



Homestead Office Park

Location: Bryanston, Gauteng
Gross lettable area: 3 141m²

Category: Commercial



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Cover: College House

Location: Bryanston, Gauteng **Gross lettable area:** 1 834m² **Category:** Commercial



Highlights

- 💡 Over 79% of free float units were traded during the financial year. This represents one of the highest liquidity levels in the market.
- 💡 Over 35% of leases have an expiry profile of 5 years or longer.
- 💡 Acquired 29 properties, increasing the value of the property portfolio to R1.14 billion and the GLA to 410 220m².
- 💡 The listed unit portfolio increased by R223 million during the financial year.
- 💡 Redefine became the first South African property company to receive a rating from Fitch ratings. The "A-minus" rating was awarded on Redefine's ability to both service and repay debt.
- 💡 An aggressive leasing strategy ensured that 39 217m² of new leases were concluded during the year.
- 💡 The net asset value per linked unit grew from R2.35 in 2002 to R2.41 in 2003.
- 💡 93.3% of the portfolio is let, a 3% reduction in vacancy over the past year.
- 💡 Net increase in cash and cash equivalents of R29.9 million during the financial year.

Financial Highlights

For the year ended 31 August 2003

	2003 R000	Change	2002 R000
Non-current assets	2 448 578	29%	1 894 390
Property portfolio	1 139 256	41%	807 777
Listed security portfolio	1 309 322	20%	1 086 613
Revenue	362 093	46%	248 811
Property portfolio	197 919	85%	106 695
Listed security portfolio	164 174	16%	142 116
Operating profit	291 987	38%	211 682
Distributions to linked unitholders	116 197	12%	103 456
Earnings and distributions			
Actual number of linked units in issue (000)	413 016		321 068
Weighted number of linked units in issue (000)	392 839		279 096
Earnings per linked unit (cents)	42.65		8.52
Headline earnings per linked unit (cents)	29.58		37.07
Distribution per linked unit (cents)	29.75		37.00
General			
Net asset value per linked unit (cents)	240.79		234.77
Closing linked unit price (cents)	230.00		238.00
Gearing	58%		58%
Linked unit free float liquidity	79%		54%

Engen House

Location: Midrand, Gauteng
Gross lettable area: 2 508m²

Category: Commercial
Sole tenant: Engen

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Introduction

The stability and viability of listed property securities has facilitated the ideal vehicle to enable owners of property, many of which are institutions, to dispose of property assets in a financially responsible manner. This has boosted the size of listed property portfolios contributing to critical mass that, through growth and consolidation, defined the listed property sector during the year under review.

The reality of decreased interest rates bodes well for the sector, as does the decline in the continued oversupply of commercial property resulting from a decrease in new developments, which impacts positively on rental levels. However, this situation could unfortunately be reversed as a result of ill-conceived speculative developments facilitated by lower interest rates.

New Chief Executive Officer

In April 2003 Brian Azizollahoff was appointed Chief Executive Officer of Redefine. He brings 16-years experience in the property sector and a hands-on management approach. Brian Azizollahoff's property and business experience combine to position him ideally to lead Redefine through the growing sophistication of the listed property sector.

Financial results

During the year under review it was announced that Redefine anticipated maintaining its total distributions per linked unit at substantially similar levels to those of the previous financial year, provided the property sector did not deteriorate and projected distributions from the listed security portfolio materialised.

As a result of significant change in the composition of Redefine's listed security portfolio and certain funds amending year-ends and distribution patterns due to corporate activity in the real estate sector, a temporary decline in distribution occurred in the final two quarters of the financial year.

While this has been disappointing, distributions for the year ending 31 August 2004 are projected to be no less than 31cents per linked unit.

Going forward

Redefine Income Fund experienced rapid growth during the past few years and is now focusing on consolidation. While Redefine will continue to grow, in the immediate future it will slow its pace of expansion and emphasise superior management of the properties within its directly owned portfolio to ensure property assets produce maximum net revenue. Redefine's listed property securities will continue to be monitored actively and vigilantly for performance and returns.

Thank you

Sincere thanks to CEO Brian Azizollahoff, management and staff for their dedicated contribution during the past year and to my co-directors for their valuable counsel.



Wolf Cesman

Chairman

29 September 2003

In context

The listed property sector has recently experienced a revival with the overriding activities being consolidation, additional listings and activity within established portfolios.

Boding well for the listed property sector - an effective proxy for the bond market -- is the decreasing interest rate environment. The best growth experienced has been in the retail property sector with the lower interest rates already creating more disposable income for the consumer.

The past weakness of the Rand resulted in an improvement in exports and more interest in the industrial sector. With Rand strength this interest should taper off resulting in the contraction of this market, although there is no evidence of this currently.

Commercial property rentals have remained largely flat, but a decrease in the number of new developments has to some extent benefited existing properties and achievable rental levels.

Redefine owned property portfolio

The portfolio of properties owned directly by Redefine Income Fund has seen major growth through acquisition. The purchase of portfolios from Rand Leases Properties (comprising A-grade buildings predominantly in Bryanston and other Johannesburg northern suburbs) and the Solomon Brothers (consisting of A-grade buildings in the Western Cape, predominantly the Cape Town CBD), have contributed to this growth.

The final quarter of the financial year has seen consolidation of this expanded portfolio, which will continue to grow with suitable acquisitions. Standard Bank Centre on the Cape Town foreshore has been added to the portfolio at R218 million on a forward yield of 13.3%, with almost 90% of the lettable area comprising blue-chip major tenants including Standard Bank, Telkom, P & O Nedlloyd and Santam. The newly developed shopping centre Scott Street Mall in Newcastle has been acquired and transfer has been effected. The major tenant is Game.

All these acquisitions complement the existing A-grade dominant buildings and increase both the quality and geographical spread of Redefine's property portfolio.

Redefine listed securities portfolio

Listed securities have contributed a satisfactory performance, however high share prices have resulted in the direct property sector currently offering better value.

The listed securities portfolio has been consolidated into a dozen counters with no planned investment into additional funds in the near term, unless extremely attractive opportunities arise. The core of the portfolio comprises Allan Gray Property Trust, ApexHi 'A', ApexHi 'B', Growthpoint, Martprop Property Fund, Hyprop Investments, SA Retail and Sycom Property Fund.

Activity which impacted on Redefine's listed securities portfolio includes the unbundling of Centrecity Property Fund (Cenprop) which resulted in the Rosebank Mall being absorbed by Hyprop and the remainder of its portfolio being absorbed by Capital Property Fund, as well as the various unit transactions associated with this dissolution.

Redefine's disposal of its interest in Bonatla Property Holdings, which is no longer of strategic value to the portfolio, is ongoing. The acquisition of a small stake in Spearhead Property offers excellent value and allows appropriate exposure to properties in the Western Cape. Arnold Properties, which has not performed to expectation, has benefited from Redefine's intervention which resulted in initiating a change to the asset management structure. Corovest is now the asset manager of this property loan stock, which is fundamentally a good portfolio in need of prudent management. This change bodes well for its future performance.

Redefine has acquired 88.2 million Prima Property Trust units which represents 53% of the units in issue. Since Prima is a Property Unit Trust, control of the company vests with the asset managers and not with unitholders.

Prima is a PUT with a focus on smaller properties with good lease profiles. As Prima expands its property portfolio, Redefine's exposure to Prima will reduce to a level acceptable to Redefine.

Leasing

Redefine remains quintessentially a portfolio focused on A-grade properties in prime locations with A-grade tenant covenants on medium to long term leases.

Letting in the A-grade market has been under pressure for a number of years with take-up significantly slowed. Rentals remain flat and in many cases rentals are reverting down to market rates. Market rentals are generally at a level lower than actual rentals which have been escalating at an average of 12%.

Despite this trend, Redefine has secured a great deal of letting success with over 39 217m² leased during the year under review.

Redefine actively markets its space through various initiatives ensuring a competitive advantage. Letting of vacant space is handled directly

from Redefine's offices, as opposed to the traditional managing agent point of contact. By "cutting out the middleman", the perception of conflicts of interest is eliminated, and introductions are responded to rapidly. Redefine prides itself on creating good relationships with the broking community.

Generous tenant installation allowances and the superior condition of Redefine's buildings provide the tenant with quality space and a solid basis for rewarding future relationships. Renewals of existing leases have been particularly successful and some growth in rental levels is being experienced. During the year under review 24 791m² has been renewed at an average period of 5 years.

Gearing

Redefine's gearing levels are at R1.43 billion, which equates to 58% of non-current assets. The level of gearing will be reduced to no more than 45% in line with Redefine's forward strategy. Of the current gearing, approximately 91% is fixed for various periods at an average of 12.8%.

Interest rates

A number of interest rate fixes expire over the next financial period and of these two have been forward fixed at a rate of 11.25%. Further rate swaps have been secured for a seven-year period at a rate of 11.25%. The current yield curve is favourable with further interest rate cuts anticipated.

Fitch rating

Redefine is the first South African listed property company to receive a rating from international rating agency Fitch Ratings. Its 'A-minus' senior rating was awarded to Redefine on its ability to both service debt and repay capital. This long-term credit rating denotes a strong credit risk relative to other issuers or issues in the South African market, affirming Redefine's position as a market leader.

Going forward

Historically Redefine's percentage of listed securities to direct property has been balanced at a ratio of 50:50; however, as a result of the beneficial income returns offered by the listed sector, this ratio evolved to 60:40. In light of the value currently to be found in direct property ownership, the ratio is experiencing a swing towards a similar proportion in favour of direct property.

Attractive properties which can be added to the Redefine direct property portfolio are continually being sought and the market is ripe for these deals with an appetite on the part of sellers to accept listed paper.

In line with its dynamic nature, Redefine constantly reviews its directly held properties. Where properties no longer fit the portfolio profile they are sold.

The third quarter 2003 distribution dipped and as a result a profit forecast was included in the distribution announcement. The forecast indicated that a distribution similar to the third quarter 2003 could be expected in the final quarter of 2003. Redefine is however pleased to announce that the final quarter distribution reflects an improvement from the previous quarter.

Appreciation

While my tenure at Redefine has been short, the level of support from colleagues and staff has been exceptional. I would like to thank the team at Redefine for all the hard work and the enthusiasm with which you have handled your tasks. I would also like to thank our managing agents, the broking community and all those associated with Redefine over the past year.



Brian Azizollahoff
Chief Executive Officer
29 September 2003



Redefine became the first South African property company to receive a rating from Fitch ratings. The "A-minus" rating was awarded on Redefine's ability to both service and repay debt.

