EMIRA
PROPERTY FUND

2022

Consolidated and separate annual financial statements

for the year ended
30 June 2022

Contents

Statement of directors' responsibilities and approval	02
CEO and CFO responsibility statement	03
Certificate by Company Secretary	03
Directors' report	04
Audit Committee's report	06
Independent auditor's report	09
Statements of comprehensive income	12
Statements of financial position	13
Statements of cash flows	14
Statements of changes in equity	15
Notes to the consolidated and separate financial statements	17
Supplementary information	101
Administration	114

Statement of directors' responsibilities and approval

For the year ended 30 June 2022

The directors of the Company are responsible for the preparation, integrity, and fair presentation of the consolidated and separate financial statements of Emira Property Fund Limited ("Emira" or "the Fund" or "the Company"). The consolidated and separate financial statements presented on pages 12 to 100 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and estimates made by management.

The directors are satisfied that in preparing the consolidated and separate financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all standards of International Financial Reporting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the consolidated and separate financial statements fairly presents the results of operations for the year and the financial position of the Group and Company at year-end. The directors also prepared the other information included in the report and are responsible for both its accuracy and its consistency with the consolidated and separate financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and Company to enable the directors to ensure that the consolidated and separate financial statements comply with the relevant legislation.

Emira operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business, are being controlled. The going-concern basis has been adopted in preparing the consolidated and separate financial statements. The directors have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

These consolidated and separate financial statements support the viability of the Fund. The Fund's external auditor, Ernst & Young Incorporated, audited the consolidated and separate financial statements, and their report is presented on page 09.

The consolidated and separate financial statements of the Group and Company, incorporating statutory required information, for the year ended 30 June 2022 set out on pages 12 to 100, were approved by the Board of Directors of Emira on 30 September 2022 and are signed on their behalf by:

Gerhard van Zyl	**Geoff Jennett**
Chairman	Chief Executive Officer

CEO and CFO responsibility statement

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

a) the consolidated and separate financial statements set out on pages 12 to 100, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
b) 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;
c) internal financial controls have been put in place to ensure that material information relating to the issuer, its consolidated subsidiaries and equity accounted investments, have been provided to effectively prepare the financial statements of the issuer;
d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
f) we are not aware of any fraud involving directors.

Geoff Jennett
Chief Executive Officer

Greg Booyens
Chief Financial Officer

Certificate by Company Secretary

In terms of section 88(2)(e) of the Companies Act of South Africa, 71 of 2008, as amended (the Companies Act), I declare that, to the best of my knowledge, for the year ended 30 June 2022, Emira Property Fund Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that such returns are true, correct and up to date.

Acorim Proprietary Limited
Company Secretary

Hyde Park, South Africa
30 September 2022

Directors' report

For the year ended 30 June 2022

Nature of the business

The Company listed on the JSE in November 2003, in the real estate investment trusts sector. In line with its strategic objectives, Emira's property portfolio spans multiple sectors, namely office, retail, industrial and residential. The Company is focused on growing the quality and value of its portfolio of property investments, in order to sustain and enhance its distribution growth to shareholders. This is achieved via selective acquisitions and disposals, as well as refurbishments, upgrades and the redevelopment of specific properties. To this end, all investment decisions are reinforced by Emira's stringent investment criteria to enhance yields and improve the performance of the portfolio.

In South Africa, the Fund directly owns 74 properties diversified across the retail, industrial, office and residential sectors which are valued at R9,8bn (2021: R9,7bn) together with indirect property investments of R3,6bn (2021: R2,2bn). Emira's geographical exposure is predominantly South Africa, with increasing offshore investment into the USA, consisting of 12 grocery-anchored dominant value-oriented power centres, held together with its US-based partner The Rainier Companies.

Share capital

Emira's share capital is detailed in note 15 to the annual financial statements. There were no new shares issued during the year.

Shareholder analysis

Shareholders with an interest of 5% or more in the issued ordinary share capital of the Company are listed on page 103.

Dividends

Emira declared a final dividend of 63,20 (2021: 66,65) cents per share for the six months ended June 2022, together with the interim dividend of 52,00 (2021: 52,00) cents per share declared for the six months ended December 2021. The total dividend for year ended 30 June 2022 amounts to 119.79 (2021: 118,65) cents per share.

In line with IAS 10 Events after the Reporting Period, the declaration of the final dividend will occur after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the annual financial statements. The dividends meet the requirements of a REIT's "qualifying distribution" for purposes of section 25BB of the Income Tax Act, No. 58 of 1962, as amended.

Financial performance and key highlights

The distributable earnings reported by the Group for the year ended 30 June 2022 improved by 3,8% to R673,9m (2021: R649,1m).

The sound performance achieved for the year is attributable to decisions taken over recent years on the strategic direction of the Fund, with active and hands-on asset management, focusing on basic property fundamentals and performing them with excellence. While there was continued uncertainty throughout the year due to the lingering effects of COVID-19, the July 2021 unrest, rising inflation fears and the Russia/Ukraine conflict, it has been pleasing to see how Emira's investments have withstood the pressure.

The steady performance of the local industrial and retail sectors has countered the strained office market, while the Fund's exposure to the stable economy of the US has provided a buffer to the low growth South African environment. Emira's residential investments have also proved stable, and while growth in income has been marginal, it is pleasing to note that vacancies have decreased substantially.

Financial highlights:

	2022	2021	change
Net property income (R'000)	**784 059**	818 449	(4,2)
Dividend per share (cents)	**119,79**	118,65	1,0
Interim dividend per share	**56,59**	52,00	8,8
Final dividend per share	**63,20**	66,65	(5,2)
Net asset value per share (cents)	**1 628,61**	1 518,27	7,3
Loan-to-value (%)	**40,5**	40,9	(0,4)
Vacancies (%)	**5,3**	6,4	(1,1)

The company's use of dividend per share as a relevant measure of results for trading statement purposes remains unchanged from the prior year.

Directors' report

For the year ended 30 June 2022 continued

Directorate

The directorate comprises:

	Date of appointment
Independent non-executive directors	
Gerhard van Zyl (Chairman)	10 September 2013
Berlina Moroole	01 July 2020
Derek Thomas	15 August 2017
James Templeton	01 July 2020
Jasandra Nyker	22 May 2019
Michael Aitken*	16 April 2007
Vusi Mahlangu	24 June 2010
Vuyisa Nkonyeni	24 August 2011
Wayne McCurrie	10 December 2008
Executive directors	
Geoff Jennett	01 September 2015
Ulana van Biljon	10 February 2012
Greg Booyens	01 January 2016

* Subsequent to year end Michael Aitken retired from the board effective 31 August 2022.

