Carrying amount 2023 R'000	Commercial* Expected credit loss 2023 R'000	Commercial* Unimpaired amount 2023 R'000
Current	23 596	5 856	17 740	26 046	4 004	22 042
30 days	14 719	6 305	8 414	16 053	6 435	9 618
60 days	7 259	4 472	2 787	8 051	2 489	5 562
90 days	4 431	3 246	1 185	6 562	2 386	4 176
120 days and over	23 456	19 371	4 085	17 804	15 443	2 361
	73 461	39 250	34 211	74 516	30 757	43 759
Percentage ECL to carrying amount		53.4%			41.3%	

Ageing of trade receivables	Residential Carrying amount 2024 R'000	Residential Expected credit loss 2024 R'000	Residential Unimpaired amount 2024 R'000	Residential* Carrying amount 2023 R'000	Residential* Expected credit loss 2023 R'000	Residential* Unimpaired amount 2023 R'000
Current	5 119	1 305	3 814	5 570	1 367	4 203
30 days	2 363	1 632	731	2 873	2 127	746
60 days	1 830	1 672	158	1 437	1 298	139
90 days	2 176	2 116	60	1 329	1 275	54
120 days and over	7 222	7 164	58	8 492	8 393	99
	18 710	13 889	4 821	19 701	14 460	5 241
Percentage ECL to carrying amount		74.2%			73.4%	
Total commercial and residential	92 171	53 139	39 032	94 217	45 217	49 000
Total percentage ECL to carrying amount		57.7%			48.0%	

* *The prior year numbers were restated to split the current from the 30 days in order to enhance disclosure.*

The net amounts of R34.2 million (2023: R43.8 million) in respect of commercial tenants and R4.8 million (2023: R5.2 million) in respect of residential tenants, represent the amounts that are still considered recoverable after taking into account the deposits held and VAT adjustments. The total percentage ECL to carrying amount increased to 57.7% compared to 48.0% in the prior year due to the inclusion of a large tenant who is in business rescue.

Notes to the consolidated financial statements (continued)

31. Financial risk management (continued)

31.1 Credit risk (continued)

Trade receivables (continued)

	2024 Commercial and residential R'000	2023 Commercial and residential R'000
Reconciliation of provision for impairment of trade receivables		
Carrying value at beginning of year	**45 216**	32 422
Additional provisions for the year (excluding utility accrual ECL)	**43 993**	38 341
Amounts written off as uncollectable	**(36 070)**	(25 546)
	53 139	45 216

Other receivables – utility and assessment rate recoveries

Ageing of trade receivables	**Carrying amount 2024 R'000**	**Expected credit loss 2024 R'000**	**Unimpaired amount 2024 R'000**	Carrying amount 2023 R'000	Expected credit loss 2023 R'000	Unimpaired amount 2023 R'000
Utility recoveries to be billed to tenants within next 30 days	**78 183**	**1 564**	**76 619**	72 868	1 457	71 411
Percentage ECL to carrying amount		**2.0%**			2.0%	

31.2 Interest risk

The group is exposed to interest rate risk because the group borrows funds at variable interest rates. The risk is managed by the group by entering into interest rate swap contracts. It is the group's policy to maintain debt hedging of between 70% and 80% of its long-term borrowings. At the reporting date, 68.0% (2023: 80.4%) of borrowings were hedged by way of interest rate swap contracts. Although it is the group's policy to hedge the interest bearing borrowings between 70% and 80%, the Board strategically reduced the hedged position in order for the group to benefit from the anticipated future interest rate cutting cycle. The group does not engage in the trading of interest rate swaps for speculative purposes.

At 31 August 2024, the group had borrowings of R4.4 billion (2023: R4.3 billion) at various interest rates. The all-in weighted average cost of borrowings, including the cost of interest rate swaps, was 9.5% (2023: 9.2%) per annum. A breakdown of the borrowings is detailed in note 12 and exposure to liquidity risk is set out in note 31.3.

Notes to the consolidated financial statements (continued)

31. Financial risk management (continued)

31.2 Interest risk (continued)

	Weighted average variable rate per annum %		Nominal amount of hedged variable loans R'000	
	2024	2023	**2024**	2023
Loans and notes at variable interest rates	**10.3**	10.4	**4 409 166**	4 345 956

	Weighted average all-in margin over/(below) variable rate per annum %		Notional principal value R'000		Carrying amount assets/(liabilities) R'000		Change in fair value R'000	
	2024	2023	**2023**	2023	**2024**	2023	**2024**	2023
Expiry profile of derivatives								
Current – 1 year	**(1.2)**	(2.0)	**1 600 000**	500 000	**11 173**	10 385	**788**	10 385
Non-current – 1 to 2 years	**(1.0)**	(1.5)	**1 400 000**	2 500 000	**(1 993)**	51 267	**(53 260)**	43 727
Non-current – 2 to 5 years	**–**	(0.8)	**–**	500 000	**–**	–	**–**	(43 612)
Receive floating rates, pay fixed rate	**(1.1)**	(1.2)	**3 000 000**	3 500 000	**9 180**	61 652	**(52 472)**	10 500

	Total cost of borrowings %		Exposure of borrowings to interest rate movements R'000	
	2024	2023	**2024**	2023
Hedged portion of borrowings	**9.5**	9.2	**3 000 000**	3 500 000
Unhedged portion of borrowings	**10.3**	10.4	**1 409 166**	845 956
			4 409 166	4 345 956

Interest rate trends are constantly monitored and appropriate steps taken to ensure that the group's exposure to interest movements is managed. The group monitors changes in the forward-looking interest swap curve in order to extend the interest rate derivatives' expiry period, at an acceptable cost.

The group analyses its interest rate risk on a continuous basis and calculates the impact on profit before tax of a change in interest rates by using different scenarios. A 0.5% per annum change in interest rates would increase/decrease profit after tax by R5 143 456 (2023: R3 087 739). The calculations are done monthly to ensure that the maximum additional expense is within limits and debt covenants are met.

Notes to the consolidated financial statements (continued)

31. Financial risk management (continued)

31.2 Interest risk (continued)

	2024 R'000	2023 R'000
Change in fair value of interest rate derivatives		
Opening balance	61 652	51 152
Fair value (loss)/gains	(52 472)	10 500
Unrealised portion of the fair value movement	(95 912)	(1 073)
Realised portion of the fair value movement	43 440	11 573
Asset	9 180	61 652

31.3 Liquidity risk

The group's risk to liquidity is that it will not be able to meet its financial obligations when they fall due. The group's policy is to limit its exposure to liquidity risk by regularly reviewing and extending its debt maturity profile. The risk is further reduced as a result of undrawn banking facilities available to the group. Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet funding requirements. The group has encumbered the majority of its investment properties with a fair value of R10.2 billion (2023: R10.2 billion) to secure mortgage loan facilities as set out in note 12. In the event that the group cannot meet its obligations per its loan facility agreements, there are no restrictions on the realisability of investment property or distribution of the related income to settle the obligations relating to the borrowings disclosed below and in note 12.

The following table analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the undiscounted cash flows.

	Current 12 months maturity R'000	Non-current 1 to 2 years R'000	Non-current 2 to 5 years R'000	More than 5 years R'000
2024				
Borrowings including future finance costs	1 959 640	805 304	2 726 361	–
Lease liabilities	1 046	2 091	3 137	41 598
Derivative financial instruments	–	1 993	–	–
Trade and other payables	341 691	–	–	–
2023				
Borrowings including future finance costs	714 679	2 055 621	2 918 536	–
Lease liabilities	1 046	2 092	3 138	42 642
Derivative financial instruments	–	–	–	–
Trade and other payables	350 773	–	–	–

Refer to the liquidity disclosure for future lease payments in note 14.