Finance House

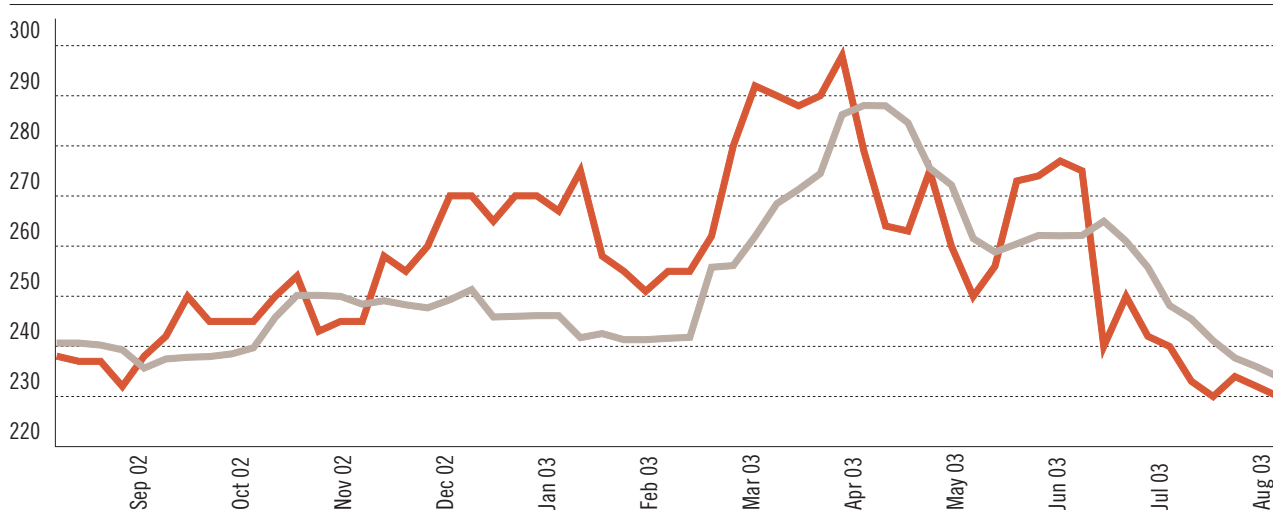
Location: Bruma, Gauteng
Gross lettable area: 7 090m²

Category: Office with retail

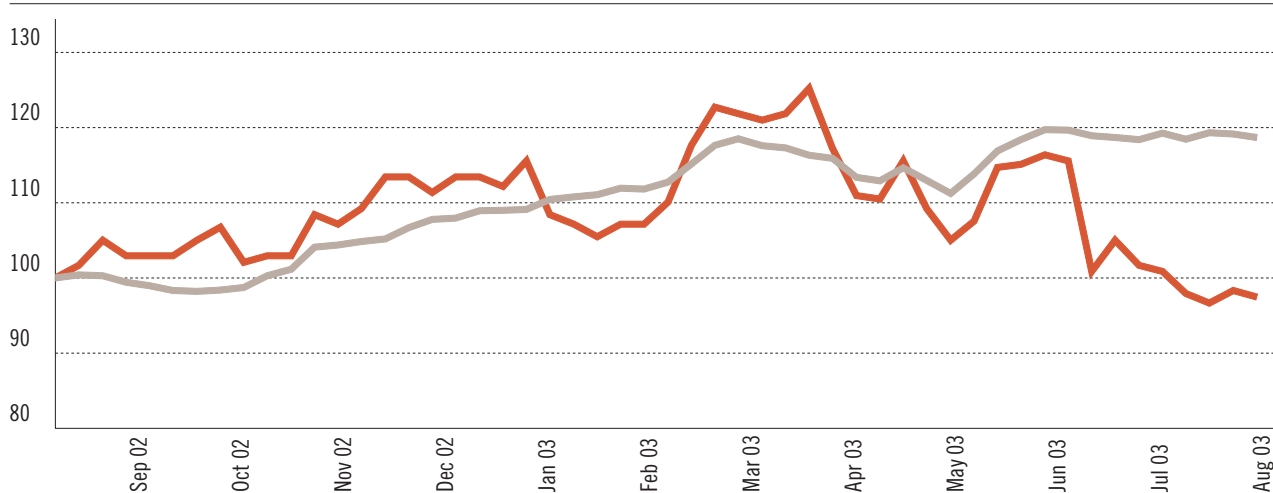
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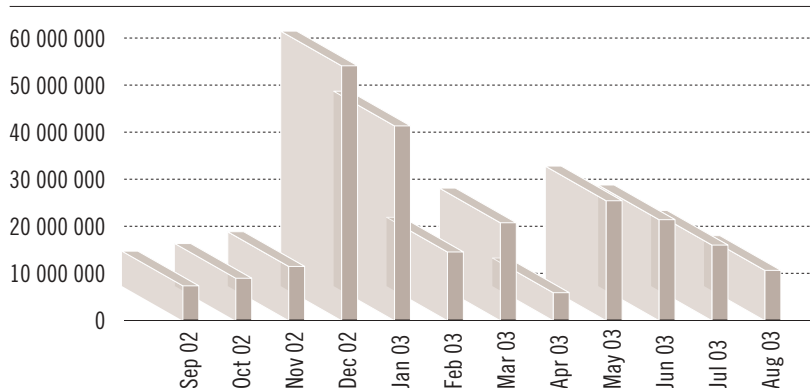
Ruling price - Key ■ Closing price ■ 40 day average



Redefine vs PLS index - Key ■ Redefine ■ PLS index



Volume traded - Key ■ Volume



JSE Securities Exchange SA performance

Market price (cents)

230	Closing 31 August 2003
298	High for period
227	Low for period

949 938	Closing market capitalisation (R000)
413 016	Closing number of linked units in issue (000)
271 334	Volume of linked units traded (000)
682 782	Total value of transactions (R000)

Volume traded to weighted number of linked units

69.1%	Total
79.1%	Free float



Over 79% of free float units were traded during the financial year. This represents one of the highest liquidity levels in the market.

Lyons House

Location: Sandton, Gauteng
Gross lettable area: 1 644m²

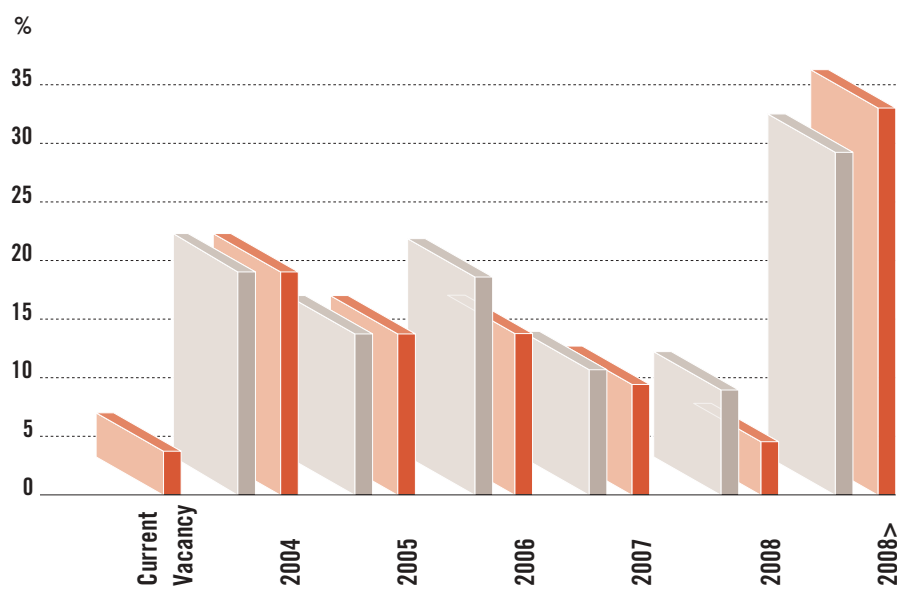
Category: Commercial
Sole tenant: Lyons Asset
Management

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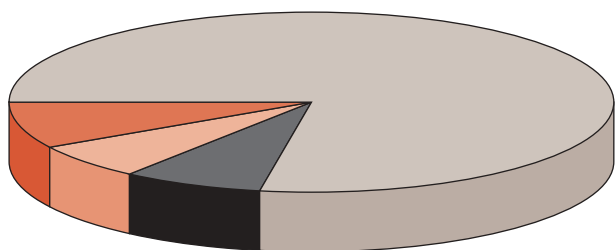
Lease expiry profile

Lease expiry profile - Key ■ Income ■ GLA

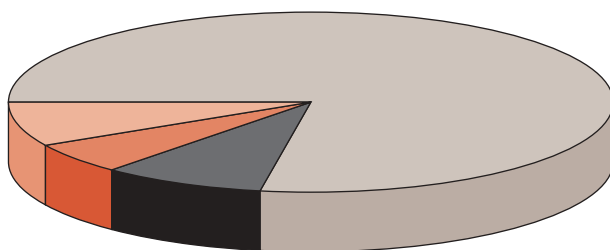


Province

Revenue - Key ■ Gauteng ■ Western Cape ■ KwaZulu-Natal ■ Other



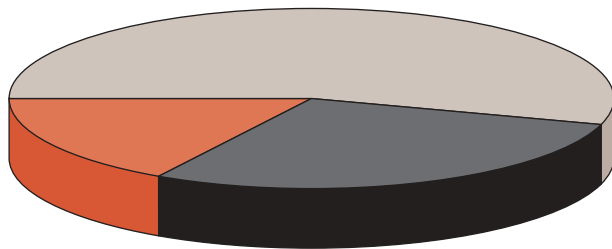
GLA - Key ■ Gauteng ■ Western Cape ■ KwaZulu-Natal ■ Other



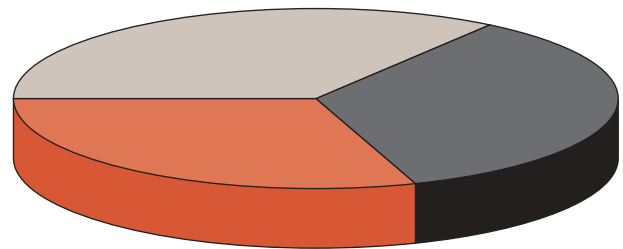
Over 35% of leases have an expiry profile of 5 years or longer.

Property sector

Revenue- Key Commercial Retail Industrial

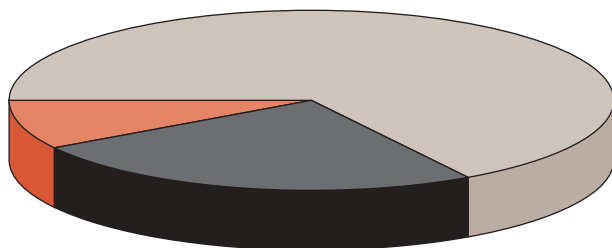


GLA - Key Commercial Retail Industrial

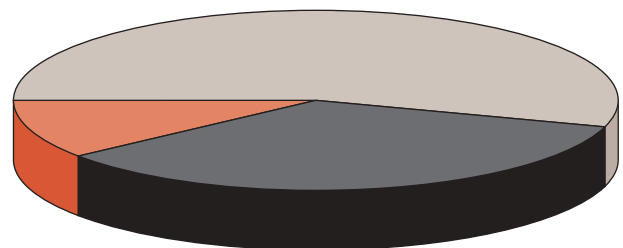


Grade

Revenue - Key A-grade B-grade C-grade



GLA - Key A-grade B-grade C-grade



93.3% of the portfolio is let, a 3% reduction in vacancy over the past year.