Directors' beneficial holdings

The directors' holdings in shares of the Company as at 30 June 2022, were:

	2022				2021			
Number of shares	**Beneficial direct**	**Beneficial indirect**	**Held by associates**	**Total**	Beneficial direct	Beneficial indirect	Held by associates	Total
Executive directors								
Geoff Jennett	**269 894**	**3 168 000**	**–**	**3 437 894**	143 285	3 240 000	–	3 383 285
Ulana van Biljon	**149 501**	**2 016 000**	**–**	**2 165 501**	39 900	2 016 000	–	2 055 900
Greg Booyens	**121 442**	**2 016 000**	**–**	**2 137 442**	36 479	2 016 000	–	2 052 479
Non-executive directors								
Vusi Mahlangu	**–**	**4 127 765**		**4 127 765**	–	4 127 765		4 127 765
Michael Aitken	**–**	**–**	**233 222**	**233 222**	–	–	283 222	283 222
Derek Thomas	**–**	**5 618 673**	**–**	**5 618 673**	–	5 618 673	–	5 618 673
Nocawe Makiwane	**–**	**–**	**–**	**–**	–	–	–	–
James Templeton	**–**	**–**	**–**	**–**	–	–	–	–
Total	**540 837**	**16 946 438**	**233 222**	**17 720 497**	219 664	17 018 438	283 222	17 521 324

Interests of directors and officers

During the financial year, no contracts were entered into in which directors or officers of the Company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group except to the extent that they are shareholders as disclosed in this report.

Subsequent events

Refer to note 27 to the annual financial statements for disclosure regarding subsequent events.

Company secretary and registered office

Acorim (Pty) Ltd is the appointed Company secretary of Emira. Acorim (Pty) Ltd is an independent company secretarial and corporate governance advisory service provider and is represented by Nikita Hunter.

The Company's registered office is 1st Floor, Block A, Knightsbridge Office Park, 33 Sloane Street, Bryanston 2191.

Going concern

The directors have reviewed the group and company's cash flow forecasts up to the period ending September 2023 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the ensuing twelve month period. Accordingly, the consolidated and separate annual financial statements have been prepared on a going-concern basis.

Audit Committee's report

Introduction

The Audit Committee is an independent statutory committee and has the cooperation of all directors, management and staff in order to perform its duties.

Charter and role of the Committee

The committee is governed by a charter and terms of reference that have been approved by the Board, which was updated during the year under review. The committee's prime objective is to assist the Emira Board in evaluating the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied within the day-to-day management of its business. This includes:

- Facilitating and promoting communication regarding the matters referred to above or any other related matter between the board of directors and the executive officers of both the external auditor and the internal auditor.
- Introducing such measures that in the committee's opinion, may serve to enhance the credibility and objectivity of the financial statements and reports prepared with reference to the affairs of Emira.

Composition

During the financial year ended 30 June 2022, the Audit Committee comprised the following members:

- Vuyisa Nkonyeni (chairman)
- Vusi Mahlangu
- Berlina Moroole

There were no changes to the committee during the year under review.

The committee members are all independent non-executive directors.

Meetings

The committee met four times during the year with the executive management as well as the executives responsible for finance, the compliance officer, and external and internal auditors. The Company Secretary attends all meetings as secretary to this committee.

Responsibilities

The responsibilities of the committee are to:

- Nominate for appointment as auditor a registered auditor, who is independent of Emira.
- Determine the fees to be paid to the auditor and the auditor's terms of engagement.
- Ensure that the appointment of the auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors.
- Determine the nature and extent of any non-audit services that the auditor may provide or that the auditor must not provide to Emira.
- Pre-approve any proposed contract with the auditor for the provision of non-audit services to Emira.
- Review and approve the interim and final financial results and their press releases and the reviewed statements of financial position and statements of comprehensive income of Emira with the relevant press releases for recommendation to the Board.
- Evaluate the quality of the financial information produced to ensure the integrity of reporting and to ensure that measures necessary, in the committee's opinion, are introduced to enhance the integrity of such reporting.
- Review Emira's solvency and liquidity position.
- Review the insurance cover effected by Emira annually to ascertain its sufficiency, scope and costs.
- Receive and evaluate reports from management on significant breakdowns and/or potential areas in the risk management and assessment process, including the disaster recovery plan.
- Consider the audit plans for the external and internal auditors to ensure completeness of coverage, reduction of duplicate effort and the effective use of audit resources.
- Ensured that a comprehensive combined assurance model was applied to the group's key risks to ensure a coordinated approach to all assurance activities.
- Consider any significant findings and recommendations of the external and internal auditors as well as the adequacy of corrective actions taken in response to these findings.
- Promote communication by and provide an open avenue of communication between the external and internal auditors, and the committee.
- Evaluate the independence and effectiveness of the internal auditors.

Audit Committee's report

continued

- Encourage and, where appropriate, approve the development of codes of ethical conduct and receive reports from internal audit of significant contraventions thereof.
- Review the effectiveness of the systems of internal control.
- Evaluate and ensure Emira's compliance with statutes and regulations governing Emira's business.
- Ensure that any matters, which have come to its notice, which may significantly affect the financial position or affairs of Emira, are reported to the Board.
- Ensure Emira's adherence to accounting standards and policies.
- Evaluate the adequacy and effectiveness of Emira's accounting practices, information systems and audit processes.
- Evaluate the experience and expertise of the Chief Financial Officer and Emira's financial function.
- Perform other functions determined by the Board including the development and implementation of a policy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within Emira.
- Monitor any corrective actions to be taken in terms of its charter.
- Receive and deal appropriately with any complaints (whether from within or outside the organisation) relating either to Emira's accounting practices and internal audit or to the content or auditing of its financial statements.

The following significant matters were considered by the committee in relation to the annual financial statements for the year ended 30 June 2022:

- The property valuations as at 30 June 2022.
- The valuation of derivatives at 30 June 2022.
- The estimated credit losses on trade receivables and loans receivable.
- Assessing whether Emira is deemed to control Transcend Residential Property Fund in light of Emira's shareholding increasing to 40,69%.
- The classification of subsequent events, including: the firm intention announcement to make a general cash offer to acquire up to 100% of the entire issued share capital of Transcend, other than those shares already owned by Emira.

The committee was satisfied that the accounting treatment of the matters listed above was adequate.

The committee has fulfilled its function and responsibilities, as mentioned above, and has executed its duties during the year under review, complying with its legal, regulatory and other responsibilities in accordance with its terms of reference. The Board did not assign any additional responsibilities to the committee.

The expertise and experience of the Chief Financial Officer and Financial Director, Greg Booyens, was reviewed during the committee's annual assessment and the committee has satisfied itself thereof. In addition, it has considered and further satisfied itself of the expertise of the finance function and adequacy of resources and experience.