Notes to the consolidated financial statements (continued)

31. Financial risk management (continued)

31.4 Classification of financial assets and liabilities

	Classification of financial assets and liabilities				Fair value hierarchy
	Fair value through profit or loss R'000	At amortised cost R'000	Outside scope of IFRS 9 R'000	Total R'000	Level 2 R'000
2024					
Financial assets					
Loan to joint venture	–	20 174	–	20 174	–
Accounts receivable and prepayments	–	133 486	53 322	186 808	–
Cash and bank balances	–	69 173	–	69 173	–
Derivative financial instruments	11 173	–	–	11 173	11 173
Financial liabilities					
Borrowings	–	4 409 166	–	4 409 166	–
Derivative financial instruments	1 993	–	–	1 993	1 993
Trade and other payables	–	341 691	76 666	418 357	–
2023					
Financial assets					
Loan to joint venture	–	19 936	–	19 936	–
Accounts receivable and prepayments	–	131 370	47 192	178 562	–
Cash and bank balances	–	113 713	–	113 713	–
Derivative financial instruments	61 652	–	–	61 652	61 652
Financial liabilities					
Borrowings	–	4 345 956	–	4 345 956	–
Trade and other payables	–	350 773	65 554	416 327	–

Notes to the consolidated financial statements (continued)

32. Related parties

A related party is a person or entity that is related to Octodec, and that person or entity:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management of the reporting entity.

Relationships where control existed during the year:

Directors: RWR Buchholz; DP Cohen; NC Mabunda; EMS Mojapelo; MZ Pollack; PJ Strydom; JP Wapnick; S Wapnick; LP van Breda and A Vieira.

Group company secretary: E Greeff

Subsidiary companies: Refer to interest in subsidiaries in the Directors Report on page 5.

Other: City Property, a company which manages the group's property portfolio and over which significant influence is exercised by JP Wapnick.

Tugendhaft Wapnick Banchetti and Partners, a firm of attorneys that renders legal services and over which significant influence is exercised by S Wapnick.

32.1 City Property

The following related party transactions took place during the year under review; the fees charged are in terms of the management agreement.

	2024 R'000	2023 R'000
Related party transactions*		
Income		
Rent received	11 507	10 842
Expenditure		
Asset management fees paid	66 215	53 066
Collection fees	135 766	128 635
Commissions paid	15 687	15 801
Commissions paid on sale and purchase of investment property, refurbishments, developments and repairs	9 515	13 165
Fees paid in respect of shared resources and supervisory fees	6 274	5 707
Incentive relating to FY2022	–	6 729
Related party balances		
Trade and other receivables	1 507	1 366
Trade and other payables	(3 256)	(3 220)

* *The amounts include VAT to the extent that VAT has not been claimed as input, so as to agree to the amounts disclosed in the statement of profit or loss and other comprehensive income, statement of financial position and notes thereto. Rent received excludes VAT.*

32.2 Tugendhaft Wapnick Banchetti and Partners

	2024 R'000	2023 R'000
Related party transactions		
Expenditure		
Professional and legal fees	970	1 395

32.3 Subsidiaries

	2024 R'000	2023 R'000
Related party transactions		
Dividends received		
IPS Investments (Pty) Ltd	123 972	105 140
Killarney Mall Properties (Pty) Ltd	–	21 000
Premium Properties (Pty) Ltd	397 476	344 300
Presmooi (Pty) Ltd	226 378	240 100
	747 826	710 540
Asset management fees recovered		
IPS Investments (Pty) Ltd and its subsidiaries	13 038	10 579
Killarney Mall Properties (Pty) Ltd	3 736	3 080
Octprop Properties (Pty) Ltd	99	71
Premium Properties (Pty) Ltd and its subsidiaries	39 148	31 504
Presmooi (Pty) Ltd	22 844	18 182
Tribeca Properties (Pty) Ltd	287	232
	79 152	63 648
Related party balances due from		
IPS Investments (Pty) Ltd	1 327 494	1 325 676
Killarney Mall (Pty) Ltd	466 989	493 648
Octprop Properties (Pty) Ltd	28 536	25 788
Premium Properties (Pty) Ltd	1 609 813	1 203 165
Presmooi (Pty) Ltd	2 315 778	2 306 433
Tribeca Properties (Pty) Ltd	45 064	38 679
	5 793 674	5 393 389

The above related party transactions and balances relating to the subsidiary companies are for information purposes only, as they are eliminated on consolidation.

Notes to the consolidated financial statements (continued)

32. Related parties (continued)

32.4 Directors' remuneration

	2024 R'000	2023 R'000
Directors' remuneration		
S Wapnick (Chairman)	1 261	1 176
DP Cohen (Lead independent director)*	916	885
R Buchholz	688	716
NC Mabunda	553	545
EMS Mojapelo	598	566
MZ Pollack	756	720
PJ Strydom (Lead independent director)*	703	730
LP van Breda	723	754
A Vieira	464	459
JP Wapnick	464	459
	7 126	7 010
VAT and Skills Development Levy contributions	4	30
	7 130	7 040

* *DP Cohen resigned as the lead independent director on 2 October 2024 and PJ Strydom was appointed as the lead independent director on the same date. DP Cohen remains an independent non-executive director.*

32.5 Group company secretary's remuneration

	2024				2023			
	Salary and bonus R'000	Back pay R'000	Pension fund contri-butions R'000	Total R'000	Salary and bonus R'000	Back pay R'000	Pension fund contri-butions R'000	Total R'000
Elize Greeff	2 185	32	200	2 417	1 923	167	176	2 266

32.6 Directors' remuneration – paid by City Property

As pointed out on page 26 of the Governance and Remuneration Report, the CEO and the FD are, in terms of the management agreement with City Property, employed and remunerated by City Property. The non-executive Chairman of Octodec is also remunerated by City Property. As is required by the JSE Listings Requirements, the remuneration paid to the CEO, the FD and the non-executive Chairman, by City Property, is disclosed below. City Property's operations are not limited to Octodec and include other activities; consequently, the remuneration of the CEO is for all of City Property's activities and therefore only a portion of the remuneration of the CEO is attributable to Octodec as reflected below.

	A Vieira^ R'000	JP Wapnick^ R'000	S Wapnick@ R'000	Total R'000
2024				
Basic salary and benefits	3 619	7 442	973	12 034
Bonus	1 325	–	–	1 325
Pension fund and medical aid contribution	356	140	–	496
Total remuneration	5 300	7 582	973	13 855
% Attributable to Octodec	100%	83%	100%	
Total remuneration attributable to Octodec	5 300	6 293	973	12 566
2023				
Basic salary and benefits	3 462	7 181	917	11 560
Bonus	1 250	–	–	1 250
Pension fund contribution	288	122	–	410
Total remuneration	5 000	7 303	917	13 220
% Attributable to Octodec	100%	60%	100%	
Total remuneration attributable to Octodec	5 000	4 382	917	10 299

^ *Executive*
@ *Non-executive chairman of Octodec*

32.7 Long-term incentive schemes

Neither Octodec nor City Property have a long-term incentive scheme in place.

Notes to the consolidated financial statements (continued)

33. Rental income by sector

The group does not have operating segments that meet the definition of IFRS 8 and, consequently, no segmental report has been provided. Rental income is, however, grouped into five major operating sectors namely residential, retail – street shops, retail – shopping centres, office, industrial and parking, based on the type of premises from which the rental is derived. No GLA is assigned to parking areas.