	Square Metres	% of GLA
Leases concluded during 2003		
Vacant area as at 1 September 2002	22 544	6.9%
Leases expiring during 2003	62 171	
Vacancies acquired	6 633	
Leases renewed during 2003	(24 791)	
New leases concluded during 2003	(39 217)	
Vacant areas as at 31 August 2003	27 340	6.7%
Vacancy exposure 2004		
Vacant area as at 1 September 2003	27 340	
Leases expiring during 2004	76 196	
Vacancy exposure as at 1 September 2003	103 536	25.2%
Leases since renewed	(19 108)	
Leases to be renewed (80%-100% probability)	(18 543)	
Leases to be renewed (75% probability)	(6 423)	
New leases signed	(2 295)	
New leases (80%-100% probability)	(1 301)	
Balance of expiries and vacancies to be renewed and let during 2004	55 866	13.6%



An aggressive leasing strategy ensured that 39 217m² of new leases were concluded during the year.

Monitor House

Location: Houghton, Gauteng
Gross lettable area: 1 700m²

Category: Commercial
Sole tenant: Monitor Company

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No of properties	Property portfolio	R000
	Acquisitions	
27	Rand Leases portfolio	359 967
1	Virgin Active Benoni	9 693
1	Scott Street Mall – Newcastle	31 200
	Improvements	6 068
		406 928
	Disposals	
1	Mellis Park 2	3 061
1	Erf 1379 Sunninghill (5th Avenue)	3 784
		6 845
No of units	Listed portfolio	R000
	Acquisitions	
4 127 493	ApexHi A	30 008
2 694 872	ApexHi B	16 632
29 333 333	Arnold	47 463
1 528 670	Capital (ex Cenprop)	3 322
3 983 265	Growthpoint	22 184
1 024 440	Hyprop (ex Cenprop)	12 578
463 989	iFour	1 867
2 215 720	Paramount	7 476
88 235 294	Prima	75 000
859 375	Rand Leases	1 417
22 909 702	Shops for Africa	52 709
760 870	Spearhead	7 018
		277 674
	Disposals	
6 615 621	Cenprop (converted to Capital & Hyprop)	15 900
13 187 245	Allan Gray	25 391
3 250 000	Hyprop	27 790
463 989	iFour	1 867
129 000	Paramount	435
14 000 000	Rand Leases	24 569
7 504 796	Sycom	52 742
		148 694



Acquired 29 properties, increasing the value of the property portfolio to R1.14 billion and the GLA to 410 220m².

The Directors of Redefine Income Fund Limited are committed to the principles of openness, honesty, integrity and accountability to all stakeholders. The directors endorse the objective of conducting the affairs of the group in accordance with the highest standards of corporate governance and accept responsibility in achieving the standards. The company complies with the significant principles incorporated in the Code of Corporate Practices and Conduct, as set out in the Second King Report and the JSE Securities Exchange South Africa ("JSE") Listings Requirements. Attention is being given to improving corporate governance throughout the group.

Board of directors

Redefine Income Fund Limited has a unitary board structure comprising five non-executive directors, a non-executive Chairman and an executive CEO. The board convenes at least quarterly. The Board is responsible to unitholders for the proper management of the group and is involved in all decisions that are material to the group. All directors have access to the advice and services of the company secretary, who acts as an advisor to the board on relevant issues, including compliance with group rules and procedures, statutory regulations and corporate governance issues. Any board member in appropriate circumstances is entitled, at the company's expense, to seek professional advice about the affairs of the group. Details of directors' remuneration are contained on page 32.

Audit committee

The audit committee comprises three non-executive directors. The audit committee convenes at least three times a year with the internal auditors (Grant Thornton Kessel Feinstein), the external auditors (Fisher Hoffman PKF (Jhb) Inc.) and other invited attendees to review accounting, auditing, financial reporting and internal control matters.

Management reporting

The group has established comprehensive management reporting disciplines, which include the preparation of monthly management accounts, detailed budgets and 2-year forecasts. Monthly results and the financial position and cash flows of operating units are reported against approved budgets and compared to the prior period. Profit and cash flow forecasts are reviewed regularly, and working capital levels are monitored on an ongoing basis.

Internal audit and controls

The group maintains internal controls and systems designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability for assets. The internal, financial and operating controls are designed to provide assurance regarding:

- the safeguarding of assets against unauthorised disposition or use;
- compliance with statutory laws and regulations; and
- the maintenance of proper accounting records and the adequacy and reliability of financial information.

The Board of Directors acknowledges its ultimate responsibility for the systems of internal, financial and operating controls and the monitoring of their effectiveness.

Grant Thornton Kessel Feinstein has been appointed as internal auditors for the group. Their function is to appraise the group's activities and the appropriateness of the systems of internal control, including those of the group's external property managers, and resultant business risks. The internal auditors report directly to the audit committee.

Dealings in securities

The company has a practice prohibiting dealings in units by directors' officers and staff for a designated period (as prescribed by the JSE Listings Requirements) preceding the announcement of its annual and interim financial results or any other period considered sensitive. Dealings in units by directors are monitored strictly in accordance with the JSE Listings Requirements.

Stakeholder communication

The company subscribes to the principle of timeous and relevant communication to all relevant parties, including unitholders and employees.

Equal opportunities

Redefine Income Fund Limited is committed to the principle of equal opportunity employment within the group.

Code of conduct

Directors and employees are required to maintain the highest ethical standards to ensure that business practices are conducted in a manner that is beyond reproach.

Directors' attendance at board meetings:

	26/09/02	23/12/02	31/01/03	20/03/03	24/06/03
B Azizollahoff (appointed 22/04/03)	n/a	n/a	n/a	n/a	✓
W Cesman	✓	✓	✓	✓	✓
E Ellering	✓	✓	✓	✓	✓
J Kron	✓	✓	✓	✓	✓
P Penhall (resigned 31/03/03)	✓	✓	✓	✓	n/a
D Solomon	✓	✓	apol	✓	✓
J Solomon	✓	✓	apol	✓	✓
M Wainer	✓	✓	✓	✓	✓

Member attendance at audit committee meetings:

	26/09/02	20/03/03	24/06/03
W Cesman	✓	✓	✓
J Kron	✓	✓	✓
J Solomon	✓	✓	✓

To the members of Redefine Income Fund Limited

We have audited the annual financial statements and group annual financial statements of Redefine Income Fund Limited set out on pages 18 to 37 for the financial year ended 31 August 2003. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 31 August 2003 and the results of their operations and cash flows for the financial year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



Fisher Hoffman PKF (Jhb) Inc.

Registration Number 1994/001166/21

Chartered Accountants (SA)

Registered Accountants and Auditors

Johannesburg

29 September 2003

Statement of responsibility by the board of directors

The directors are responsible for the preparation, integrity and fair presentation of the financial statements and other financial information included in this report.

The financial statements, presented on pages 18 to 37, have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice, and include amounts based on judgements and estimates made by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the company or the group will not be going concerns in the foreseeable future, based on forecasts and available cash resources. The financial statements support the viability of the company and the group.



Wolf Cesman
Chairman

The financial statements have been audited by the independent accounting firm, Fisher Hoffman PKF (Jhb) Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditors during the audit were valid and appropriate. Fisher Hoffman PKF (Jhb) Inc.'s audit report is presented on page 16.

Approval of annual financial statements

The annual financial statements as set out on pages 18 to 37 for the year ended 31 August 2003 were approved by the board of directors on 29 September 2003 and are signed on its behalf by:



Brian Azizollahoff
Chief Executive Officer

Declaration by the company secretary

We declare that, to the best of our knowledge, the company has lodged with the Registrar of Companies all such returns as are required

of a public company in terms of the Companies Act, 1973 (as amended) and that all such returns are true, correct and up to date.



Probit Business Services (Pty) Limited
Company Secretary
29 September 2003

For the year ended 31 August 2003

To the members of Redefine Income Fund Limited

As directors of the fund we take pleasure in submitting our report for the year ended 31 August 2003.

Corporate overview

Redefine Income Fund Limited is a listed property loan stock company which derives revenue from its subsidiaries. The subsidiaries are property investment companies that derive rental revenue from investments in commercial, industrial and retail properties, and distributions from listed security investments.

Review of activities

The group's trading performance for the year is fully set out in the annual financial statements.

Interest distribution

The following quarterly income distributions per linked unit were declared for the current financial year:

- distribution number 11 of 8.5 cents in respect of the first quarter ended 30 November 2002, paid on 27 January 2003;
- distribution number 12 of 8.5 cents in respect of the second quarter ended 28 February 2003, paid on 29 April 2003;
- distribution number 13 of 6.25 cents in respect of the third quarter ended 31 May 2003, paid on 28 July 2003;
- distribution number 14 of 6.5 cents in respect of the fourth quarter ended 31 August 2003, payable to linked unit holders on 27 October 2003.

Capital structure

The company's authorised linked unit capital consists of 1bn ordinary shares of 0,1 cent each linked to a debenture of 180 cents. Linked units comprise one ordinary share and one debenture and may only be traded on the JSE Securities Exchange South Africa. There were no changes to the authorised number of linked units.

The following movements in the issued linked unit capital took place during the financial year:

	Number of linked units 000	Shares R000	Linked Debentures R000	Share Premium R000
Linked units in issue at 31 August 2002	321 068	321	577 923	80 269
Acquisition of listed securities and properties	42 156	42	75 881	26 060
Issue for cash	54 688	55	98 439	38 227
Treasury scrip acquired	(4 896)	(5)	(8 812)	(3 744)
Share expenses written off	—	—	—	(1 178)
Linked units in issue at 31 August 2003	413 016	413	743 431	139 634

Enterprise IG

Location: Sunninghill, Gauteng
Gross lettable area: 2 388m²

Category: Commercial
Sole tenant: Enterprise IG

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For the year 31 August 2003

Special resolution

A special resolution providing general authority for the company to effect share buy-backs was registered on 20 May 2003.

Property portfolio

During the financial year the group acquired 29 properties for an aggregate purchase consideration of R406.9 million and disposed of 2 properties with an aggregate cost of R6.8 million.

Listed security portfolio

The group acquired a further R277.7 million worth of listed securities, including first time investments into Prima Property Trust, Shops for Africa Limited and Spearhead Property Holdings Limited. Listed securities disposed of amounted to R148.7 million at cost. The investment in Cenprop Property Fund was converted to Capital Property Fund and Hyprop Investments Limited respectively as a result of corporate action between these companies.

The movement in both the property portfolio and listed security portfolio during the financial year is set out in notes 2 and 3 to the financial statements. A list of investment properties is set out on pages 40 to 43 and a list of investments in listed securities is set out on page 38.

Post balance sheet events

The directors concluded an agreement to acquire Standard Bank Centre, Cape Town, for an aggregate purchase price of R218 million. The purchase price is to be settled by an amount of R109 million payable in cash on the transfer date and the balance by the issue of 42 745 098 Redefine linked units at an issue price of R2,55 per linked unit.

Borrowing powers

The directors are authorised to borrow funds without limit, subject

to loan covenant restrictions in place with the group's bankers.

Subsidiaries

The company's interest in subsidiaries is set out on page 36.