Independence of external auditors

The committee is required to review the independence of the external auditors, Ernst & Young Inc. in accordance with the following criteria:

- Representations made by Ernst & Young Inc. to the committee.
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.
- The auditor does not receive any remuneration or other benefit from Emira, except as Emira's appointed external auditor and approved non-audit services.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.
- The committee is satisfied that the external auditor is independent.

The external auditor performed the following non-audit services: Reports in respect of the issue of commercial paper and agreed upon procedures to verify the operating profit for leasehold properties. Should further services be required in the future, they will be approved on the basis that no conflict of interests arise.

Internal control

The system of internal financial and operational control is the responsibility of the Board. The executive directors ensure that assets are protected, systems operate effectively and all valid transactions are recorded properly.

Internal auditors, reporting directly to the Audit Committee, have conducted extensive reviews, testing the effectiveness of the internal control systems. These systems are designed to provide reasonable assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of Emira's assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

The internal audit function coordinates with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls.

Audit Committee's report
continued

Based on these reviews, information and explanations given by management and discussions with the external auditors on the results of their audit, the committee is satisfied that Emira's system of internal controls operated effectively in the year under review. Nothing has come to the committee's attention that causes it to believe that the system of internal financial controls is not effective.

Internal audit

The Board is of the opinion that a separate Internal Audit Charter is not required at this time as the Audit Committee's terms of reference clearly defines the role and associated responsibilities and authority of internal audit. In addition, the committee reviews and amends the internal audit mandate, where necessary, to ensure that it complies with all the necessary regulatory and legislative requirements. This mandate has been presented to and approved by the Board.

It is the committee's responsibility to ensure that the internal audit function is independent and has the necessary resources, standing and authority to discharge its duties. The appointed internal auditors are responsible for regularly reporting the findings of internal audit to the committee.

The internal auditors are tasked to perform their function in accordance with a rolling three-year plan. The annual reviews of the property management operational function and the property management finance function were completed. Both reviews focus on the functions performed by Emira's two outsourced property managers and good feedback was received on controls at both parties. The internal auditors issued their final report on their assessment of Emira's internal financial reporting controls and concluded the overall control environment was adequate with a few control improvements identified. A review was also completed during the year on the head office finance function and the internal auditors concluded that the control environment is adequately designed and operating effectively.

BDO is the internal auditor who has been mandated to perform the internal audit functions. The committee conducts an assessment of the performance of the internal audit function on an annual basis.

Oversight of risk management

The committee plays a vital role in the process of risk management and the Chief Risk Officer reports directly to the committee. All risk identification, measurement and management is addressed through these channels.

A risk management plan, risk register and risk policy were reviewed and approved by the committee during the year.

In addition, and following the committee's review of the Independent Regulatory Board for Auditors' latest findings report and the latest inspection reports and summary of internal review findings in terms of paragraph 22.15 (h) of the JSE Listings Requirements provided by the auditors, the committee satisfied itself that both Ernst and Young and Ernest van Rooyen are accredited in terms of the JSE Listings Requirements and are independent from the Company.

Consolidated annual financial statements

Following the review by the committee of the consolidated annual financial statements of Emira Property Fund for the year ended 30 June 2022, the committee is of the view that in all material respects they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards and fairly presents Emira's financial position at that date and the results of operations and cash flows for the year then ended.

The committee has also satisfied itself of the integrity of the remainder of the Consolidated Annual Financial Statements. Having achieved its objectives, the committee has recommended the Consolidated Annual Financial Statements for the year ended 30 June 2022 for approval to the Board.

The Board has subsequently approved the Consolidated Annual Financial Statements, which will be open for discussion at the forthcoming annual general meeting.

Going concern

The committee has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of Emira. The Board's statement on the going concern status of Emira, which is supported by the committee, appears on page 05.

On behalf of the Audit Committee

Vuyisa Nkonyeni
Chairman

Bryanston

30 September 2022

Independent Auditor's Report

To the Shareholders of Emira Property Fund Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Emira Property Fund Limited and its subsidiaries ('the group') and company set out on pages 12 to 100, which comprise of the consolidated and separate statements of financial position as at 30 June 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

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

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment Property (Note 6 – Investment Properties)	
The fair value balance of Investment property for the consolidated and separate financial statements, including investment property classified as held-for-sale, as at 30 June 2022 amounts to: – Consolidated financial statements ('Group'): R9,83 billion (2021: R9,78 billion) which constitutes 70% (2021: 74%) of the total assets of the Group. – Separate financial statements ('Company'): R7,46 billion (2021: R7,37 billion) which constitutes 60% (2021: 61%) of the total assets of the Company. Emira's investment property portfolio comprises of income generating properties across the office, retail, industrial and residential sectors.	Our audit procedures included, among others, the following: – We assessed whether the valuation techniques and methodologies applied by management and their external independent valuers are consistent with generally accepted property valuation techniques in the real estate market. – We evaluated the competence, independence and experience of management's internal and external independent valuers with reference to their qualifications and industry experience.

Independent Auditor's Report

continued

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment Property (Note 6 – Investment Properties)	

We have considered the valuation of investment property to remain a Key Audit Matter in the current year as the valuation of investment properties are subjective in nature given that the inputs into the valuation methods are inherently judgmental and highly sensitive. In the current year, the inputs into the valuations are more susceptible to change as a result of the current market conditions, particularly due to the impact of the recovery from COVID-19 on certain sectors.
 	
Property valuations are performed at each reporting period and the following inputs are used in the determination of the fair value of investment property:
– The discount rates, terminal capitalisation rates and capitalisation rate are derived from widely available market related data and which is continuously updated based on current market conditions. This requires management to exercise their judgement in the selection of a point in the range, which is based on the category, condition, gross lettable area (GLA), location and grade of a property.
– Projected rental income, projected operating expenses, vacancy rates and void periods. These inputs are judgemental and determined by management based on unique property specific information.
 	
The fair value of investment property is determined using the discounted cash flow (DCF) valuation technique, with the exception of the residential portfolio for which the capitalisation rate valuation technique is used, and non-current assets held for sale which are valued with reference to a signed sale agreement.
 	