Further sector results cannot be allocated due to the "mixed use" of certain of the properties.

Rental income by sector	31 August 2024 R'000	%	31 August 2023 R'000	%
Residential	529 503	34.9%	510 120	34.3%
Retail – street shops	356 926	23.5%	352 038	23.7%
Retail – shopping centres	174 224	11.5%	169 080	11.4%
Offices	280 705	18.5%	280 386	18.9%
Industrial	108 590	7.2%	105 941	7.1%
Parking	67 689	4.4%	68 016	4.6%
Total rental income	1 517 637	100.0%	1 485 581	100.0%
Straight-line rental income accrual	295		(12 558)	
Recoveries*	558 211		509 514	
Revenue	2 076 143	100%	1 982 537	100%

* *Recoveries are not evaluated at sector level*

34. Events after reporting date

Other than those listed below, the directors are not aware of any events subsequent to 31 August 2024 and up to the date of approval of these financial statements, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

The following events have taken place subsequent to 31 August 2024:

- A dividend of 65 cents per share was declared on 20 November 2024, to be paid to shareholders in December 2024.
- The disposal of four properties for a total gross consideration of R12.7 million.
- The acquisition of one property, that is complimentary to an existing property, for a total consideration of R7.9 million at a yield of 13.3%.
- The refinance of R370 million in facilities with Standard Bank of South Africa Limited that would mature in the next financial year.

35. Going concern

The current liabilities exceed the current assets by R1.7 billion (2023: R0.4 billion), mainly due to the fact that an amount of R1.5 billion will be maturing in FY2025 (Refer to note 12). The group has R679.0 million (2023: R735.3 million) in cash and unutilised banking facilities available as at 31 August 2024 to fund its working capital requirements and to refinance maturing debt, if required. Post year-end, facilities of R370 million have already been refinanced.

The board has reviewed the cash flow projections for the eighteen months to 28 February 2026 and, based on the cash flow projections, and having considered the solvency and liquidity tests taking the above into consideration, has concluded that the group has adequate resources to continue to operate for the foreseeable future. The financial statements have therefore been prepared on the going concern basis.

Appendices

Property portfolio information

for the year ended 31 August 2024

Geographic profile by rentable area and by sector

All of the existing properties are located in Gauteng.

Tenant profile

	2024 % of GLA	2023 % of GLA
A	17.9	17.0
B	4.5	5.1
C	31.3	32.5
D	25.2	25.6
Vacancies	21.1	19.8
Total	100.0	100.0

Grade A includes national tenants with a footprint throughout South Africa and a presence in all or most provinces. Major franchises represent a franchisee with a footprint throughout South Africa and a presence in all or most provinces.

Grade B includes national tenants and franchisees that do not meet the criteria for Grade A tenants.

Grade C includes all other tenants such as SMEs and sole proprietors which comprise approximately 3 070 (FY2023: 3125) tenants.

Grade D is composed of residential tenants.

Sectoral profile by rentable area and by revenue

	2024		2023	
	% of GLA	% of gross rentals	% of GLA	% of gross rentals
Residential	27.7	34.5	27.3	34.0
Retail – street shops	22.3	23.3	22.4	23.5
Retail – shopping centres	6.4	12.3	6.4	12.2
Offices	29.8	18.3	29.9	18.7
Industrial	13.8	7.1	14.0	7.1
Parking	–	4.5	–	4.5
Total rental income	100.0	100.0	100.0	100.0

Vacancy profile by sector by rentable area

	2024 % of GLA	2023 % of GLA
Residential	9.2	6.5
Retail – street shops	21.5	21.4
Retail – shopping centres	10.3	7.0
Offices	39.1	38.5
Industrial	10.8	9.2
Average	21.1	19.8

Weighted average rental by rentable area and weighted average rental escalation profile by rentable area per sector

	2024		2023*	
	Rental R	Escalation %	Rental R	Escalation %
Residential (unit)	4 827.6	n/a	4 562.7	n/a
Retail – street shops	133.2	5.6%	127.5	5.9
Retail – shopping centres	195.4	6.3%	187.4	5.9
Offices	100.7	6.1%	98.5	5.9
Industrial	56.9	5.5%	52.9	6.8
Parking (bay)	340.57	5.8%	340.85	–**

2023 rental restated to align with information disclosed in 2024

*** No information available in 2023*

Average annualised property yield

	2024 %	2023 %
Annualised yield	8.4	8.4

Appendices (continued)

Property portfolio information (continued)

Lease expiry profile at 31 August 2024

	By rental income %					By GLA m² (%)						
	August 2025	August 2026	August 2027	August 2028	August 2029 and beyond	August 2025	August 2026	August 2027	August 2028	August 2029 and beyond	Vacant	Total
Sector												
Residential	100.0	0.0	–	–	–	90.8	0.0	–	–	–	9.2	100.0
Commercial												
Retail												
Shops	44.9	21.5	16.8	7.5	9.2	38.4	16.7	11.9	5.3	6.2	21.5	100.0
Shops – Shopping Centres	42.7	22.1	10.8	12.8	11.7	38.7	15.9	9.9	15.4	9.8	10.3	100.0
Offices	54.0	19.2	11.0	6.2	9.5	33.0	10.5	6.5	5.9	5.1	39.1	100.0
Industrial	61.4	21.1	7.5	8.0	1.9	54.9	19.6	6.2	7.3	1.1	10.8	100.0
Parking	71.8	8.8	2.3	8.4	8.8	–	–	–	–	–	–	–
Total commercial	50.2	20.4	12.4	8.2	8.9	39.3	14.7	8.4	6.8	5.1	25.7	100.0
Total commercial and residential	67.7	13.2	8.0	5.3	5.8	53.6	10.6	6.1	4.9	3.7	21.1	100.0

Investment properties owned by the group

		GLA per sector										
Property name	Description of buildings	Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, Centurion												
FNB Centurion	Shops and parking	–	–	–	–	1 855	1 855	0.0	2 479 612	112	–	0.14
Lenchen Centre	Shops	–	–	–	–	3 331	3 331	27.5	4 753 041	122	–	0.36
Lenchen Park	Shops and workshops	34	5 435	–	–	–	5 469	0.6	6 077 549	94	–	0.46
Prime Cure House†	Offices and parking	–	–	2 689	–	–	2 689	0.0	484 020	45	–	0.21
The Hangar	Shop, 260 flats and parking	20 598	–	–	–	166	20 764	3.4	21 881 854	489	6 821	1.28
Total		20 632	5 435	2 689	–	5 352	34 108	4.9	35 676 076	107	6 821	2.45
Tshwane, Hatfield												
Howzit Hilda	18 flats and parking	1 203	–	–	–	58	1 261	33.1	2 339 304	329	5 104	0.20
Intersite	Gym, offices and parking	–	–	2 490	–	3 189	5 679	0.5	6 826 332	101	–	0.50
Protea Hotel	Hotel, shops and parking	–	–	–	–	5 363	5 363	0.0	5 280 323	84	–	0.39
The Fields	Hotel, shops, offices and 765 flats	31 837	–	10 371	–	18 097	60 305	12.1	98 622 191	112	4 249	6.92
Total		33 040	–	12 861	–	26 707	72 608	10.6	113 068 150	106	4 274	8.01