Management contract and administration

The group's asset and property management function are contracted out to Corpcapital Limited on market related terms. The Chief Executive Officer of Redefine Income Fund Limited is employed and remunerated by Corpcapital Limited. The remuneration, excluding bonus, is recovered from Redefine. In turn, the day-to-day management of the property portfolio has been outsourced to Broll Property Group (Proprietary) Limited and JHI Real Estate Limited, independent property management companies.

Directorate

The directors of the company are:

- B Azizollahoff (British) (Chief Executive Officer) *
Appointed 22 April 2003
- W Cesman (Chairman) •
Appointed 1 November 1999
- E Ellering •
Appointed 1 November 1999
- J Kron •
Appointed 31 August 2000
- P Penhall
Resigned 31 March 2003
- D Solomon •
Appointed 26 August 2003
- J Solomon •
Appointed 26 August 2003
- M Wainer •
Appointed 1 November 1999

* Executive • Non-executive

For the year 31 August 2003

Directors' unitholding

The interest of the directors in the linked units of the company as at 31 August 2003 were as follows:

	Beneficial direct	Non-beneficial indirect	Percentage direct	Percentage indirect
E Ellerine	–	1 927 900	0.0%	0.5%
D Solomon and J Solomon	–	12 000 000	0.0%	2.9%
M Wainer	–	75 400	0.0%	0.0%
	–	14 003 300	0.0%	3.4%

There have been no material changes in the directors' holdings since the financial year-end.

Directors' interest in contracts

The company acquired 16 000 000 linked units, at R1.69 per linked unit, in Arnold Property Fund Limited from Solomon Brothers Property Holdings (Pty) Ltd, of which D Solomon and J Solomon are directors. The purchase price of R27 090 000 was settled by way of the issue of 11 600 000 Redefine Income Fund Limited linked units and R2 150 000 in cash.

There were no other material contracts involving directors' interest during the year.

Auditors

The auditors of the company, Fisher Hoffman PKF (Jhb) Inc., will continue in office in accordance with section 270 (2) of the Companies Act.

Secretary

Probitry Business Services (Pty) Limited

Business address: Unit C1, Guild Office Park, 2 Guild Road, Parktown

Postal address: P O Box 85392, Emmarentia, 2029

Balance sheet



At 31 August 2003

	Notes	Group		Company	
		2003 R000	2002 R000	2003 R000	2002 R000
Assets					
Non-current assets		2 448 578	1 894 390	898 438	660 877
Property portfolio	2	1 139 256	807 777	–	–
Listed security portfolio	3	1 309 322	1 086 613	–	–
Investment in subsidiary	4	–	–	898 438	660 877
Current assets		76 729	58 698	27 464	30 525
Trading securities	5	5 392	–	–	–
Trade and other receivables	6	71 313	58 191	27 464	30 525
Debtors for property and listed security sales		–	502	–	–
Cash and cash equivalents		24	5	–	–
Total assets		2 525 307	1 953 088	925 902	691 402
Equity and Liabilities					
Capital and reserves		994 503	753 666	898 403	660 877
Linked unit capital	7	883 478	658 513	898 403	660 877
Non-distributable reserve	8	146 493	95 153	–	–
Deferred interest rate hedging loss		(35 468)	–	–	–
Non-current liabilities		1 468 072	1 100 201	–	–
Interest-bearing liabilities	10	1 432 604	1 100 201	–	–
Interest rate swaps	11	35 468	–	–	–
Current liabilities		62 732	99 221	27 499	30 525
Interest-bearing liabilities		17 086	26 240	–	–
Trade and other payables		15 754	10 223	772	800
Bank overdraft	12	3 165	33 033	–	–
Unitholders for distribution		26 727	29 725	26 727	29 725
Total equity and liabilities		2 525 307	1 953 088	925 902	691 402



The net asset value per linked unit grew from R2.35 in 2002 to R2.41 in 2003.

For the year ended 31 August 2003

	<i>Notes</i>	Group		Company	
		2003 R000	2002 R000	2003 R000	2002 R000
Revenue					
Property portfolio	1.1	197 919	106 695	–	–
Listed security portfolio	1.2	164 174	142 116	–	–
Investment income	13	–	–	114 840	104 838
		362 093	248 811	114 840	104 838
Operating costs - Property portfolio		52 691	25 678	–	–
Administration costs		17 415	11 451	965	1 198
Operating profit	14	291 987	211 682	113 875	103 640
Capital gain (loss) on non-current assets	15	51 340	(79 674)	–	–
Profit from operations		343 327	132 008	113 875	103 640
Interest received		6 657	1 211	3 046	–
Profit before finance charges		349 984	133 219	116 921	103 640
Finance charges	16	182 447	109 437	–	–
Profit before taxation		167 537	23 782	116 921	103 640
Taxation	17	–	–	–	–
Profit attributable to linked unitholders		167 537	23 782	116 921	103 640
Actual number of linked units in issue (000's)		413 016	321 068	418 883	322 038
Weighted number of linked units in issue (000's)		392 839	279 096	395 695	279 581
Earnings per linked unit (cents)	18	42.65	8.52	29.55	37.07
Headline earnings per linked unit (cents)	18	29.58	37.07	29.55	37.07
Distribution per linked unit (cents)		29.75	37.00	29.75	37.00
• Distribution first quarter		8.50	9.00	8.50	9.00
• Distribution second quarter		8.50	9.00	8.50	9.00
• Distribution third quarter		6.25	9.50	6.25	9.50
• Distribution fourth quarter		6.50	9.50	6.50	9.50

Statement of changes in equity



For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
Share Capital				
Balance at beginning of period	321	237	322	237
Treasury scrip	(5)	(1)	–	–
Acquisition of properties	28	34	28	34
Acquisition of listed security portfolios	14	51	14	51
Issue for cash	55	–	55	–
Balance at end of period	413	321	419	322
Share premium				
Balance at beginning of period	80 269	42 955	80 886	42 955
Treasury scrip	(3 744)	(617)	–	–
Acquisition of properties	20 639	15 200	20 639	15 200
Acquisition of listed security portfolios	5 421	25 103	5 421	25 103
Issue for cash	38 227	–	38 227	–
Issue expenses written off	(1 178)	(2 372)	(1 178)	(2 372)
Balance at end of period	139 634	80 269	143 995	80 886
Debentures				
Balance at beginning of period	577 923	426 805	579 669	426 805
Treasury scrip	(8 812)	(1 746)	–	–
Acquisition of properties	50 876	61 266	50 876	61 266
Acquisition of listed security portfolios	25 005	91 598	25 005	91 598
Issue for cash	98 439	–	98 439	–
Balance at end of period	743 431	577 923	753 989	579 669
Non-distributable reserve				
Balance at beginning of period	95 153	174 827	–	–
Transfer from (to) retained earnings	51 340	(79 674)	–	–
Balance at end of period	146 493	95 153	–	–
Deferred interest rate hedging loss				
Balance at beginning of period	7 791	–	–	–
• As previously stated	–	–	–	–
• Deferred interest rate hedging gain	7 791	–	–	–
Revaluation of interest rate swaps	(43 259)	–	–	–
Balance at end of period	(35 468)	–	–	–
Retained earnings				
Balance at beginning of period	–	–	–	–
Profit attributable to linked unit holders	167 537	23 782	116 921	103 640
Distribution to linked unitholders	(116 197)	(103 456)	(116 921)	(103 640)
Transfer (to) from non-distributable reserve	(51 340)	79 674	–	–
Balance at end of period	–	–	–	–

For the year ended 31 August 2003

	Notes	Group		Company	
		2003 R000	2002 R000	2003 R000	2002 R000
Cash effects from operating activities		(15 085)	(47 252)	35	–
Cash receipts from tenants and investments		343 579	203 220	117 901	95 713
Cash paid to suppliers		(63 679)	(47 175)	(993)	(458)
Cash generated from operations	19	279 900	156 045	116 908	95 255
Interest received		6 657	1 211	3 046	–
Finance charges		(182 447)	(109 437)	–	–
Distributions paid	20	(119 195)	(95 071)	(119 919)	(95 255)
Cash effects of investing activities		(503 242)	(621 308)	(237 561)	(190 880)
Acquisition of properties		(407 993)	(360 888)	–	–
Acquisition of listed securities		(277 674)	(425 511)	–	–
Purchase of non-current assets		(685 667)	(786 399)	–	–
Proceeds on disposal of properties		4 057	8 318	–	–
Proceeds on disposal of listed securities		178 368	156 773	–	–
Loans advanced to subsidiaries		–	–	(237 561)	(190 880)
Cash effects from financing activities		548 214	603 172	237 526	190 880
Linked units issued		224 965	188 516	237 526	190 880
Long-term borrowings raised		332 403	400 999	–	–
Short-term borrowings (repaid) raised		(9 154)	13 657	–	–
Net movement in cash and cash equivalents		29 887	(65 388)	–	–
Opening cash and cash equivalents		(33 028)	32 360	–	–
Closing cash and cash equivalents		(3 141)	(33 028)	–	–



Net increase in cash and cash equivalents of R29.9 million during the financial year.

The Pro Shop

Location: Woodmead, Gauteng
Gross lettable area: 5 045m²

Category: Specialist retail
Sole tenant: Moresport



For the year ended 31 August 2003

1. Accounting policies

The financial statements are prepared on the historical cost basis, except for investment properties, listed securities and interest rate swaps which are carried at fair value, and incorporate the principal accounting policies set out below, which conform with South African Statements of Generally Accepted Accounting Practice.

The accounting policies are consistent with those applied in the prior year except for the adoption of AC133 Financial Instruments: Recognition and Measurement, the effects of which are set out in note 9.

1.1 Fixed property revenue

Fixed property revenue comprises gross rent and operating expense recoveries from the letting of property and is recognised in accordance with the payment terms stipulated in the relevant lease agreements.

1.2 Listed security revenue

Distributions from listed securities are recognised when the right to receive income has been established and accounted for on a time apportionment basis aimed at reflecting revenue relative to the effective holding period.

1.3 Investment properties

Fixed properties are held as investment properties and are stated at fair value. Fair values are determined on an open market basis by independent valuers on an annual basis.

Property values are adjusted to fair value on an annual basis. Surplus' and deficits are transferred to or from a non-distributable revaluation reserve.

Profits arising from the disposal of fixed properties are transferred to the non-distributable reserve. Losses arising from the disposal of fixed properties are charged against the non-distributable reserve to the extent possible and the balance thereafter against distributable reserves.

1.4 Investment in listed securities

Listed securities are restated to fair value annually. Fair values are based on market values as represented by the average quoted price of the listed security over a 21 day period bridging the financial year-end, allowing for market depth and liquidity, premium for control and

transaction costs. The net surplus or deficit on revaluation is transferred to or from a non-distributable reserve.

Profits arising from the disposal of listed securities are transferred to a non-distributable reserve. Losses arising from the disposal of listed securities are charged against the non-distributable reserve to the extent possible, and thereafter against distributable reserves.

1.5 Basis of consolidation

The financial statements incorporate those of the company and its subsidiaries. All material inter-company transactions and balances have been eliminated.