The disclosures associated with the valuation of investment properties are set out in Note 6 – Investment properties.
	– With the support of our EY valuation specialists, we assessed the methodologies and assumptions applied in determining the fair value of investment properties through:
	  – Assessing the category, condition, GLA, location and grade of a property, all of which inform management in the selection of the appropriate capitalisation rates, discount rates and terminal capitalisation rates to apply from the latest Rode and South African Property Owners Association ("SAPOA") reports, against the outcome of current and prior external valuations and where applicable capital expenditure and improvements;
	  – Through comparison of the capitalisation rates to other market information and discussions with management and the use of our valuation specialist's professional judgement, we assessed the appropriateness of the specific capitalisation rates used;
	  – Assessed the vacancy rate assumptions applied by management in the property valuations to lease agreements, tenancy schedules and property industry reports.
	– We evaluated the signed sale agreement for non-current assets held for sale and determined the reasonability of the fair value with reference to IFRS 13 criteria, the related presentation and disclosure of the account.
	– We performed a sensitivity analysis on the key inputs to assess the impact on property values.
	– We assessed the reasonability of the fair value of the investment properties at year end as determined by management against the outcome of our independent calculations in which the outcomes of our above procedures were incorporated.
	– We assessed the appropriateness of the disclosures included in the consolidated and separate financial statements relating to investment property and the fair value thereof against 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 114-page document titled "2022 Consolidated and separate annual financial statements for the year ended 30 June 2022", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Independent Auditor's Report

continued

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Ernst & Young Inc.

Ernst & Young Inc.
Director: Ernest van Rooyen
Registered Auditor
Chartered Accountant (SA)

30 September 2022
102 Rivonia Road, Sandton, 2146

Statements of comprehensive income

For the year ended 30 June 2022

R'000	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Revenue – rental income		**1 456 950**	1 476 324	**1 068 086**	1 045 442
Operating lease rental income from investment properties		**1 079 248**	1 093 992	**786 711**	775 301
Recoveries of operating costs from tenants		**395 070**	387 080	**286 258**	279 504
Allowance for future rental escalations	7	**(17 369)**	(4 748)	**(4 883)**	(9 363)
Revenue – dividend income from subsidiaries	3	**–**	–	**227 624**	204 352
Property expenses		**(690 703)**	(661 982)	**(487 454)**	(455 871)
Administration expenses		**(93 084)**	(92 740)	**(84 271)**	(84 374)
Net fair value adjustments		**66 083**	(148 227)	**78 665**	107 386
Change in fair value of investment properties	6	**28 718**	(541 378)	**41 300**	(285 763)
Revaluation of derivative financial instruments relating to share appreciation rights scheme		**(1 122)**	4 966	**(1 122)**	4 966
Unrealised surplus on interest rate swaps		**48 031**	411 472	**48 031**	411 470
Unrealised deficit on fair valuation of financial asset through profit and loss	12	**(9 544)**	(23 287)	**(9 544)**	(23 287)
Expected credit loss – loans receivable	10, 14	**(25 887)**	(29 048)	**(58 928)**	(88 607)
Impairment of investments	10, 11	**(34 209)**	–	**17 477**	(56 368)
Foreign exchange gain/(loss)		**115 602**	(143 389)	**115 602**	(143 389)
Other income		**4 855**	4 335	**1 115**	148
Income from equity-accounted investments	11	**526 477**	411 888	**167 592**	155 954
Interest received from associates		**86 433**	91 576	**86 433**	91 576
Share of profit from associates		**440 044**	320 312	**81 159**	64 378
Profit before finance costs		**1 326 085**	817 161	**1 045 508**	684 673
Net finance costs		**(354 372)**	(357 507)	**(227 706)**	(240 251)
Finance income calculated using the effective interest method		**42 256**	40 183	**154 960**	143 522
Finance costs		**(396 629)**	(397 690)	**(382 666)**	(383 773)
Interest expense and amortised borrowing costs		**(396 629)**	(401 626)	**(382 666)**	(387 709)
Interest capitalised to cost of developments		**–**	3 936	**–**	3 936
Profit before income tax charge	3	**971 713**	459 654	**817 803**	444 422
Taxation	4	**(1 730)**	4 733	**(56)**	14 600
Profit for the year		**969 983**	464 387	**817 747**	459 022
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations	16	**153 662**	(147 191)	**–**	–
Total comprehensive income for the year		**1 123 645**	317 196	**817 747**	459 022
Total profit for the year attributable to:					
Emira shareholders		**968 583**	467 285	**817 747**	459 022
Non-controlling interest	16	**1 400**	(2 898)	**–**	–
		969 983	464 387	**817 747**	459 022
Total comprehensive income attributable to:					
Emira shareholders		**1 122 245**	320 095	**817 747**	459 022
Non-controlling interest		**1 400**	(2 898)	**–**	–
		1 123 645	317 197	**817 747**	459 022
Basic earnings per share (cents)	5	**200,39**	96,38		
Diluted earnings per share (cents)	5	**198,04**	95,49		

Statements of financial position

As at 30 June 2022

		Group		Company	
R'000	Notes	**2022**	2021	**2022**	2021
Assets					
Non-current assets					
Investment property	6	**9 509 838**	9 268 544	**7 239 252**	6 976 331
Allowance for future rental escalations	7	**192 528**	220 874	**157 415**	169 694
Unamortised upfront lease costs	8	**31 468**	28 522	**23 193**	20 895
Right of use asset	6	**76 567**	40 212	**37 777**	37 777
Fair value of investment property		**9 810 402**	9 558 152	**7 457 637**	7 204 697
Furniture, fittings, computer equipment and intangible assets	9	**1 445**	2 152	**1 443**	2 146
Investment and loans in subsidiaries	10	**–**	–	**3 064 317**	2 751 013
Investments and loans in equity-accounted investments	11	**3 009 010**	2 204 206	**585 167**	466 132
Other financial assets	12	**312**	5 474	**312**	5 474
Loans receivable	14	**354 506**	303 959	**584 173**	537 503
Derivative financial instruments	20	**44 776**	81 312	**44 776**	81 312
Total non-current assets		**13 220 451**	12 155 255	**11 737 826**	11 048 277
Current assets					
Loans to equity-accounted investments	11	**–**	592 062	**–**	592 062
Loans receivable	14	**4 583**	53 173	**4 583**	53 170
Accounts receivable	13	**94 468**	118 278	**80 467**	89 462
Derivative financial instruments	20	**23 321**	41 392	**23 321**	41 391
Cash and cash equivalents		**66 776**	96 910	**21 681**	51 866
Taxation		**–**	–	**–**	725
Total current assets		**189 147**	901 815	**130 052**	828 676
Assets held for sale	6, 11	**661 966**	224 300	**601 282**	162 000
Total assets		**14 071 564**	13 281 370	**12 469 160**	12 038 953
Equity and liabilities					
Total equity and reserves attributable to equity holders					
Stated capital	15	**3 425 736**	3 433 875	**3 889 512**	3 897 651
Retained income/(accumulated losses)	16	**693 925**	358 100	**(613 962)**	(746 295)
Fair value and other reserves	16	**3 558 219**	3 529 502	**3 218 169**	3 176 869
Foreign currency translation reserve	16	**180 439**	26 777	**–**	–
Share-based payment reserve	16	**27 721**	24 385	**27 721**	24 385
Changes in ownership		**(24 085)**	(24 085)	**–**	–
Non-controlling interest	16	**4 376**	2 976	**–**	–
Total equity attributable to equity holders		**7 866 332**	7 351 530	**6 521 440**	6 352 610
Liabilities					
Non-current liabilities					
Interest-bearing debt	17	**4 070 871**	4 450 878	**3 885 241**	4 265 369
Other financial liabilities	18	**38 984**	44 016	**108 577**	80 156
Lease liability	19	**73 145**	35 516	**35 306**	35 515
Derivative financial instruments	20	**192 021**	200 869	**192 021**	200 869
Total non-current liabilities		**4 375 021**	4 731 279	**4 221 145**	4 581 909
Current liabilities					
Short-term portion of interest-bearing debt	17	**1 429 146**	720 792	**1 425 289**	717 190
Lease liability	19	**4 574**	3 152	**3 012**	2 769
Accounts payable	21	**355 610**	334 593	**259 792**	248 041
Employee benefits liability	22	**20 156**	19 380	**20 156**	19 380
Derivative financial instruments	20	**18 326**	117 054	**18 326**	117 054
Taxation		**2 400**	3 590	**–**	–
Total current liabilities		**1 830 211**	1 198 561	**1 726 575**	1 104 434
Total liabilities		**6 205 232**	5 929 840	**5 947 720**	5 686 343
Total equity and liabilities		**14 071 564**	13 281 370	**12 469 160**	12 038 953
Net asset value per share (cents)*		**1 628,6**	1 518,3		