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, Hermanstad												
Steyns Industrial Park	Warehouses	–	11 668	–	–	–	11 668	0.0	7 069 904	50	–	0.47
Talkar†	Warehouses	–	6 873	–	–	–	6 873	0.0	8 039 952	97	–	0.31
Total		–	18 541	–	–	–	18 541	0.0	15 109 856	68	–	0.78
Johannesburg and surrounding areas												
3 West Street	Shops, offices and parking	–	–	1 722	–	1 642	3 364	43.5	1 482 473	63	–	0.11
CCMA Place	Shops, offices and parking	–	–	3 503	–	649	4 152	4.3	4 577 515	95	–	0.27
Erand Gardens†	Offices and parking	–	–	2 371	–	–	2 371	32.5	2 847 944	148	–	0.20
Kempton Place	Shops, educational facilities and 469 flats	25 422	–	1 047	–	8 968	35 437	22.6	31 826 634	147	4 924	2.21
Killarney Mall	Shopping centre, auto dealership, offices and parking	–	–	10 790	36 680	–	47 470	20.0	69 785 521	152	–	3.72
Kyalami Crescent	Warehouses and mini factories	–	9 469	–	–	–	9 469	0.0	6 276 832	57	–	0.49
Motor City Strijdom Park	Shops and workshop	–	–	–	–	6 729	6 729	0.0	6 523 829	81	–	0.47
The Manhattan*^~	180 flats	11 049	–	–	–	–	11 049	1.1	7 856 367	–	7 356	0.53
Woodmead Value Mart	Shopping centre and parking	–	–	–	17 168	–	17 168	13.6	54 057 548	265	–	4.25
Total		36 471	9 469	19 433	53 848	17 988	137 209	16.3	185 234 663	154	5 320	12.25
Johannesburg, CBD												
Anderson Place	Shops, offices and parking	–	–	5 180	–	205	5 385	84.8	1 856 614	185	–	0.20
Arlington House	Shops and offices	–	–	–	–	2 888	2 888	29.7	3 563 451	140	–	0.28
Bram Fischer Towers	Shops, offices and parking	45	–	9 784	–	1 896	11 725	44.2	6 993 963	91	–	0.53
Brisk Place	Shops and 93 flats	3 850	–	12	–	2 387	6 249	15.1	5 486 949	73	3 904	0.28
Castle Mansions	Shops and 177 flats	8 315	–	–	–	5 771	14 086	5.1	18 586 301	142	4 691	1.18
City Block*	Workshops	–	4 074	–	–	–	4 074	37.5	1 047 434	34	–	0.08
CPA Place	Shops, offices, 92 flats and parking	4 033	–	666	–	760	5 459	4.6	7 123 804	138	4 624	0.38
Dan's Place	Shops and 150 flats	6 793	–	–	–	2 401	9 194	22.1	9 562 515	108	4 334	0.50
Education Centre	Shops, mothballed offices and parking	–	–	8 341	–	2 595	10 936	78.4	4 676 472	164	–	0.43
Elephant House	Offices and parking	–	–	4 777	–	–	4 777	64.3	1 521 030	68	–	0.11
Essenby	Shops and 116 flats	5 648	–	–	–	1 934	7 582	35.7	5 655 577	601	4 423	0.31

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Johannesburg, CBD *continued*												
Focus House	Shops and offices	–	–	2 683	–	350	3 033	49.6	1 540 209	80	–	0.07
Frank's Place	Shops, 106 flats and parking	10 071	–	–	–	3 417	13 488	22.3	15 871 305	119	4 674	0.98
Howard House	Shops and offices	24	–	1 243	–	311	1 578	21.7	1 370 273	92	1 938	0.07
Inner Court	Shops, offices and parking	–	–	12 760	–	10 468	23 228	82.5	7 050 218	144	–	0.65
Jeppe House	Shops and educational facilities	–	–	5 674	–	2 663	8 337	62.1	3 778 768	102	–	0.37
John Street	Warehouses	–	15 037	–	–	–	15 037	6.2	8 271 842	48	–	0.58
Klamson Towers	Shops and offices	19	–	5 085	–	1 431	6 535	50.8	3 555 040	92	–	0.27
Lara's Place	Shops, offices, 142 flats and parking	6 242	–	783	–	973	7 998	27.8	7 434 848	125	4 304	0.48
Lister Medical Centre	Healthcare facilities and parking	–	–	11 913	–	3 292	15 205	55.9	13 789 613	165	–	0.55
London House*	Shops and offices	–	–	3 956	–	334	4 290	31.7	1 989 072	58	–	0.12
Lusam Mansions	Shops, store room and 82 flats	2 712	–	146	–	506	3 364	21.5	4 035 776	130	3 916	0.22
Marlborough House	Shops, offices and parking	–	–	7 429	–	829	8 258	15.1	10 873 262	127	–	0.52
Mr Price	Shops and offices	–	–	1 662	–	1 751	3 413	34.0	3 793 484	141	–	0.26
Nzunza House	Shops, offices and parking	–	–	7 761	–	884	8 645	43.7	6 772 288	108	–	0.54
Plaza Place	Shops, 214 flats and parking	8 106	–	–	–	1 436	9 542	15.3	10 566 710	100	3 994	0.57
Record House	Shops and 41 flats	1 865	–	–	–	503	2 368	15.8	2 630 884	142	3 998	0.12
Reinsurance House*	Mothballed offices	–	–	15 034	–	–	15 034	100.0	42 875	–	–	0.17
Reliance Centre	Offices and warehouses	–	6 564	526	–	–	7 090	8.4	3 365 348	44	–	0.25
Ricci's Place	Shops, 281 flats and parking	11 124	–	–	–	1 726	12 850	12.5	16 634 808	144	4 343	0.92
Royal Place	Shops, offices, 155 flats and parking	6 491	–	6 717	–	2 549	15 757	27.5	15 840 852	122	4 221	1.01
Selby 515	Factories	–	6 416	–	–	–	6 416	0.0	3 994 947	52	–	0.25
Shoprite – Eloff Street	Shops and mothballed offices	–	–	22 338	–	9 355	31 693	97.6	1 237 981	137	–	0.48
Splendid Place	Shops, 150 flats and parking	8 313	–	–	–	1 046	9 359	3.8	9 450 771	150	4 485	0.44
Tali's Place	Shops, 337 flats and parking	14 148	–	2 555	–	2 727	19 430	5.4	18 981 906	73	4 006	1.01
Temple Court	Shops and 45 flats	2 307	–	–	–	331	2 638	10.8	2 910 793	180	4 568	0.15
The Brooklyn	Shops and 154 flats	4 338	–	–	–	2 157	6 495	5.3	7 382 559	54	3 550	0.41
Union Club	Shops and 72 flats	2 969	–	–	–	955	3 924	21.1	3 864 915	172	3 569	0.21
Vuselela Place	Shops, offices, 193 flats and parking	8 664	–	24	–	944	9 632	9.5	10 806 781	169	4 318	0.62
Wits Technikon†	Educational facilities	–	–	16 937	–	–	16 937	0.0	6 975 332	34	–	0.33
Works@Main*	Shops, offices, educational facilities and parking	–	–	3 935	–	940	4 875	44.6	1 451 529	44	–	0.09
Total		116 077	32 091	157 921	–	72 715	378 804	37.8	272 339 100	90	4 240	16.99