1.6 Tenant installations and lease commissions

Material tenant installations and lease commissions are capitalised and amortised over the period of the lease. The deferred portion is included in trade and other receivables.

1.7 Deferred taxation

Deferred taxation is provided for on the comprehensive basis. Deferred tax assets are raised only to the extent that their recovery is probable.

1.8 Financial instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, receivables, trade and other payables, equity, borrowings and interest rate swaps. Subsequent to initial recognition, which is at cost, these instruments are measured as follows:

- cash and cash equivalents are measured at fair value;
- receivables are stated at cost less provision for doubtful debts;
- trade and other payables are stated at nominal value;
- equity instruments are recorded at the proceeds received less direct issue costs;
- debenture liabilities are considered to be held to maturity financial instruments and are reflected at amortised cost;
- borrowings are stated at nominal value and
- interest rate swap contracts are utilised in managing interest rate risk. These contracts are valued at their fair value as determined with reference to the interest rate yield curve applicable at date of valuation. Payments and receipts under these contracts are recognised in the income statement on a basis consistent with the corresponding fluctuations in the interest payments on floating rate liabilities.

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
2. Property portfolio				
Balance at beginning of year	805 100	447 144	—	—
Additions	406 928	358 557	—	—
Disposals	(6 845)	(9 601)	—	—
Revaluation	(68 773)	9 000	—	—
	1 136 410	805 100	—	—
Improvements capitalised	2 846	2 677	—	—
• Improvements	4 214	3149	—	—
• Accumulated amortisation	(1 368)	(472)	—	—
	1 139 256	807 777	—	—
The valuations were performed by Mills Fitchet (Transvaal) CC and Marriott Property Services (Pty) Ltd registered valuers in terms of Section 19 of the Property Valuers Profession Act (Act No. 47 of 2000).				
The valuation basis applied is open market value utilising the investment method of valuation, where net income flow is capitalised using an appropriate rate. A schedule of investment properties is set out on pages 40 to 43. A register of investment properties is available for inspection at the registered office of the company. The properties are encumbered as set out in note 10.				
3. Listed security portfolio				
Balance at beginning of year	1 086 613	902 087	—	—
Additions	277 674	425 511	—	—
Disposals	(148 694)	(128 532)	—	—
Revaluation	93 729	(112 453)	—	—
	1 309 322	1 086 613	—	—
A schedule of listed securities is set out on page 38. The listed securities are encumbered as set out in note 10.				
4. Investment in subsidiary				
Shares at cost	—	—	—*	—*
Loan to subsidiary	—	—	898 438	660 877
	—	—	898 438	660 877
A schedule of subsidiaries is set out on page 36. * Below R1 000				
5. Trading securities				
Bonatla - 15 167 473 units purchased	6 084	—	—	—
- 5 387 378 units sold	(2 161)	—	—	—
Revaluation	1 469	—	—	—
	5 392	—	—	—

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
6. Trade and other receivables				
Tenant and trade debtors	6 339	3 884	27 464	30 525
Unamortised tenant installations and lease commissions	13 308	3 330	–	–
Listed security distributions receivable	45 262	43 539	–	–
Deposits and prepayments	6 404	7 438	–	–
	71 313	58 191	27 464	30 525
7. Linked unit capital				
7.1 Share capital				
7.1.1 Authorised				
1 000 000 000 ordinary shares of 0.1 cent	1 000	1 000	1 000	1 000
7.1.2 Issued	413	321	419	322
418 882 976 (2002: 322 038 595) ordinary shares of 0.1 cent	419	322	419	322
Less: Treasury scrip (5 866 500 (2002: 970 433) ordinary shares)	(6)	(1)	–	–
The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting.				
The issue of each share is irrevocably linked to one debenture, together comprising one linked unit.				
7.2 Debenture capital				
7.2.1 Issued	743 431	577 923	753 989	579 669
418 882 976 (2002: 322 038 595) debentures of 180 cents	753 989	579 669	753 989	579 669
Less: Treasury scrip (5 866 500 (2002: 970 433) debentures)	(10 558)	(1 746)	–	–
Debentures bear interest at a variable rate equating to the headline earnings attributable to linked unitholders.				
The debentures are unsecured and are subordinated in favour of the company's other creditors.				
The debentures are redeemable 25 years from date of allotment, subject to one year's notice, if so elected by debenture holders by way of a special resolution.				
7.3 Share premium	139 634	80 269	143 995	80 886
Premium arising on the issue of linked units	151 402	87 114	151 402	87 114
Issue and preliminary expenses written off	(7 407)	(6 228)	(7 407)	(6 228)
Treasury scrip	(4 365)	(617)	–	–
Gain on disposal of treasury scrip	4	–	–	–
	883 478	658 513	898 403	660 877

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
8. Non-distributable reserve				
Loss on disposal of properties	(8 727)	(5 437)	—	—
(Loss) gain on revaluation of properties	(59 773)	9 000	—	—
Gain on disposal of listed securities	73 289	43 615	—	—
Gain on revaluation of listed securities	141 704	47 975	—	—
	146 493	95 153	—	—
9. Change in accounting policy				
The group has adopted AC133 Financial Instruments: Recognition and Measurement. This has resulted in the recognition of the fair value of interest rate swaps on balance sheet and the corresponding deferred interest rate hedging gain or loss reported directly in equity as the interest rate swaps are treated as cash flow hedges in terms of AC133. Cash flows under interest swap agreements are included in finance charges as and when they are incurred.				
The financial effects are as follows:				
• Earnings	—	—	—	—
• Headline earnings	—	—	—	—
• Increase in opening capital and reserves	7 791	—	—	—
• Decrease in closing capital and reserves	(35 468)	—	—	—
10. Interest bearing liabilities				
10.1 ABSA Trust				
Total liability	70 260	—	—	—
Short-term portion	—	—	—	—
Long term portion	70 260	—	—	—
Secured by first mortgage bonds over fixed properties with a carrying value of R89m. The loan period is 5 years terminating on 1 March 2008. Interest accrues at a fixed rate of 13.5% on R68.12m until 13 December 2003, thereafter at prime less 1%. The remainder of the loan bears interest at prime less 1% and interest is paid in arrears. Only interest is payable and capital is repayable on the termination date.				
10.2 Nedbank Corporate (a division of Nedbank Limited)				
Total liability	530 357	399 930	—	—
Short-term portion	(6 248)	(5 113)	—	—
Long term portion	524 109	394 817	—	—
Secured by first mortgage bonds over fixed properties with a carrying value of R439m and pledge of listed securities with a carrying value of R433m. The loan period is 10 years terminating on 27 January 2013. Interest accrues at rates linked to the ruling BA rate or at prime less 1.65% and is payable in arrears. Only interest is payable for the first 5 years to 27 January 2008, thereafter capital and interest.				

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
10. Interest bearing liabilities (continued)				
<i>10.3 Standard Bank Properties (a division of the Standard Bank of South Africa Limited)</i>				
Total liability	674 486	702 261	—	—
Short-term portion	(6 654)	(21 127)	—	—
Long term portion	667 832	681 134	—	—
Secured by first mortgage bonds over fixed properties with a carrying value of R542m and pledge of listed securities with a carrying value of R807m. The loan period is 10 years terminating on 31 August 2012. Interest accrues at rates linked to the ruling NACM rate, JIBAR rate or at prime less 1% and is payable in arrears. Only interest is payable for the first 4 years to 31 August 2006, thereafter capital and interest.				
<i>10.4 Direct vendor liabilities</i>				
Total liability	174 587	24 250	—	—
Short-term portion	(4 184)	—	—	—
Long term portion	170 403	24 250	—	—
These liabilities are to be settled out of approved facilities with Nedbank Corporate and Standard Bank Properties and the issue of 9 148 546 Redefine Income Fund Limited linked units on transfer and registration of the properties and linked units.				
The group has entered into various interest swap agreements with Gensec Bank Limited and Standard Corporate and Merchant Bank (a division of the Standard Bank of South Africa Limited) to hedge against interest rate risks, refer note 11 for details.				
	1 432 604	1 100 201	—	—
11. Interest rate swaps				
Nominal amount and termination date	Fixed rate			
• R150 000 000 terminating on 3 November 2003	11.03%	138	—	—
• R150 000 000 terminating on 2 February 2004	11.08%	1 080	—	—
• R150 000 000 terminating on 3 May 2004	11.14%	2 150	—	—
• R232 000 000 terminating on 13 December 2007	10.84%	11 640	—	—
• R175 000 000 terminating on 20 December 2009	10.89%	9 700	—	—
• R175 000 000 terminating on 13 January 2010	10.57%	6 960	—	—
• R200 000 000 terminating on 31 August 2007	11.29%	12 220	—	—
• R130 000 000 terminating on 30 September 2010	9.32%	(2 890)	—	—
• R150 000 000 terminating on 3 November 2010	9.28%	(3 710)	—	—
• R68 000 000 terminating on 16 December 2010	9.25%	(1 820)	—	—
Fair value of contracted rate swap agreements	35 468	—	—	—
The interest rate swaps hedge the group against fluctuations in short term interest rates and swap out exposure to the three month BA, NACM and JIBAR rates on long term liabilities, as detailed in note 10, for a fixed interest rate for a period of time. The interest rate swaps reset on a quarterly basis with net receipts or payments made in arrears. The rates reflected are clean rates before the banks' reserving costs and margin.				

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
12. Bank Overdraft				
Standard Bank of South Africa Limited	3 165	33 033	–	–
The group has a R40 million overdraft facility secured on the same terms as the loan in 10.3 above.				
13. Investment income				
Interest received from subsidiaries	–	–	114 840	104 838
14. Operating profit				
Operating profit includes				
Expenses:				
Amortisation of capitalised lease costs	2 372	1 339	–	–
Auditor's remuneration	336	253	–	–
• External auditor - current year audit	276	204	–	–
• External auditor - report on forecast and taxation services	60	49	–	–
Internal audit	140	–	–	–
Asset management fees (Corpcapital Limited)	11 511	7 287	–	–
Property management fees:	10 030	5 167	–	–
• Corpcapital Limited - staff and management services	3 272	1 973	–	–
• Independent property managers	6 249	3 147	–	–
• Solomon Brothers Property Holdings (Pty) Ltd	509	47	–	–
Valuation fees paid to third parties	300	234	–	–
Directors' remuneration				
• For services as directors	210	147	210	147
B Azizollahoff (Paid to Corpcapital Limited)	12	–	12	–
W Cesman (Paid to Corpcapital Limited)	30	30	30	30
E Ellerine (Paid to Corpcapital Limited)	30	30	30	30
J Kron (Paid to Deneys Reitz Inc.)	30	30	30	30
P Penhall (Paid to Corpcapital Limited)	18	27	18	27
D Solomon (Paid to Solomon Brothers (Pty) Ltd)	30	–	30	–
J Solomon (Paid to Solomon Brothers (Pty) Ltd)	30	–	30	–
M Wainer (Paid to Corpcapital Limited)	30	30	30	30
15. Capital gain (loss) on non-current assets				
Property portfolio				
• Realised loss on sale at cost	(3 290)	(4 765)	–	–
• Unrealised (loss) gain on revaluation	(68 773)	9 000	–	–
Listed security portfolio				
• Realised gain on sale at cost	29 674	28 543	–	–
• Unrealised gain (loss) on revaluation	93 729	(112 452)	–	–
	51 340	(79 674)	–	–