* Net asset value per share is calculated by dividing net assets attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding at year end net of treasury shares in issue of 483 007 458 (2021: 484 204 005).

Statements of cash flows

As at 30 June 2022

R'000	Notes	Group 2022	Group 2021	Company 2022	Company 2021
Cash flows from operating activities					
Cash generated from operations	23	**777 374**	813 024	**740 373**	819 701
Finance income		**36 863**	38 838	**35 401**	37 608
Interest paid		**(423 633)**	(429 722)	**(409 415)**	(414 191)
Taxation (paid)/refunded		**(2 166)**	(8 428)	**669**	(725)
Dividends received		**–**	–	**44 069**	–
Dividends paid to shareholders		**(604 040)**	(402 983)	**(644 113)**	(429 936)
Net cash utilised in operating activities		**(215 602)**	10 729	**(233 017)**	12 458
Cash flows from investing activities					
Acquisition of, and additions to, investment properties excluding capitalised interest		**(292 653)**	(130 786)	**(234 482)**	(100 043)
Proceeds on disposal of investment properties	6	**267 250**	34 500	**159 750**	–
Acquisition of furniture, fittings, computer equipment and intangible assets	9	**(86)**	(167)	**(110)**	(179)
Investment in subsidiaries		**–**	–	**(142 296)**	(84 977)
Proceeds from loans advanced to subsidiaries		**–**	–	**75 232**	23 190
Proceeds received from subsidiaries		**–**	–	**217 528**	108 167
Loan advanced to subsidiaries		**–**	–	**(142 296)**	(84 977)
Proceeds from equity-accounted investments		**291 055**	219 336	**139 295**	219 336
Interest received on loans granted to equity-accounted investments		**107 729**	90 406	**107 729**	90 406
Capital proceeds received on loans granted to equity-accounted investments		**–**	103 461	**–**	103 461
Dividends received from equity-accounted investments		**183 326**	25 469	**31 566**	25 469
Investment in equity-accounted investments		**(383 498)**	(89 786)	**(98 907)**	–
Loans receivable repaid		**9 831**	69 703	**9 831**	54 195
Investment in other financial assets	12	**(4 382)**	(9 400)	**(4 382)**	(9 400)
Net cash utilised in investing activities		**(112 483)**	93 400	**(96 069)**	102 122
Cash flows from financing activities					
Shares acquired for the Emira Forfeitable Share Plan		**(14 852)**	(14 576)	**(14 852)**	(14 577)
Lease liability payment on capital portion	19	**(4 333)**	(3 830)	**(2 877)**	(2 644)
Other financial liabilities (repaid)/raised		**(5 155)**	812	**–**	–
Derivative financial instruments settled		**(2 654)**	(77 754)	**(2 654)**	(77 754)
Interest-bearing debt raised	17	**1 749 283**	2 650 745	**1 749 283**	2 650 172
Interest-bearing debt repaid	17	**(1 430 000)**	(2 653 684)	**(1 430 000)**	(2 653 684)
Net cash utilised in financing activities		**292 289**	(98 288)	**298 901**	(98 487)
Net (decrease)/increase in cash and cash equivalents		**(35 796)**	5 840	**(30 185)**	16 094
Foreign currency movement in cash		**5 662**	(3 977)	**–**	–
Cash and cash equivalents at the beginning of the year		**96 910**	95 047	**51 866**	35 772
Cash and cash equivalents at the end of the year		**66 776**	96 910	**21 681**	51 866

Statements of changes in equity

As at 30 June 2022

R'000	Group								
	Share capital	Change in ownership	Fair value reserve	Share-based payment reserve	Other reserves	Foreign currency translation reserve	Non-controlling interest	Retained earnings	Total
2021									
Balance at 1 July 2020	3 445 296	(24 085)	4 147 763	–	(61 306)	173 967	5 874	(246 268)	7 441 241
Shares acquired for the Emira Forfeitable Share Plan	(14 576)								(14 576)
Emira Forfeitable Share Plan shares vested	2 754			(2 911)				–	(158)
Emira Matching Share Plan shares vested	402			(402)					–
Profit for the year							(2 898)	467 286	464 387
Exchange differences on translation of foreign operations						(147 190)			(147 190)
Equity settled share scheme			–	12 121					12 121
Transfer to fair value reserve			(541 378)	–				541 378	–
Transfer to share based payment reserve				15 577	(15 577)				–
Dividend paid – September 2020								(149 849)	(149 849)
Dividend paid – March 2021								(254 447)	(254 447)
Balance at 30 June 2021	3 433 875	(24 085)	3 606 385	24 385	(76 883)	26 777	2 976	358 100	7 351 530
2022									
Balance at 1 July 2021	**3 433 875**	**(24 085)**	**3 606 385**	**24 385**	**(76 883)**	**26 777**	**2 976**	**358 100**	**7 351 530**
Shares acquired for the Emira Forfeitable Share Plan	**(14 852)**								**(14 852)**
Emira Forfeitable Share Plan shares vested	**6 713**			**(6 713)**					**–**
Profit for the year							**1 400**	**968 583**	**969 983**
Exchange differences on translation of foreign operations						**153 662**			**153 662**
Equity settled share scheme				**10 049**					**10 049**
Transfer to fair value reserve			**28 718**					**(28 718)**	**–**
Dividend paid – September 2021								**(326 002)**	**(326 002)**
Dividend paid – March 2022								**(278 038)**	**(278 038)**
Balance at 30 June 2022	**3 425 736**	**(24 085)**	**3 635 103**	**27 721**	**(76 883)**	**180 439**	**4 376**	**693 925**	**7 866 332**
Notes	15	16	16	16	16	16	16	16	

Dividend per share (cents) 119,79 (2021: 118,65)*

* Dividend per share is calculated by dividing the distributable income by the number of ordinary shares outstanding at year end of 522 667 247 (2021: 522 667 247).