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector										
		Residential GLAm^2	Industrial GLAm^2	Offices GLAm^2	Retail – shopping centres GLAm^2	Retail – street shops GLAm^2	Total GLA m^2	Vacancy (%)	Rental income R	Weighted average rental per m^2 at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, Arcadia												
470 Pretorius Street*†	Vacant land	–	–	–	–	–	–	0.0	–	–	–	0.01
Apollo Centre*	Shops, offices, educational facilities and parking	87	–	7 991	–	1 000	9 078	28.0	6 097 385	76	–	0.37
Benrico	Shops, educational facilities and parking	22	–	1 939	–	503	2 464	84.8	416 880	141	–	0.09
BP Leyds Street†	Garage, vacant land and parking	–	–	–	–	1 411	1 411	0.0	2 053 964	121	–	0.14
Corner Place	112 flats and parking	4 167	–	–	–	–	4 167	6.8	6 948 891	–	5 192	0.37
Craig's Place	154 flats and parking	5 384	–	–	–	–	5 384	8.5	9 635 161	–	5 182	0.59
Leo's Place	Shops, 167 flats and parking	6 087	–	106	–	175	6 368	8.2	10 087 914	331	4 879	0.59
Ludwigs*†	Showroom	–	1 529	–	–	–	1 529	0.0	820 795	44	–	0.05
MBA Building*	Offices and parking	75	–	3 050	–	–	3 125	14.6	2 855 414	89	4 405	0.17
McCarthy Church Street†	Auto dealership	–	–	308	–	2 533	2 841	0.0	3 907 971	115	–	0.26
Nedbank Plaza	Shops, offices, 144 flats and parking	10 807	–	4 548	–	11 373	26 728	34.5	22 245 096	117	4 822	1.31
Numall†	Shops, educational facilities and parking	–	–	–	–	5 220	5 220	7.5	6 530 631	113	–	0.29
Provisus	Offices and educational facilities and parking	–	–	5 479	–	375	5 854	12.2	7 800 882	124	–	0.51
Tiny Town 3*#	Vacant land	–	–	–	–	–	–	0.0	–	–	–	0.08
Tiny Town 2*	14 cottages	1 270	–	–	–	–	1 270	32.4	1 273 333	–	8 055	0.07
Total		27 899	1 529	23 421	–	22 590	75 439	22.7	80 674 315	107	5 066	4.92
Tshwane, CBD												
012 Central	Shops, offices and student accommodation	2 501	2 667	2 913	–	8 510	16 591	33.5	8 969 066	74	16 508	0.55
228 Pretorius Street*	Shops and educational facilities	84	–	2 844	–	641	3 569	0.0	2 927 702	69	4 432	0.20
250 Pretorius Street*	Shops, offices and educational facilities	69	–	3 029	–	963	4 061	23.1	3 814 283	97	4 432	0.20
28 Church Square†	Shops, offices and parking	93	–	6 545	–	302	6 940	5.0	8 894 239	111	3 376	0.56
Alec's Place	Shops and 95 flats	5 273	–	–	–	484	5 757	11.0	7 081 959	178	5 892	0.40
Amanda Court	Shops, 23 flats and parking	1 537	–	–	–	1 453	2 990	14.8	2 819 686	97	5 245	0.18
AVN†	Shops, offices and parking	–	–	7 073	–	–	7 073	0.0	10 339 043	122	–	0.57
Bank Towers	Offices and parking	99	–	5 390	–	2 137	7 626	50.0	3 827 586	90	4 565	0.24
Bosch Building*†	Parking	–	–	–	–	–	–	–	658 570	–	–	0.04
Burlan	Shop and offices	–	–	1 072	–	879	1 951	0.0	1 508 945	64	–	0.10
Callaway	Educational facilities and parking	–	663	–	–	1 339	2 002	0.0	385 569	18	–	0.04
Capitol Towers North	Shops, offices and parking	–	–	12 086	–	1 887	13 973	0.2	18 596 465	111	–	1.00

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector										
		Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, CBD *continued*												
Central House	Shops, offices, educational facilities and parking	43	–	3 651	–	1 934	5 628	1.1	5 874 356	91	3 346	0.38
Central Towers	Shops and offices	–	–	5 605	–	1 854	7 459	52.3	4 745 108	106	–	0.34
Centre Place	Shops, 234 flats and parking	7 476	–	–	–	4 083	11 559	14.5	17 094 183	149	4 351	0.96
Centre Walk	Shops, offices and parking	337	–	19 731	–	5 676	25 744	2.8	35 155 248	118	4 487	2.02
City Corner	Shops	–	–	–	–	1 460	1 460	32.2	1 247 211	215	–	0.10
City Place	Shops, 298 flats and parking	10 503	–	–	–	2 044	12 547	10.7	22 416 499	332	4 594	1.31
City Towers	Shop and office	–	–	2 164	–	780	2 944	73.5	1 828 223	195	–	0.13
CPA House	Shops, offices and parking	–	–	4 579	–	3 314	7 893	0.3	9 269 325	99	–	0.66
Curpro*#	Offices and parking	–	–	157	–	–	157	0.0	564 584	300	–	0.03
Cuthchurch	Basement, shops, offices and educational facilities	83	–	4 419	–	5 237	9 739	13.2	5 755 022	56	3 873	0.46
Daloria	Shops, place of worship and parking	74	–	–	–	1 538	1 612	4.6	1 322 149	73	–	0.08
Demar Building	Shops, 70 flats and parking	4 047	–	–	–	1 551	5 598	24.0	5 014 715	144	5 328	0.30
Du Proes	Shops, educational facilities and place of worship	–	153	–	–	1 606	1 759	0.0	925 612	47	–	0.06
Dupro (7)*#	Vacant land, shop and storeroom	–	–	–	–	–	–		672 000	–	–	0.08
Dusku*†	Motor showroom	–	–	–	–	336	336	0.0	368 772	91	–	0.03
Eland House*	Shops, 21 flats and parking	1 600	–	–	–	411	2 011	10.4	2 325 472	226	5 784	0.12
Empire building	Shops	–	–	–	–	922	922	0.0	675 981	61	–	0.05
Filkem House*	Shops, offices and basement	–	–	893	–	645	1 538	27.2	1 713 428	128	–	0.13
Govpret	Shops, offices and parking	–	–	5 868	–	348	6 216	0.0	9 024 676	121	–	0.56
Hacklu Enterprises*	Shops	–	–	–	–	683	683	8.6	1 015 997	127	–	0.05
Indacom	Shops, warehouses, offices and place of worship	–	2 166	608	–	598	3 372	0.0	1 027 762	16	–	0.05
Jardown*		–	3 063	2 966	–	2 274	8 303	51.7	3 826 545	83	–	0.25
Jeff's Place	384 flats and parking	14 793	–	–	–	16	14 809	5.5	26 234 610	16 517	5 150	1.68
Joan's Place	Shops, 28 flats and parking	886	–	–	–	207	1 093	19.1	1 627 406	168	4 124	0.09
Letari Building*	Shops, warehouses, educational facilities and place of worship	15	1 442	495	–	1 031	2 983	0.0	735 606	25	–	0.05
Lisa's Place	97 flats and parking	3 734	–	–	–	–	3 734	6.7	5 400 140	–	4 889	0.30
Locarno House	Shops and offices	–	–	5 098	–	272	5 370	16.9	6 332 435	117	–	0.38