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
16. Finance charges				
Interest paid on non-current liabilities	205 282	101 737	–	–
Net (profit) cost of interest rate swaps	(24 751)	5 525	–	–
Interest paid on overdraft	1 703	636	–	–
Other interest paid	213	1 539	–	–
	182 447	109 437		
17. Taxation				
<i>17.1 Normal tax</i>				
S A normal tax	–	–	–	–
<i>17.2 Reconciliation between applicable tax rate and effective tax rate</i>				
S A normal tax applied to profit before tax	50 260	7 134	35 076	31 092
Tax effect of				
• Capital loss on sale of fixed properties	987	1 430	–	–
• Capital profit on sale of listed securities	(8 902)	(8 563)	–	–
• Capital loss (gain) on revaluation of properties	20 632	(2 700)		
• Capital (gain) loss on revaluation of listed securities	(28 118)	33 736	–	–
• Interest distributions to linked unitholders	(34 859)	(31 037)	(35 076)	(31 092)
Effective tax rate	–	–	–	–
18. Earnings and distribution per linked unit				
Earnings per linked unit are calculated on the weighted average number of units ranking for distribution of 392 839 354 (2002: 279 096 115) and net income before interest distribution to linked unitholders, but after tax of R167 536 566 (2002: R23 781 541) and headline earnings of R116 196 968 (2002: R103 456 212).				
Reconciliation of headline earnings				
Profit attributable to linked unitholders	167 537	23 782	116 921	103 640
Capital (gain) loss on non-current assets	(51 340)	79 674	–	–
Headline earnings and distributions	116 197	103 456	116 921	103 640

For the year ended 31 August 2003

	Group		Company	
	2003 R000	2002 R000	2003 R000	2002 R000
19. Cash generated from operations				
Reconciliation of profit before taxation to cash generated from operations				
Profit before taxation	167 537	23 782	116 921	103 640
Adjusted for:				
Revaluation of trading securities	(1 469)	–	–	–
Loss on disposal of fixed properties	3 290	4 765	–	–
Profit on disposal of listed securities	(29 674)	(28 543)	–	–
(Loss) gain on revaluation of fixed properties	68 773	(9 000)	–	–
(Gain) loss on revaluation of listed securities	(93 729)	112 452	–	–
Interest income	(6 657)	(1 211)	(3 046)	–
Lease commissions amortised	1 020	791	–	–
Tenant installations amortised	1 352	548	–	–
Improvement amortisation	896	417	–	–
Finance charges paid	182 447	109 437	–	–
Operating profit before working capital changes	293 786	213 438	113 875	103 640
Working capital changes				
(Increase) decrease in trade and other receivables	(19 417)	(46 930)	3 061	(9 125)
(Decrease) increase in trade and other payables	5 531	(10 463)	(28)	740
	279 900	156 045	116 908	95 255
20. Distributions paid				
Opening balance payable	29 725	21 340	29 725	21 340
Distribution declared	116 197	103 456	116 921	103 640
Closing balance payable	(26 727)	(29 725)	(26 727)	(29 725)
	119 195	95 071	119 919	95 255

For the year ended 31 August 2003

21. Contingent liabilities

Guarantees totalling R835 411 have been issued on the group's behalf, by Standard Bank of South Africa Limited, to various municipal councils in lieu of deposits for services. There are no other material guarantees or contingent liabilities at the date of this report.

22. Financial risk management

The financial instruments consist of deposits with banks, overdraft facilities, accounts receivable and accounts payable. The carrying book value of the financial instruments above approximates fair value.

Credit risk management

Credit risk consists mainly of tenant debtors, which are widespread with no dependence on any single tenant. Continuous attention is paid to the financial strength of the tenants. At the year end management did not consider there to be any material risk exposure. Provision is made for identified bad debts.

Interest rate risk management

Interest rate risk is managed by the use of interest rate swaps and financing linked to long bond yields. The rate swaps on R1 580 million are detailed in note 11. At year end they were valued at negative R35.5 million at applicable rates. Risk is also minimised by monitoring cashflows and where possible applying surplus cash against long term interest bearing liabilities.

Liquidity risk management

Adequate cash resources to meet working capital requirements are maintained at all times and where possible surplus cash is applied on an access basis against long term interest bearing liabilities.

23. Post balance sheet events

23.1 Fixed property acquisitions

Purchase of Standard Bank Centre, Cape Town, for an aggregate purchase consideration of R218 million.

24. Related party disclosure

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

24.1 Identity of the related party with whom material transactions have occurred.

Corpcapital Limited and its Subsidiaries.

Solomon Brothers Property Holdings (Pty) Ltd and its Subsidiaries.

24.2 Type of related party transactions

Redefine Income Fund Limited has paid management, corporate finance, directors, legal and transaction fees to the Corpcapital Group and the Solomon Brothers Group in the normal course of business.

24.3 Material related party transactions

Transactions with Corpcapital Limited:

- Property management fees - R2 082 000
- Fee paid for services of CEO - R1 190 000
- Asset management fee - R11 511 000
- An incentive fee based on growth in market capitalisation - R Nil
- Directors' fees - R120 000
- Sponsor, corporate finance and legal fees - R880 500
- Deal fees - R Nil

Transactions with Solomon Brothers Property Holdings (Pty) Ltd

- Warranted rental received - R5 645 000
- Property management fees paid - R509 000
- Lease commissions paid - R Nil
- Directors' fees - R60 000
- Purchase 16 000 000 Arnold Property Fund linked units - R27 090 000

For the year ended 31 August 2003

	Issued share □ capital	Indebtedness R000	Shares at cost R000
Share Capital			
Outward Investments (Proprietary) Limited	100	898 438	\$
Portion 65 Rivonia Ext 3 (Proprietary) Limited	100	*	*
Portion 68 Rivonia Ext 3 (Proprietary) Limited	100	*	*
Terminus Klerksdorp (Proprietary) Limited	4	*	*
		898 438	\$

§ Below R1 000

* Held by Outward Investments (Pty) Ltd

□ All subsidiaries are wholly owned

Segmental analysis for the period ended 31 August 2003

	At value			Revenue		
	Amount R000	% of sector	% of total	Amount R000	% of sector	% of total
Investment assets						
Properties	1 136 410		46	197 919		55
Listed securities	1 309 322		54	164 174		45
	2 445 732		100	362 093		100
Property portfolio						
Industrial	146 770	13	6	30 494	15	8
Offices	657 180	58	27	115 336	58	32
Retail	332 460	29	14	52 089	26	14
	1 136 410	100	46	197 919	100	55
Listed securities portfolio						
PLS's	814 502	62	33	96 739	59	27
PUT's	494 820	38	20	67 435	41	18
	1 309 322	100	54	164 174	100	45

Listed security portfolio



For the year ended 31 August 2003

Fund	Fund type	Number of units	Total units in issue	% held	% of portfolio	At value
						R000
S A Retail	PLS	40 886 800	168 596 335	24.3	18.1	236 536 952
Martprop	PUT	81 827 629	641 015 869	12.8	13.4	175 685 319
Hyprop	PLS	10 782 728	89 009 179	12.1	10.0	130 374 186
ApexHi A	PLS	16 949 969	131 058 795	12.9	9.5	124 726 030
ApexHi B	PLS	19 639 635	131 058 795	15.0	9.0	118 303 022
Capital	PUT	51 417 849	184 616 343	27.9	8.0	105 027 145
Growthpoint	PLS	16 303 265	343 288 934	4.7	7.4	97 381 161
Sycom	PUT	9 231 670	169 598 000	5.4	6.7	87 816 888
Prima	PUT	88 235 294	166 387 500	53.0	5.4	70 756 294
Allan Gray	PUT	20 497 526	930 857 895	2.2	4.2	55 534 655
Shops for Africa	PLS	22 909 702	65 896 115	34.8	3.7	48 973 689
Arnold	PLS	52 799 024	168 626 123	31.3	2.7	35 575 793
Spearhead	PLS	760 870	14 693 941	5.2	0.7	9 439 139
Paramount	PLS	2 086 720	34 043 000	6.1	0.5	7 075 691
Rand Leases	PLS	10 638 500	79 359 000	13.4	0.5	6 115 737
					100.0	1 309 321 701



The listed unit portfolio increased by R223-million during the financial year.

Stonewedge

Location: Bryanston, Gauteng
Gross lettable area: 5 951m²

Category: Commercial

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For the year ended 31 August 2003

Property	Province	Location	Description	GLA	% Vacant	Value 2003
Commercial Sector						R
12 Rivonia Road	Gauteng	Illovo	Low-rise office	1 845	–	12 020 000
15 Baker Street	Gauteng	Rosebank	Low-rise office	7 130	–	27 800 000
18 Hurlingham Road	Gauteng	Illovo	Low-rise office	1 189	–	7 770 000
2 Sherborne Avenue	Gauteng	Parktown	Low-rise office	950	–	2 230 000
22 Hurlingham Road	Gauteng	Illovo	Low-rise office	1 199	–	5 732 552
24 Hurlingham Road	Gauteng	Illovo	Low-rise office	1 197	10.9	8 557 448
36 Morsim Road	Gauteng	Hyde Park	Low-rise office	2 029	–	12 180 000
44 Wierda Road	Gauteng	Wierda Valley	Low-rise office	1 000	–	3 670 000
ABSA Park Ridge	Gauteng	Parktown	Office park	10 255	–	62 000 000
Agency I	Gauteng	Sunninghill	Low-rise office	2 548	–	18 030 000
Agency II	Gauteng	Sunninghill	Low-rise office	3 254	–	17 590 000
Allhart Park	Gauteng	Woodmead	Office park	4 464	21.3	15 960 000
Bruma Boulevard	Gauteng	Bruma	Office park	4 570	–	19 715 070
BSW Data	Gauteng	Midrand	Low-rise office	6 157	–	23 500 000
Cheshan	Gauteng	Bryanston	Low-rise office	1 019	1.8	4 900 000
College House	Gauteng	Bryanston	Low-rise office	1 834	–	9 310 000
ClearChannel Independent	Gauteng	Hurlingham	Low-rise office	3 974	–	25 200 000
Enel	Gauteng	Bryanston	Low-rise office	272	–	1 400 000
Engen House	Gauteng	Midrand	Low-rise office	2 508	–	10 110 000
Enterprise IG	Gauteng	Sunninghill	Low-rise office	2 388	–	13 510 000
Finance House	Gauteng	Bruma	Office with retail	7 090	26.0	26 390 000
Homestead	Gauteng	Bryanston	Low-rise office	3 141	17.2	18 400 000
Howick Mews	Gauteng	Midrand	Low-rise office	3 408	22.3	10 070 000
Hyde Park Manor	Gauteng	Hyde Park	Low-rise office	4 379	1.2	12 370 000
Lakeside II	Gauteng	Bruma	Low-rise office	3 983	33.6	10 130 000
Lyons House	Gauteng	Benmore	Low-rise office	1 644	–	10 690 000
Mellis Park 1	Gauteng	Rivonia	Low-rise office	634	100.0	1 750 000
Monitor House	Gauteng	Houghton	Low-rise office	1 700	–	11 200 000



Acquired 29 properties, increasing the value of the property portfolio to R1.14 billion and the GLA to 410 220m².