Statements of changes in equity

As at 30 June 2022 continued

	Company					
R'000	Share capital	Fair value reserve	Share-based payment reserve	Other reserves	Retained earnings	Total
2021						
Balance at 1 July 2020	3 909 071	3 546 198	–	(72 462)	(1 061 145)	6 321 662
Shares acquired for the Emira Forfeitable Share Plan	(14 576)					(14 576)
Emira Forfeitable Share Plan shares vested	2 754		(2 911)			(158)
Emira Matching Share Plan shares vested	402		(402)			–
Total comprehensive income for the year					459 023	459 023
Equity settled share scheme			16 594	–		16 594
Transfer to fair value reserve		(285 763)	11 104	(11 104)	285 763	–
Dividend paid – September 2020					(158 155)	(158 155)
Dividend paid – March 2021					(271 780)	(271 780)
Balance at 30 June 2021	3 897 651	3 260 435	24 385	(83 566)	(746 295)	6 352 610
2022						
Balance at 1 July 2021	3 897 651	3 260 435	24 385	(83 566)	(746 295)	6 352 610
Shares acquired for the Emira Forfeitable Share Plan	(14 852)					(14 852)
Emira Forfeitable Share Plan shares vested	6 713		(6 713)			–
Total comprehensive income for the year					817 747	817 747
Equity settled share scheme			10 049			10 049
Transfer to fair value reserve		41 300			(41 300)	–
Dividend paid – September 2021					(348 343)	(348 343)
Dividend paid – March 2022					(295 770)	(295 770)
Balance at 30 June 2022	3 889 512	3 301 735	27 721	(83 566)	(613 962)	6 521 440
Notes	15	16	16	16	16	

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022

1. General information

Emira Property Fund Limited ("the Company"), its subsidiaries and equity-accounted investments (together the "Group") hold a major portfolio of investment properties in South Africa together with offshore investments into the USA. The Company is a listed Real Estate Investment Trust ("REIT") on the JSE.

These consolidated and separate financial statements have been approved for issue by the Board of Directors of the Company on 30 September 2022. The shareholders do not have the power to amend the consolidated and separate financial statements after issue.

This report was compiled under the supervision of Greg Booyens CA(SA), the Chief Financial Officer.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

Statement of compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Listing Requirements, the requirements of the Companies Act of South Africa, No. 71 of 2008, as amended and in conformity with its memorandum of incorporation.

Preparation of the consolidated financial statements

The consolidated and separate financial statements have been prepared under the historical cost convention except for the revaluation of investment property and financial assets and financial liabilities (including derivative instruments), which are measured at fair value through profit or loss.

The financial statements are presented in Rand and are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 31.

When the reporting period of the holding company is different to that of the subsidiary, associate or joint venture, the subsidiary, associate or joint venture prepares, for the use of the holding company, financial statements as at the same date as the consolidated and separate financial statements of the Group and Company.

New and amended international financial reporting standards and interpretations

The Group and Company have adopted the following new standards, or amendments to standards which were effective for the first time for the financial period commencing on or after 1 January 2021:

	Effective date
Reference to the Conceptual Framework – Amendments to IFRS 3	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The impact of the adoption of these standards and amendments have been considered and is deemed immaterial.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

Standards and interpretations applicable to the Fund but not yet effective

At the date of approval of these consolidated financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been early adopted by the Group and Company. None of the below standards, amendments and interpretations are expected to have a material impact on the Group and Company and will be adopted in the financial period applicable as per the table below:

	Effective date
Amendment to IFRS 3 'Business combinations'	1 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual improvements cycle 2018 – 2020	1 January 2022
Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

2.2 Changes in accounting policies

There were no changes in accounting policies adopted by the Group and or Company in the reporting period.

2.3 Consolidation

2.3.1 Business combinations

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3 Business Combinations, a business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to shareholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. In the absence of such criteria, a group of assets is deemed to have been acquired. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business.

For acquisitions meeting the definition of a business, the acquisition method of accounting is used. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest at the non-controlling interests proportionate share of the acquiree's identifiable net assets. The excess of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the net assets acquired, the difference is recognised directly in the profit or loss for the year as a bargain purchase gain.

Acquisition-related costs in relation to business combinations are expensed as incurred.

For acquisitions not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the identifiable net assets.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.3.2 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group exercises control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3.3 Investment in associates and joint ventures

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. Interests in associates are accounted for using the equity method for both Group and Company.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have benefits derived from the net assets of the joint arrangement.

The profits and losses, asset and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting for Group, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method the investment is initially recorded at cost and thereafter the carrying value is adjusted to recognise the Groups share of the post-acquisition profits or losses of the investee after the date of acquisition, distributions received and any impairment adjustments that are required. The share of profit of losses are recognised in the statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments.

2.4 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the Chief Executive Officer ("CEO") of the Company.

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in South African rand, the Company's functional currency and the Group's presentation currency.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the statements of comprehensive income within finance income or finance costs. All other foreign exchange gains and losses are presented net in the statements of comprehensive income within other losses or gains.

2.5.3 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (rand) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to rand at exchange rates at the dates of the transactions (an average rate per month is used). Foreign currency differences related to foreign operations are recognised in Other Comprehensive Income and accumulated in the Foreign Currency Translation Reserve.

When the Group disposes only part of its interest in a subsidiary that includes foreign operations while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interest. If control is not retained, the cumulative amount is reclassified from Other Comprehensive Income to profit or loss as a reclassification adjustment.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.6 Investment property

Property, comprising both freehold and leasehold land and buildings, that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is recognised initially at cost, including transaction costs.

Borrowing costs incurred for the purpose of acquiring, developing or producing qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or development is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value which is adjusted for the carrying values of allowance for future rental escalations, tenant installations and unamortised upfront lease costs which are recognised as separate assets, so that these separately recognised assets are not double counted. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Tenant installations and lease commissions are carried at cost less accumulated amortisation on a straight-line basis over the term of the lease.