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	GLA per sector: Industrial GLAm²	GLA per sector: Offices GLAm²	GLA per sector: Retail – shopping centres GLAm²	GLA per sector: Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, CBD *continued*												
Louis Pasteur (1) HealthConnect*	Shops, offices, hospital and parking	–	–	3 945	–	1 028	4 973	58.7	1 632 855	95	–	0.70
Louis Pasteur (2) Louis Pasteur Medical Centre*	Shops, offices, hospital and parking	94	–	20 869	–	3 836	24 799	2.1	46 808 559	159	4 778	2.75
Louis Pasteur	Healthcare facilities, shops, offices, warehousing and parking	303	158	3 237	–	2 473	6 171	5.7	6 425 167	93	4 778	3.85
Navy House	Shops, offices and parking	60	–	5 576	–	1 305	6 941	16.2	5 019 432	72	7 127	0.27
Olivetti House*	Offices and parking	–	–	3 232	–	604	3 836	14.5	3 619 399	91	–	0.22
One on Mutual	Shops, office, 142 flats and parking	6 188	–	470	–	1 736	8 394	11.8	15 343 738	298	6 231	0.97
Orpheum Mansions	Shops, 22 flats and parking	1 579	–	–	–	1 139	2 718	6.5	2 679 543	95	5 790	0.13
Parking@Sophie de Bruyn*#	Parking	–	–	–	–	–	–	0.0	349 920	–	–	0.03
Perl Modes Building	Shops and college	–	–	930	–	1 240	2 170	6.0	1 469 770	58	–	0.11
Pete's Place	Shops and 181 flats	7 615	–	–	–	127	7 742	9.6	10 104 231	143	4 737	0.52
Potmeul#	Vacant land	–	–	–	–	–	–		–	–	–	0.07
Poyntons	Shop and offices	–	–	–	–	3 035	3 035	0.0	2 578 590	71	–	0.18
Praetor Forum	Shop, offices and parking	–	–	4 518	–	1 587	6 105	17.3	7 283 668	108	–	0.47
Premium Towers	Shop and offices	118	–	5 061	–	2 662	7 841	38.6	6 860 158	114	4 432	0.42
Pretjolum	Shops, office, workshop, warehousing, educational facilities, place of worship and parking	24	1 358	1 024	–	4 294	6 700	10.6	3 546 120	59	–	0.27
Prime Towers	Shops, offices and educational facilities	–	–	3 620	–	498	4 118	26.1	4 443 171	108	–	0.23
Prinsben*	Shops	14	–	–	–	1 312	1 326	0.0	931 882	90	–	0.05
Prinschurch*	Shops, offices and parking	–	–	11 358	–	1 775	13 133	86.0	2 727 017	124	–	0.30
Prinsman	Shops, educational facilities, place of worship, 175 flats and parking	5 355	–	–	–	6 949	12 304	100.0	17 580 551	115	4 432	1.06
Prinstruben*	Shops	–	–	–	–	2 209	2 209	69.5	275 257	34	–	0.03
Protea Towers	Offices, parking and place of worship	–	–	8 550	–	821	9 371	23.6	9 253 362	103	–	0.59
Provincial House*	Shops and offices	–	–	1 197	–	1 850	3 047	39.3	310 053	14	–	0.03
Rapier	Shops	–	–	–	–	920	920	0.0	2 707 853	245	–	0.18
Ross Electrical*†	Shop	–	–	–	–	263	263	0.0	156 996	50	–	0.01
Russell's Place	Shops, 191 flats and parking	7 979	–	–	–	1 049	9 028	16.2	11 075 307	206	4 885	0.64

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, CBD *continued*												
Samchurch*	Shops, basement and vacant land	–	–	–	–	189	189	0.0	793 059	350	–	0.25
SchoeCourt*	Shops, warehousing and place of worship	–	1 449	–	–	1 002	2 451	20.1	887 410	33	–	0.05
Scott's Corner	Shops	–	–	–	–	4 810	4 810	0.0	6 711 296	116	–	0.41
Sharon's Place	Shops, 399 flats and parking	15 485	–	–	–	5 756	21 241	9.3	35 183 760	165	5 304	2.26
Shepstru	Shops and place of worship	–	–	–	–	3 050	3 050	7.4	1 329 135	40	–	0.06
Shoprite	Shops and offices	–	–	3 780	–	13 354	17 134	60.9	11 489 779	143	–	1.01
SKD (3) (Sold)	Offices	–	–	–	–	–	–	–	200 588	25	–	0.00
Standard Bank Chambers	Offices and bank	–	–	7 699	–	83	7 782	45.3	4 021 324	78	–	0.40
Station Place	Shops, educational facilities, 369 flats and parking	12 667	–	4 199	–	756	17 622	9.0	20 509 103	49	4 342	1.20
Steyn's Place	Shops, 381 flats and parking	15 756	–	–	–	1 927	17 683	9.4	26 474 858	191	5 103	1.47
Steynscor	Shops, offices and parking	–	–	1 042	–	2 770	3 812	11.3	9 446 518	248	–	0.56
Time Place	Shops and 144 flats	5 256	–	–	–	743	5 999	7.8	9 065 850	176	4 722	0.55
Toitman*	Educational facilities	–	–	550	–	1 574	2 124	0.0	2 062 547	81	–	0.13
Tom's Place	320 flats and parking	11 160	–	–	–	17	11 177	7.5	18 989 407	–	5 120	1.18
Tuel*	Shops	–	–	–	–	1 093	1 093	0.0	902 273	70	–	0.06
Valcourt*	Shops, offices and place of worship	767	1 018	881	–	846	3 512	61.9	429 224	19	–	0.03
Vanstrub*	Shops and warehouse	–	1 989	–	–	2 434	4 423	45.0	2 713 373	75	–	0.16
Van Riebeeck Building*	Mothballed offices	–	–	6 851	–	1 316	8 167	100.0	–	–	–	0.15
Volks Building	Parking	–	–	–	–	–	–	0.0	–	–	–	0.00
Yethu City at Sisulu (formerly Prinspros)*	Shops, offices and parking	–	–	2 622	–	2 000	4 622	100.0	266 527	41	–	0.18
Total		143 667	16 126	198 397	–	143 847	502 037	20.5	556 674 807	109	4 974	35.49
Tshwane, East												
The Park Shopping Centre	Shopping centre, offices and parking	–	–	1 310	10 695	–	12 005	4.5	26 488 661	188	–	2.04
Odeon Forum†	Offices and parking	–	–	3 102	–	–	3 102	0.0	5 576 337	150	–	0.42
Total		–	–	4 412	10 695	–	15 107	3.6	32 064 998	180	–	2.46

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, North												
Blaauw Village^	Shopping centre	–	–	–	7 274	36	7 310	0.5	15 059 464	175	–	0.96
Erf Agt Nul Nege* (Sold)	Shops and place of worship	–	–	–	–	–	–	-	319 916	59	–	0.00
Normed	Shops, offices and parking	–	–	2 656	–	3 208	5 864	10.5	4 422 693	76	–	0.29
Rosnew*	Shops, workshop and petrol station	–	1 402	–	–	5 035	6 437	14.5	6 829 029	110	–	0.39
Total		–	1 402	2 656	7 274	8 279	19 611	8.1	26 631 102	126	–	1.63
Tshwane, Other												
Persequor Park	Offices and parking	–	–	8 074	–	–	8 074	0.0	13 067 037	135	–	0.75
91 Rauch#	Land	–	–	–	–	–	–	0.0	–	–	–	0.00
Rentmeester Park	Offices and parking	176	–	12 083	–	–	12 259	0.0	14 779 180	102	4 635	1.20
Total		176	–	20 157	–	–	20 333	0.0	27 846 217	115	4 635	1.95