For the year ended 31 August 2003

Property	Province	Location	Description	GLA	% Vacant	Value 2003
Commercial Sector						R
Montrose Place	Gauteng	Midrand	Low-rise office	3 972	8.8	9 840 000
Nieuw Muckelneuk	Gauteng	Pretoria	Low-rise office	1 720	4.2	6 500 000
Proudfoot	Gauteng	Bryanston	Low-rise office	1 383	–	6 700 000
Alcom House	Gauteng	Rivonia	Low-rise office	1 679	–	6 500 000
West House	Gauteng	Rivonia	Low-rise office	975	–	3 300 000
Nortel House	Gauteng	Rivonia	Low-rise office	974	–	3 100 000
Sandhavon Office Park	Gauteng	Sandton	Low-rise office	1 938	27.7	3 900 000
Snyman De Jager Building	Gauteng	Centurion	Low-rise office	1 020	–	6 000 000
Somerset Office Park	Gauteng	Bryanston	Office park	867	31.4	2 800 000
Stonewedge	Gauteng	Bryanston	Office park	5 951	12.3	32 300 000
Sunninghill Erf 1375	Gauteng	Sunninghill	Low-rise office	745	–	3 700 000
Sunninghill Erf 1376/7/8	Gauteng	Sunninghill	Low-rise office	3 009	12.5	12 500 000
TBWA Benmore	Gauteng	Sandton	Low-rise office	1 792	–	8 470 000
TBWA Houghton	Gauteng	Houghton	Low-rise office	1 492	–	9 060 000
The Avenues	Gauteng	Rivonia	Low-rise office	6 037	51.7	19 290 000
Waterview Corner	Gauteng	Bruma	Office park	3 938	–	15 064 930
Wedgefield	Gauteng	Bryanston	Office park	3 393	–	19 800 000
Woodmead 4 & 5	Gauteng	Woodmead	Low-rise office	1 526	18.6	6 110 000
Fountain Place	Western Cape	Foreshore C.T.	High-rise office with retail	5 583	70.2	9 000 000
Old Town Square	Western Cape	Cape Town	Low-rise office with retail	10 404	20.0	25 000 000
Parking on Pepper	Western Cape	Cape Town	Parking with retail	130	–	4 000 000
Rodene Studios	Western Cape	Cape Town	Low-rise office	2 690	–	9 600 000
The Chambers	Western Cape	Cape Town	Low-rise office	2 762	–	11 000 000
Essex Gardens	KwaZulu-Natal	Berea	Low-rise office	6 633	16.7	16 300 000
Pick 'n Pay - Bloemfontein	Free State	Bloemfontein	Low-rise office	1 188	–	5 160 000

For the year ended 31 August 2003

Property	Province	Location	Description	GLA	% Vacant	Value 2003
Retail Sector						R
Bryanston Carvenience	Gauteng	Bryanston	Speciality motor retail	3 732	16.2	20 000 000
Corporate Park Shopping Centre	Gauteng	Midrand	Neighbourhood retail	3 911	20.1	13 600 000
Elac House	Gauteng	La Rochelle	Retail with office	1 673	–	1 440 000
First National Bank - Centurion	Gauteng	Centurion	Low-rise office	1 920	–	11 300 000
Fontainebleau	Gauteng	Randburg	Neighbourhood retail	3 890	65.6	11 300 000
Meadowdale	Gauteng	Edenvale	Speciality motor retail	8 388	–	28 420 000
Monument Commercial	Gauteng	Krugersdorp	Speciality motor retail	11 634	3.3	31 000 000
Motor City - Capital Park	Gauteng	Pretoria	Speciality motor retail	7 486	12.7	15 000 000
Post House	Gauteng	Bryanston	Neighbourhood retail	2 751	17.4	14 700 000
Saambou - Blackheath	Gauteng	Randburg	Speciality retail	1 143	–	3 000 000
Sandown Motors	Gauteng	Midrand	Speciality motor retail	4 133	–	12 110 000
Shoprite - Boksburg	Gauteng	Boksburg	Neighbourhood retail	3 044	–	6 140 000
Standard Bank Alberton	Gauteng	Alberton	Retail & office	2 615	–	6 900 000
Standard Bank Centurion	Gauteng	Centurion	Retail & office	3 088	–	10 600 000
Standard Bank Rosebank	Gauteng	Rosebank	Retail & office	4 138	2.8	12 000 000
The Pro Shop	Gauteng	Woodmead	Speciality retail	5 045	–	15 800 000
Virgin Active Benoni	Gauteng	Benoni	Gym	3 154	–	10 900 000
Wedge Shopping Centre	Gauteng	Bryanston	Neighbourhood retail	5 111	7.5	21 200 000
Williams Hunt Randburg	Gauteng	Randburg	Speciality motor retail	3 350	–	16 100 000
The Square	Eastern Cape	Plettenberg Bay	Neighbourhood retail	3 587	20.8	11 150 000
ABSA Building - Secunda	Mpumalanga	Secunda	Retail & office	2 359	–	8 000 000
Checkers - Pietersburg	Limpopo	Pietersburg	Community retail centre	8 412	–	15 000 000
ABSA Building - Amanzimtoti	KwaZulu-Natal	Amanzimtoti	Retail & office	1 312	–	3 800 000
Scott Street Mall	KwaZulu-Natal	Newcastle	Community retail centre	8 900	–	33 000 000

For the year ended 31 August 2003

Property	Province	Location	Description	GLA	% Vacant	Value 2003
Industrial Sector						R
Amalgamated Appliances	Gauteng	Reuven	Warehousing	21 313	–	11 700 000
Bernie Street	Gauteng	Kya Sands	Light industrial	6 391	–	8 000 000
Dunlop	Gauteng	Isando	Warehousing with office	32 089	0.1	31 270 000
Kyalami Park - Stand 36	Gauteng	Kyalami	Light industrial	838	–	1 960 000
Kyalami Park - Stand 37/38	Gauteng	Kyalami	Light industrial	1 740	–	4 210 000
Stevens & Co	Gauteng	Midrand	Warehousing with office	3 460	–	8 000 000
The Wang Building	Gauteng	Kempton Park	Light industrial	3 914	–	7 760 000
Trimtech	Gauteng	Pretoria	Light industrial	6 669	–	11 830 000
Wingfield Park	Gauteng	Jet Park	Maxi units, warehousing with office	55 927	2.1	43 390 000
Bromgood Studios	Western Cape	Woodstock	Light industrial	7 200	–	6 000 000
Trencor	Western Cape	Epping	Warehousing	5 474	–	8 000 000
Morkels Warehouse	Free State	Bloemfontein	Warehousing	2 867	–	4 650 000
Commercial				157 562	11.6	657 180 000
Industrial				147 882	0.9	146 770 000
Retail				104 776	6.7	332 460 000
Total				410 220	6.7	1 136 410 000
Gauteng				340 719	5.7	966 750 000
KwaZulu Natal				16 845	6.6	53 100 000
Western Cape				34 243	17.5	72 600 000
Other				18 413	4.0	43 960 000
Total				410 220	6.7	1 136 410 000

At 31 August 2003

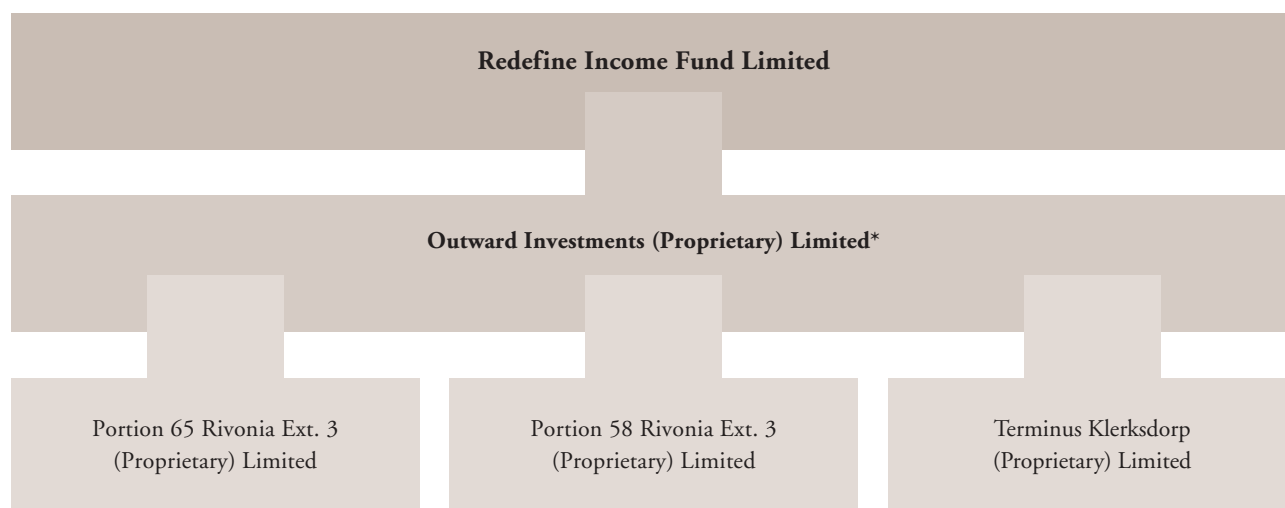
	Unitholders		Linkied Units	
	Quantity	%	Quantity	%
Individuals	2 562	77.4	51 619 275	12.5
Banks	13	0.4	48 065 108	11.6
Companies	188	5.7	117 020 524	28.3
Trusts	366	11.0	17 816 075	4.3
Institutions and funds	111	3.4	167 653 046	40.6
Other corporate bodies or associations	68	2.1	10 842 448	2.6
	3 308	100.0	413 016 476	100.0
Directors	3	0.1	14 003 300	3.4
Non-public	1	0.0	50 000 000	12.1
Public	3 304	99.9	349 013 176	84.5
	3 308	100.0	413 016 476	100.0
1 - 999	212	6.4	121 916	0.0
1 000 -9 999	1 305	39.4	5 568 974	1.3
10 000 - 99 999	1 481	44.8	41 226 252	10.0
100 000 - 999 999	266	8.0	65 588 132	15.9
1 000 000 and over	44	1.3	300 511 202	72.8
	3 308	100.0	413 016 476	100.0

Holders in excess of 5% of the total linked units in issue at 31 August 2003

	Number of units	% of total units
Marriott Funds	53 078 555	12.85
Corpcapital Limited	50 000 000	12.11
Standard Bank Group	34 766 476	8.42
Nedbank Group	26 832 800	6.50

Annual general meeting	21 November 2003
Financial year-end	31 August 2004
Announcement of interim results	April 2004
Announcement of annual results	October 2004
Annual report posted	November 2004
Quarterly income distributions <i>Payable 2 months after the end of the quarter:</i>	
Quarter 1	September - November
Quarter 2	December - February
Quarter 3	March - May
Quarter 4	June - August