Fair value measurement on property under development is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to reliably determine the fair value of the investment property under development. In order to evaluate whether the fair value of an investment property under development can be determined reliably, management considers the following factors, among others:

- The provisions of the development contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar developments

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of comprehensive income. Gains or losses arising from changes in fair value, are included in net profit or loss for the period in which they arise. These gains or losses are transferred to non-distributable reserves in the statement of changes in equity.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net fair value gain on investment property.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.7 Investment in subsidiaries

Investments in subsidiaries are recognised at cost less impairment in the separate Company financial statements.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Fair value measurements

The Group measures financial instruments such as derivatives and investment property at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.10 Financial instruments

2.10.1 Initial recognition and measurement

The Group classifies its financial assets as financial assets at fair value through profit or loss and at amortised cost. Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, as appropriate. The Group determines the classification of its financial assets and liabilities at initial recognition.

The classification of financial assets is based on the business model with which the Fund holds the respective assets, as well as application of the cashflow characteristics test.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.10.2 Financial assets at amortised cost

Financial assets are held at amortised cost if the cashflows are solely payments of principal and interest, and interest is a consideration for the time value of money and credit risk only. Financial instruments with cash flows that are not solely payments of principle and interest are mandatorily classified at fair value through profit or loss.

All equity instruments of the Group, within the scope of IFRS 9, are measured at fair value through profit or loss.

Financial assets are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's financial instruments at amortised cost comprise of "accounts receivable", "loans receivable" and "cash and cash equivalents" in the statements of financial position.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.10.3 Financial assets and liabilities at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or if the cash flows of the financial instruments are not solely payments of principal and interest (SPPI) and do not meet the requirements to be classified at amortised cost.

Derivatives financial assets and liabilities are classified as financial assets and liabilities at fair value through profit and loss and comprise mainly interest-rate swaps, interest-rate caps, share options and forward foreign exchange contracts. The Group uses derivative financial instruments to hedge its exposure to interest-rate and foreign exchange rate risk arising from financing and investing activities (economic hedge).

The Fund's policy requires the CEO and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.10.4 Trade and other receivables and cash and cash equivalents

Trade receivables are amounts due from customers for services performed in the ordinary course of business and are included in accounts receivable.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within accounts payable.

2.10.5 Financial liabilities

All borrowings and accounts payable are initially recognised at fair value and subsequently measured at amortised cost, except for instances where an accounting mismatch exists and it is more appropriate to designate it at fair value through profit or loss.

All financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the financial liability. The amortisation is included as finance costs in the statement of profit or loss.

The Group obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from one to 12 months. Such deposits are treated as financial liabilities at amortised cost and are included in accounts payable.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the Statement of Financial Position.

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

2.10.6 Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

At the end of each subsequent reporting period financial guarantees are measured at the higher of:

- The amount of the loss allowance; and
- The amount initially recognised less cumulative amortisation, where appropriate.

The amount of the loss allowance at each subsequent reporting period initially is equal to 12-month expected credit losses. However, where there has been a significant increase in the risk that the specified debtor will default on the contract, the calculation is for lifetime expected credit losses.

Expected credit losses for a financial guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows.

Cash shortfalls are the difference between:

- The expected payments to reimburse the holder for a credit loss that it incurs; and
- Any amount that an entity expects to receive from the holder, the debtor or any other party.

2.11 Impairment of financial assets

The expected credit loss model of IFRS 9 applies to financial assets measured at amortised cost and lease receivables at reporting date. While cash and cash equivalents are classified and measured at amortised cost, and are also subject to these impairment requirements, they are considered to have low credit risk, and the expected credit loss is mitigated through the Groups' credit risk management policy.

Expected credit losses ("ECLs") are a probability weighted estimate of credit losses, based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to be received, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade and other receivables, Emira has elected to apply the simplified approach in calculating the loss allowance. Therefore, the ECLs on trade receivables, are estimated using a provision matrix with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forward-looking information of conditions based on lifetime expected credit loss at each reporting date.

At each reporting date, Emira assesses whether financial assets carried at amortised cost (such as long-term loans granted and loans granted to associates) have significantly increased in credit risk. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group (if applicable) or if the financial asset is more than 90 days past due.

Expected credit loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The carrying amount of financial assets is reduced directly by the impairment loss, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost had impairment not been recognised at the reversal date. Any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

In certain cases, Emira may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.14 Treasury shares

Company shares held by the Emira Forfeitable Share Plan that have not yet vested as well as the ESA Trust and BEE Scheme entities are classified as treasury shares on consolidation and presented as a deduction from equity. These shares are held at cost.

On purchase, the cost of the shares acquired is deducted from equity. Subsequently, any gain or loss on the sale or cancellation of the Company's own equity instruments is recognised directly in equity.

Both distributions and unrealised losses on own shares are eliminated from the Group profit or loss for the year.

2.15 Current and deferred income tax

Tax charges comprise current and deferred tax in respect of the Groups subsidiaries. Tax is recognised in profit or loss.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from 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 or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

2.17 Revenue recognition

Revenue includes rental income from the listed property investment and operating cost recoveries from tenants, but excludes value added tax. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis. The amount not yet recognised is capitalised as allowance for future rental escalations, which forms part of the value of investment property.

Emira acts as a principal on its own account when recovering operating costs from tenants.

Distribution income and dividend revenue received from listed property investments and subsidiaries is recognised when the unit holder's right to receive payment has been established.

2.18 Distributions payable to shareholders

The Group has an obligation to distribute the net amount available for distribution, to its shareholders.

Distributions payable are recognised as a liability once the amount for distribution has been determined and declared by the Board. Distributions exclude items arising as a result of:

- The unrealised fair value adjustments to investment properties
- The unrealised gains and losses in respect of the fair valuing of financial assets through profit and loss
- The income arising out of the straight-lining of lease income

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.19 IFRS 16 – Leases

Lessor accounting

The Group acts as a lessor over all its leases over its Investment Property. These leases are classified as operating leases at lease inception. The Group recognises lease payments received under an operating lease as income on a straight-line basis over the lease term as part of Gross Property Revenue.

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised to unamortised upfront lease costs and amortised over the lease term.

The Group did not need to make any adjustment to the accounting for assets held under operating leases as a result of the adoption of IFRS 16.

Lessee accounting

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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. A right-of-use asset in relation to leased land is recognised as Investment Property and a right-of-use asset in relation to leased office space is recognised as Property, Plant and Equipment.

The right-of-use asset recognised as Property, Plant and Equipment is subsequently depreciated using the straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the asset or the end of the lease term. Right-of-use asset recognised as Investment Property is subsequently measured at fair value.