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, West												
Asland	Warehouse and workshops	–	4 807	469	–	–	5 276	6.1	1 804 092	32	–	0.11
Carlzeil*	Workshops and warehouses	29	6 796	–	–	290	7 115	13.6	2 926 910	39	–	0.17
Goleda (1) Carl Street	Shops, showroom, warehouse, workshops and 10 flats	–	3 961	–	–	–	3 961	0.0	820 389	17	–	0.04
Henwoods*	Factories	–	3 577	–	–	–	3 577	0.0	2 091 762	52	–	0.13
H&S Mansions*	Shops, factories and 10 flats	724	2 055	–	–	1 085	3 864	3.1	1 173 623	21	4 779	0.07
Imbuia*	11 flats and parking	960	–	–	–	–	960	18.1	699 977	–	5 882	0.04
Ischurch*	Shops, workshops, place of worship and 8 flats	472	2 674	–	–	2 684	5 830	36.4	2 582 578	46	4 613	0.11
Jakaranda*	33 flats and parking	2 527	–	–	–	–	2 527	2.9	1 971 838	–	4 975	0.10
Kiaat*	40 flats and parking	2 974	–	–	–	–	2 974	10.0	2 242 064	–	4 976	0.12
Lasmitch Properties†	Warehouse and showroom	–	2 105	–	–	–	2 105	0.0	728 400	29	–	0.05
Lutbridge*	Shops and warehouse	–	4 197	723	–	886	5 806	14.2	2 203 325	42	–	0.14
Metromitch*	Shops, warehousing, workshops, offices, educational facilities, place of worship, 33 flats and parking	2 903	3 532	1 183	–	3 799	11 417	13.3	5 151 642	37	5 062	0.29
Mimosa*	18 flats and parking	1 569	–	–	–	–	1 569	11.2	1 104 097	–	5 968	0.06
Nedwest Centre	Shops and warehouses	23	7 216	–	–	2 128	9 367	5.3	4 682 075	49	–	0.33
Panag Investments*	Shops and workshops	–	1 237	–	–	733	1 970	27.0	794 370	39	–	0.07
Rovon Investments*	Shops, workshops, warehouses and place of worship	–	3 869	–	–	435	4 304	0.0	2 075 198	43	–	0.14
Soutwest Properties	Warehouses and workshops	–	1 839	–	–	–	1 839	20.4	1 213 085	61	–	0.09
Syringa*	40 flats and parking	3 219	–	–	–	–	3 219	22.7	2 205 223	–	5 329	0.13
Total		15 400	47 865	2 375	–	12 040	77 680	11.2	36 470 648	39	5 173	2.19
Tshwane, Silverton and surrounding areas												
Brianley	Warehouse and workshops	–	7 839	3 621	–	–	11 460	22.7	4 437 363	41	–	0.31
Sildale Park	Industrial park	–	22 734	–	–	73	22 807	6.9	14 567 572	56	–	1.28
Silver Place	Shops, offices, 232 flats and parking	15 708	–	1 328	–	9 115	26 151	5.2	24 908 951	81	5 797	1.64
Tomzeil	Warehouse and workshops	–	6 191	375	–	–	6 566	3.3	3 366 613	48	–	0.22
The Tannery Industrial Park	Industrial park and parking	–	35 474	1 179	–	889	37 542	12.6	20 039 880	50	–	1.64
Total		15 708	72 238	6 503	–	10 077	104 526	10.1	67 320 379	55	5 797	5.08

Appendices (continued)

Property portfolio information (continued)

Investment properties owned by the group (continued)

Property name	Description of buildings	GLA per sector: Residential GLAm²	Industrial GLAm²	Offices GLAm²	Retail – shopping centres GLAm²	Retail – street shops GLAm²	Total GLA m²	Vacancy (%)	Rental income R	Weighted average rental per m² at 31 August 2024 – commercial R	Weighted average rental per unit at 31 August 2024 – Residential R	% of portfolio value
Tshwane, Sunnyside												
Karelia Flats	48 flats and parking	2 172	–	–	–	–	2 172	4.7	2 696 641	–	4 634	0.13
Les Nize Flats	55 flats and parking	1 672	–	–	–	–	1 672	13.3	2 810 532	–	4 375	0.14
Savyon Place	Shops, 28 flats and parking	2 227	–	–	–	687	2 914	4.9	3 463 490	204	5 865	0.19
Selmar	19 flats and parking	1 290	–	–	–	–	1 290	12.4	1 320 660	–	5 702	0.07
Sunnyside Galleries	Shops, educational facilities, place of worship and 3 flats	416	–	–	–	3 806	4 222	18.4	3 701 679	90	6 165	0.19
The Village	Shops, place of worship and parking	–	–	698	–	4 325	5 023	25.4	2 949 845	68	–	0.15
Unity Heights	Shops, 24 flats and parking	2 032	–	–	–	590	2 622	7.6	3 051 457	187	6 562	0.16
Total		9 809	–	698	–	9 408	19 915	14.4	19 994 304	100	5 150	1.05
Tshwane, Waverley, Gezina, Moot												
Gerlan†	Auto dealership	–	1 346	337	–	2 172	3 855	0.0	6 000 050	130	–	0.47
Gezina City Shopping Centre	Shopping centre	19	500	–	16 218	–	16 738	0.2	15 102 046	75	–	1.16
Motor City Capital Park	Shops, workshops and parking	–	3 417	–	–	4 044	7 461	9.2	6 053 864	72	–	0.42
Trekmin	Shops, 48 flats and parking	3 660	625	–	–	4 764	9 049	10.3	9 319 788	111	5 487	0.58
Waverley Plaza Shopping Centre	Shopping centre, offices and parking	–	–	1 949	9 510	–	11 459	12.1	27 114 260	210	8 955	2.10
Total		3 679	5 888	2 286	25 728	10 980	48 562	6.3	63 590 008	117	5 577	4.74
Total		422 558	210 584	453 809	97 545	339 983	1 524 479	21.1	1 532 694 623	101	4 781	100.00
Investment properties 100% held		422 558	210 584	453 809	90 271	339 983	1 517 205	21.2	1 517 635 159	101	4 781	99.04
Investment properties 50% held		–	–	–	7 274	–	7 274	0.0	15 059 464	175	–	0.96
		422 558	210 584	453 809	97 545	339 983	1 524 479	21.1	1 532 694 623	101	4 781	100.00

* *Unsecured properties. Refer long-term borrowings (notes 6 and 18) in respect of secured properties*
† *Single tenanted property*
^ *Properties in which the group has a 50% interest*
# *Land*
~ *Total GLA included but only 50% share of rental income disclosed*

Appendices (continued)

SA REIT ratios

	31 August 2024 R'000	31 August 2023 R'000
SA REIT Funds from Operations (SA REIT FFO) per share		
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	215 979	610 463
Adjusted for:		
Accounting/specific adjustments:	205 711	(162 005)
Fair value adjustments to:		
• Investment property	161 526	(179 055)
• Debt instruments held at fair value through profit or loss	52 472	(10 500)
Gains or losses on the modification of financial instruments	–	–
Deferred tax movement recognised in profit or loss	(7 992)	14 992
Straight-lining operating lease adjustment	(295)	12 558
Adjustments arising from investing activities:		
Gains or losses on disposal of:		
• Investment property and property, plant and equipment	1 373	3 064
Other adjustments:		
Adjustments made for equity-accounted entities	(1 200)	4 236
SA REIT FFO	421 863	455 758
Number of shares outstanding at end of year (net of treasury shares)	266 198	266 198
SA REIT FFO per share (Rand)	1.58	1.71
Company-specific adjustments (per share)	–	–
SA REIT FFO per share (Rand)	1.58	1.71