Group structure



All subsidiaries are wholly owned

**The fixed properties (other than those owned directly by the property owning subsidiaries) and the listed securities are housed directly in Outward Investments (Proprietary) Limited.*

Registration number 1999/018591/06

Notice is hereby given that the annual general meeting of shareholders and debenture holders ("unitholders") of Redefine Income Fund Limited ("the company") will be held at the offices of the company at 2 Arnold Road, Rosebank, Gauteng on Friday, 21 November 2003 at 10h00 for the following purposes:

- 1. To consider and adopt the financial statements for the year ended 31 August 2003;**
- 2. To transact such other business as may be transacted at an annual general meeting of a company including the re-appointment of the auditors and re-election of retiring directors (refer attached schedule of CV's); and**
- 3. To consider and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out below, in the manner required by the South African Companies Act, 1973(Act 61 of 1973), as amended ("the Act"):**

3.1 Special resolution number 1: Linked unit purchases

"Resolved that the directors be authorised pursuant inter alia to the company's Articles of Association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months, for the company or any subsidiary of the company to acquire linked units of the company, subject to the Listings Requirements of the JSE Securities Exchange South Africa ("JSE") on the following bases:

1. the acquisition of linked units must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counter - party;
2. the company may only appoint one agent to effect repurchases on its behalf;
3. the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2003) may not in the aggregate exceed 20% (twenty percent) of the company's share capital, as at the date of this notice of general meeting;
4. repurchases of linked units may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;
5. repurchases may not take place during a prohibited period (as defined in the JSE Listings Requirements);

6. repurchases may only take place if, after such repurchase, the unitholder spread of the company still complies with the JSE Listings Requirements; and
7. after the company has acquired linked units which constitute, on a cumulative basis, 3 % (three percent) of the number of linked units in issue (at the time that authority from unitholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time".

In accordance with the JSE Listings Requirements, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves which opportunities may require expeditious and immediate action;

The directors, after considering the maximum number of securities which may be purchased and the price at which the repurchases may take place pursuant to the buyback general authority, are of the opinion that for a period of 12 months after the date of notice of this annual general meeting:

- the company will be able to pay its debts in the ordinary course of business;
- the consolidated assets of the company fairly valued in accordance with generally accepted accounting practice, will be in excess of the consolidated liabilities of the company after the buyback;
- the share capital and reserves of the company will be adequate for the purposes of the business of the company and its subsidiaries; and
- the working capital available to the company and its subsidiaries will be adequate for the purposes of the business of the company and its subsidiaries.

Reasons and effects of special resolution number 1

The reason for Special Resolution Number 1 is to afford directors of the company a general authority to effect a buyback of the company's linked units on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect acquisitions of the company's linked units on the JSE.

3.2 Ordinary resolution number 1: Issue of linked units for cash

"Resolved that the directors be authorised pursuant inter alia to the company's Articles of Association, until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting of the company provided that it shall not extend beyond 15 months, to allot and issue any linked units for cash subject to the rules and requirements of the JSE Securities Exchange South Africa ("JSE") on the following bases:

1. the allotment and issue of the linked units must be of a class of securities already in issue and must be made to persons qualifying as public shareholders as defined in the JSE Listings Requirements;
2. the number of linked units issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the company's issued share capital of linked units. The number of linked units which may be issued shall be based on the number of linked units in issue at the date of such application less any linked units issued during the current financial year, provided that any linked units to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were linked units in issue at the date of application;
3. the maximum discount at which linked units may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those linked units over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company; and
4. after the company has issued linked units for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of linked units in issue prior to that issue, the company shall publish an announcement containing full details of the issue, (including the number of linked units issued, the average discount to the weighted average traded price of the linked units over the 30 days prior to the date that the price of the issue is determined or agreed by the directors, the effect of the issue on net asset value and earnings per linked unit), or any other announcements that may be required in such regard in terms of the JSE Listings Requirement which may be applicable from time to time".

In terms of the Listings Requirements of the JSE, a 75% (seventy-five percent) majority of the votes cast by unitholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution Number 1 for it to be approved.

3.3 Ordinary resolution number 2: Unissued linked units

"Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the rules and regulations of the JSE Securities Exchange South Africa ("JSE") and the provisions of section 221 and section 222 of the Companies Act (Act 61 of 1973) as amended, authorised to allot and issue any of such linked units at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the company."

3.4 Ordinary resolution number 3: Re-election of director

"Resolved that B. Azizollahoff be and is hereby re-elected as a director of the company."

3.5 Ordinary resolution number 4: Re-election of director

"Resolved that E. Ellerrine be and is hereby re-elected as a director of the company."

3.6 Ordinary resolution number 5: Re-election of director

"Resolved that J. Kron be and is hereby re-elected as a director of the company."

3.7 Ordinary resolution number 6: Signature of documentation

"Resolved that any director or the company secretary of the company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution number 1, Ordinary Resolution number 1, Ordinary Resolution number 2, Ordinary Resolution number 3, Ordinary Resolution number 4, and Ordinary Resolution number 5 which are passed by the unitholders in accordance with and subject to the terms thereof."

4. Re-appointing Fisher Hoffman PKF(Jbb) Inc. as auditors of the company.

Voting and proxies

A unitholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a unitholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every unitholder of the company present in person or represented by proxy shall have one vote only. On a poll, every unitholder of the company present in person or represented by proxy shall have one vote for every linked unit held in the company by such unitholder.

A form of proxy is attached for the convenience of any unitholder holding linked units in the company who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000) to be received by not later than 10:00 on Wednesday 19 November 2003. Any unitholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the unitholder subsequently decide to do so.

Unitholders who have already dematerialised their linked units through a CSDP or broker rather than own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised unitholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting should complete and return

the attached form of proxy and lodge it with the transfer secretaries of the company.

Dematerialised unitholders, who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the unitholder and his CSDP or broker.

By order of the board

Probit Business Services (Proprietary) Limited

Company Secretary
25 September 2003

Registered address

2 Arnold Road
Rosebank
Johannesburg
P.O. Box 471917, Parklands, 2121

Transfer Secretaries

Computershare Ltd
70 Marshall Street
Johannesburg
P.O. Box 1053, Johannesburg, 2000

Information on directors proposed for re-election

Director	Age	Qualification	Address	Occupation and experience
Brian Azizollahoff (Chief Executive Officer)	42	BA, MBA	2 Arnold Road, Rosebank, 2196	Former Managing Director of ApexHi Properties Limited
Eric Ellerrine (Non Executive Director)	69		51 West Street, Houghton	Chairman of Corpcapital Limited
Jeffrey Kron (Non Executive Director)	53	B Comm. LLB	82 Maude Street, Sandton	Director of Attorneys Deneys Reitz Inc.

Form of proxy



Redefine Income Fund Limited

(registration number 1999/018591/06) ("Redefine" or "the company")

For use by the holders of the company's certificated linked units ("certified unitholders") and/or dematerialised linked units held through a Central Securities Depository Participant (CSDP) or broker who have selected "own name" registration ("own-name dematerialised unitholders") at the annual general meeting of the company to be held at 10:00 on Friday, 21 November 2003, or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised linked units who have not selected "own-name" registration. Such unitholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We.....

Of.....

being the registered holder of.....

linked units in the capital of the company hereby appoint

1.

or failing him/her

2.

or failing him/her

3.the chairman of the meeting

as my/our proxy to act for me/us on my/our behalf at the annual general meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the linked units registered in my/our name(s), in accordance with the following instructions:

	Number of votes		
	In favour of	Against	Abstain
1. To pass special resolution:			
1.1 To effect linked unit purchases			
2. To pass ordinary resolutions:			
2.1 To issue for cash the authorised but unissued linked units			
2.2 To place the unissued linked units under the control of the directors			
2.3 To authorise the signature of documentation			
3. Election of directors			
3.1 To re-elect B Azizollahoff a director of the company			
3.2 To re-elect E Ellerine a director of the company			
3.3 To re-elect J Kron a director of the company			
4. Re-appoint Fisher Hoffman PKF(Jhb) Inc. as auditors of the company			

(Indicate instructions to proxy in the spaces provided above.)

Unless otherwise instructed, my proxy may vote as he/she thinks fit.

Signed thisday of2003

Signature

Notes

1. Each unitholder is entitled to appoint one or more proxies (none of whom need be a unitholder of the company) to attend, speak and vote in place of that unitholder at the annual general meeting.
2. Unitholder(s) that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the unitholder(s). The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A unitholder or his/her proxy is not obliged to use all the votes exercisable by the unitholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the linked units held by the unitholder.
5. Forms of proxy must be lodged at or posted to Computershare Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 1053, Johannesburg, 2000) to be received not less than 48 hours prior to the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant unitholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such unitholder wish to do so. Where there are joint holders of linked units, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of unitholders, will be accepted.
7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the unitholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Limited or waived by the chairperson of the general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Limited.
11. Where there are joint holders of any linked units, only that unitholder whose name appears first in the register in respect of such linked units need sign this form of proxy.

Wedgefield

Location: Bryanston, Gauteng
Gross lettable area: 3 393m²

Category: Commercial

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Company registration number	<i>1999/018591/06</i>
Registered office and business address	2 Arnold Road, Rosebank, Johannesburg, 2196 P O Box 471917, Parklands, 2006
Telephone	+27 11 283 0110
Fax	+27 11 283 0055
E-mail	redefine@corpcapital.com
Internet address	www.redefine.co.za
Commercial Bankers	<i>The Standard Bank of South Africa Limited</i>
Independent Auditors	<i>Fisher Hoffman PKF (Jhb) Inc.</i> FHS House, 15 Girton Road, Parktown, Johannesburg Telephone +27 11 480 2300
Company Secretary	<i>Probity Business Services (Pty) Limited</i> Unit C1, Guild Office Park, 2 Guild Road, Parktown Telephone +27 11 726 2446
Transfer Secretaries	<i>Computershare Investors Services Limited</i> 70 Marshall Street, Johannesburg, 2196 Telephone +27 11 370 5000
Corporate Advisors and Sponsors	<i>Java Capital (Pty) Limited</i> 2 Arnold Road, Rosebank, Johannesburg, 2196 Telephone +27 11 283 0190
Asset Managers	<i>Corpcapital Limited</i> 2 Arnold Road, Rosebank, Johannesburg, 2196 Telephone +27 11 283 0000
Property Managers	<i>Broll Property Managers</i> Broll House, 27 Fricker Road, Illovo Telephone +27 11 441 4000 <i>JHI Real Estate Limited</i> JHI House, 11 Cradock Ave, Rosebank, Johannesburg, 2196 Telephone +27 11 441 0123
Trustee for Debenture Holders	<i>Jowell Glyn & Marais Inc.</i> Jowell Glyn & Marais House, 72 Grayston Drive, Sandown, Sandton Telephone +27 11 784 4200

ClearChannel Independent

Location: Bryanston, Gauteng
Gross lettable area: 3 974m²
Category: Commercial

Sole tenant: ClearChannel
Independent