	31 August 2024 R'000	31 August 2023 R'000
SA REIT Net Asset Value (SA REIT NAV)		
Reported NAV attributable to the parent	6 416 238	6 559 626
Adjustments:		
Dividend to be declared	(173 028)	(199 648)
Fair value of certain derivative financial instruments	(9 180)	(61 652)
Deferred tax	147 143	155 135
SA REIT NAV	6 381 173	6 453 461
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	266 198	266 198
SA REIT NAV per share (Rands)	23.97	24.24
SA REIT cost-to-income ratio		
Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	1 104 994	1 030 480
Administrative expenses per IFRS income statement	111 339	102 664
Other expenses, if directly related to property operations, with clear explanations of these items		
• Impairment of accounts receivable	44 098	36 638
Operating costs	1 260 431	1 169 782
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	1 517 637	1 485 581
Utility and operating recoveries per IFRS income statement	558 211	509 514
Gross rental income	2 075 848	1 995 095
SA REIT cost-to-income ratio	60.7%	58.6%

Appendices (continued)

SA REIT ratios (continued)

	31 August 2024 R'000	31 August 2023 R'000
SA REIT administrative cost-to-income ratio		
Expenses		
Administrative expenses as per IFRS income statement	111 339	102 664
Administrative costs	111 339	102 664
Contractual rental income per IFRS income statement (excluding straight-lining)	1 517 637	1 485 581
Utility and operating recoveries per IFRS income statement	558 211	509 514
Gross rental income	2 075 848	1 995 095
SA REIT administrative cost-to-income ratio	5.4%	5.1%
SA REIT GLA vacancy rate		
Gross lettable area of vacant space (m^2)	322 231	303 116
Gross lettable area of total property portfolio (m^2)	1 524 479	1 528 961
SA REIT GLA vacancy rate	21.1%	19.8%
Cost of debt		
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	10.3%	10.4%
Pre-adjusted weighted average cost of debt	10.3%	10.4%
Adjustments:		
Impact of interest rate derivatives	(0.8%)	(1.2%)
Amortised transaction costs imputed into the effective interest rate	–	–
All-in weighted average cost of debt	9.5%	9.2%

	31 August 2024 R'000	31 August 2023 R'000
SA REIT loan-to-value		
Gross debt	4 409 166	4 345 956
Overdraft	–	–
Less:		
Cash and bank balance	(33 849)	(80 776)
Cash and bank balance per statement of financial position	(69 173)	(113 713)
Less: Bank balance held in regard to residential tenant deposits	35 324	32 937
Add/Less:		
Derivative financial instruments (liability)	(9 180)	(61 652)
Net debt	4 366 137	4 203 528
Total assets – per Statement of Financial Position	11 403 967	11 490 519
Less:		
Cash and cash equivalents	(69 173)	(113 713)
Derivative financial assets	(11 173)	(61 652)
Goodwill and intangible assets	–	–
Trade and other receivables	(186 808)	(178 562)
Carrying amount of property-related assets	11 136 813	11 136 592
SA REIT loan-to-value (SA REIT LTV)	39.2%	37.7%

Analysis of ordinary shareholders

as at 31 August 2024

Shareholder Spread	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 – 1 000	1 575	37.34%	326 188	0.12%
1 001 – 10 000	1 645	39.00%	7 024 977	2.64%
10 001 – 100 000	751	17.80%	24 268 706	9.12%
100 001 – 1 000 000	194	4.60%	60 437 112	22.70%
Over 1 000 000	53	1.26%	174 140 552	65.42%
Total	4 218	100.00%	266 197 535	100.00%
Distribution of Shareholders				
Assurance Companies	33	0.78%	1 630 003	0.61%
Close Corporations	46	1.09%	27 447 995	10.31%
Collective Investment Schemes	107	2.54%	62 146 084	23.35%
Custodians	13	0.31%	2 738 743	1.03%
Foundations & Charitable Funds	38	0.90%	4 148 160	1.56%
Hedge Funds	4	0.09%	65 009	0.02%
Insurance Companies	2	0.05%	16 392	0.01%
Investment Partnerships	9	0.21%	90 887	0.03%
Managed Funds	8	0.19%	2 550 676	0.96%
Medical Aid Funds	8	0.19%	1 605 721	0.60%
Organs of State	3	0.07%	6 917 562	2.60%
Private Companies	182	4.31%	74 453 614	27.97%
Public Companies	4	0.09%	907 260	0.34%
Public Entities	1	0.02%	51 950	0.02%
Retail Shareholders	3 404	80.72%	33 749 003	12.68%
Retirement Benefit Funds	82	1.94%	14 404 706	5.41%
Scrip Lending	2	0.05%	3 353 986	1.26%
Stockbrokers & Nominees	16	0.38%	3 744 052	1.41%
Trusts	256	6.07%	26 175 732	9.83%
Total	4 218	100.00%	266 197 535	100.00%

* *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	47	1.11%	104 497 465	39.26%
Directors and Associates	47	1.11%	104 497 465	39.26%
Public Shareholders	4 171	98.89%	161 700 070	60.74%
Total	4 218	100.00%	266 197 535	100.00%

Fund Managers With A Holding Greater Than 3% of The Issued Shares	Number of Shares	% of issued Capital
Catalyst Fund Managers	17 664 671	6.64%
Old Mutual Investment Group	14 520 965	5.45%
Abax Investments	12 702 391	4.77%
Sesfikile Capital	9 085 356	3.41%
Total	53 973 383	20.27%

Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares	Number of Shares	% of issued Capital
Lefkopaul CC	20 209 741	7.59%
Tomneff Investments (Pty) Ltd	18 331 418	6.89%
City Property Administration (Pty) Ltd	12 680 413	4.76%
Nedbank Group	11 627 115	4.37%
Old Mutual Group	11 222 692	4.22%
Sanlam Group	9 929 798	3.73%
Bosjacob (Pty) Ltd	8 395 911	3.15%
Total	92 397 088	34.71%

Total number of shareholdings	4 218
Total number of shares in issue	266 197 535

Share Price Performance	
Opening Price 01 September 2023	R9.20
Closing Price 31 August 2024	R10.89
Closing High for period	R10.99
Closing Low for period	R8.60
Number of shares in issue	266 197 535
Volume traded during period	42 337 452
Ratio of volume traded to shares issued (%)	15.90%
Rand value traded during the period	R416 346 538
Price/earnings ratio as at 31 August 2024	7.23
Earnings yield as at 31 August 2024	13.82
Dividend yield as at 31 August 2024	12.40
Market capitalisation at 31 August 2024	R2 898 891 156

Shareholder's diary

The salient dates relating to the final dividend are as follows:

	2024
Last day to trade *cum* dividend	Tuesday, 10 December
Shares trade *ex* dividend	Wednesday, 11 December
Record date	Friday, 13 December
Payment date	Tuesday, 17 December
Share certificates may not be dematerialised or rematerialised between	Wednesday, 11 December 2024 and Friday, 13 December 2024, both days inclusive.

Corporate information

Octodec Investments Limited

Incorporated in the Republic of South Africa
Registration number: 1956/002868/06
JSE Share code: OCT
JSE alpha code: OCTI
ISIN: ZAE000192258
LEI: 3789I36JI0BKTUSZ8813
(Approved as a REIT by the JSE)

Registered address

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Directors

S Wapnick (chairman)[1], JP Wapnick (chief executive officer)[2], A Vieira (financial director)[2], PJ Strydom[3], RWR Buchholz[4], DP Cohen[4], NC Mabunda[4], EMS Mojapelo[4], MZ Pollack[1], LP van Breda[4]

[1] Non-executive director
[2] Executive director
[3] Lead independent director
[4] Independent non-executive director

Group company secretary

Elize Greeff
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Sponsors

Equity market

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Forms of proxy

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0002

Our vision

To innovate in the property market and unlock long-term capital appreciation and income flows, through investment in a well-diversified multisector property portfolio. We remain cognisant of our role as a responsible corporate citizen and aim to achieve our vision, ambition and purpose in a manner that takes the interests of all our stakeholders into account.