The lease liability is initially measured at the present value of the future lease payments discounted using the interest rate implicit in the lease and if unavailable, the Group's incremental borrowing rate. Lease payments included in the measurement of the finance lease liability comprise:

- Fixed payments; and
- Variable lease payments dependent on an index or a rate, initially measured using the index or rate as at the lease commencement date.

The lease liability is subsequently measured at amortised cost using the effective interest rate method.

A remeasurement occurs when there is a change in the future lease cash flows arising from a change in the Group's assessment of whether it will exercise an extension or termination option or where variable payments become fixed. Where the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the underlying right-of-use asset.

2.20 Interest income and expense

Interest income and expense are recognised within "finance income" and "finance costs" in profit or loss using the effective interest-rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset. Interest income received from loans granted to equity-accounted entities is presented as part of income from equity-accounted investments.

The effective interest-rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.21 Other expenses

Expenses include legal, accounting, auditing and other fees. They are recognised as an expense in profit or loss in the period in which they are incurred (on an accruals basis).

2.22 Investment properties held-for-sale

Investment properties are classified as held-for-sale when their carrying amount is to be recovered through a sale transaction and a sale is considered highly probable. Investment properties held-for-sale are measured at fair value.

Investment property classified as held-for-sale is measured in accordance with IAS 40 Investment property at fair value, with gains or losses on subsequent measurement being recognised in profit or loss.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

2. Summary of significant accounting policies continued

2.23 Employee benefits

2.23.1 Short-term employee benefits

Salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

2.23.2 Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Group pays contributions to a separate entity and has no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when the related services have been rendered.

2.23.3 Short-term incentive

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

The bonuses are based on the achievement of pre-set KPIs that takes into consideration the profit attributable to the Group's shareholders after certain adjustments.

2.23.4 Share-based payments

Share appreciation rights scheme – cash settled

The Group operates a share appreciation rights scheme that was formulated to reward certain employees who make a meaningful and sustainable contribution to the financial performance of Emira.

The scheme is accounted for as a cash-settled share-based payment. The Group recognises a liability and an expense for cash-settled share-based transactions. The liability on the cash-settled share-based transactions is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

Forfeitable share plan – equity settled

The Group operates an equity-settled share-based forfeitable share plan for its employees.

The scheme is accounted for as an equity-settled share-based payment. The grant date fair value of forfeitable shares awarded to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Matching share scheme – equity settled

The Group operates an equity-settled share matching plan for its employees.

In terms of the matching share scheme, participants are encouraged to use their own funds to acquire Emira Property Fund Limited shares. Participants holding shares at the third anniversary of the date of award will be awarded Emira Property Fund Limited shares free of consideration based on a multiple of the original shares linked to the Group and individual's performance, so long as they have achieved a minimum of 75% of their KPIs for the period.

The scheme is accounted for as an equity-settled share-based payment. The grant-date fair value of the matching scheme is recognised as an expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted for changes in management's estimate of the number of shares expected to vest, such that the amount ultimately recognised is based on the number of awards that vest.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

3. Profit for the year before income tax charge

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Income				
Revenue – dividend income from subsidiaries	**–**	–	**227 624**	204 352
Expenses				
Auditor's remuneration	**7 199**	6 702	**3 730**	3 405
Audit fee	**6 973**	6 571	**3 521**	3 296
Non-audit fees	**142**	84	**125**	62
Expenses	**84**	47	**84**	47
Variable operating lease payments – leasehold properties	**12 294**	15 272	**2 469**	4 500
Payroll costs	**60 123**	60 368	**59 343**	59 726
Impairment/(gain) on investment in subsidiaries	**–**	–	**(17 477)**	68 758
Impairment of equity-accounted investments	**34 209**	–	**–**	–
IFRS 2 charges on share schemes	**9 869**	11 812	**9 869**	11 813
Share appreciation rights scheme	**(180)**	(308)	**(180)**	(308)
Forfeitable share plan	**9 612**	11 941	**9 612**	11 941
Share matching scheme	**437**	180	**437**	180

Directors' emoluments

Executive directors

R'000	Group Basic salary	Group Annual bonus	Group Dividends received on FSP shares	Group Total
2022				
G Jennett (CEO)	**4 545**	**4 640**	**2 039**	**11 224**
U van Biljon (COO)	**3 148**	**2 613**	**1 174**	**6 935**
G Booyens (CFO)	**3 107**	**2 512**	**1 140**	**6 760**
Total	**10 800**	**9 765**	**4 353**	**24 918**
2021				
G Jennett (CEO)	4 235	2 933	1 026	8 194
U van Biljon (COO)	2 977	1 566	619	5 162
G Booyens (CFO)	2 939	1 680	589	5 208
Total	10 151	6 179	2 234	18 565

Share appreciation rights scheme held

Number of shares	Balance at 30 June 2021	Vested/ exercised	Issued	Cancelled	**Balance at 30 June 2022**
Fifth tranche					
G Jennett (CEO)	400 000	–	–	(400 000)	**–**
U van Biljon (COO)	333 334	–	–	(333 334)	**–**
G Booyens (CFO)	333 334	–	–	(333 334)	**–**
Total	1 066 668	–	–	(1 066 668)	**–**

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

3. Profit for the year before income tax charge continued

FSP shares held

Number of shares	Balance at 30 June 2021	Vested/ exercised	Issued	Cancelled	**Balance at 30 June 2022**
First tranche					
G Jennett (CEO)	98 601	(44 485)	–	(4 814)	**49 302**
U van Biljon (COO)	76 067	(37 534)	–	(4 066)	**34 467**
G Booyens (CFO)	83 200	(34 316)	–	(3 717)	**45 167**
Total	257 868	(116 335)	–	(12 597)	**128 936**
Second tranche					
G Jennett (CEO)	193 500	(59 678)	–	(4 814)	**129 008**
U van Biljon (COO)	116 800	(42 438)	–	(3 423)	**70 939**
G Booyens (CFO)	137 600	(36 023)	–	(2 906)	**98 671**
Total	447 900	(138 139)	–	(11 143)	**298 618**
Third tranche					
G Jennett (CEO)	459 250	–	–	–	**459 250**
U van Biljon (COO)	246 399	–	–	–	**246 399**
G Booyens (CFO)	235 326	–	–	–	**235 326**
Total	940 975	–	–	–	**940 975**
Notice period FSP					
G Jennett (CEO)	22 446	(22 446)	–	–	**–**
U van Biljon (COO)	14 624	(14 624)	–	–	**–**
G Booyens (CFO)	29 629	(29 629)	–	–	**–**
Total	66 699	(66 699)	–	–	**–**
Fourth tranche					
G Jennett (CEO)	721 121	–	–	–	**721 121**
U van Biljon (COO)	397 886	–	–	–	**397 886**
G Booyens (CFO)	392 759	–	–	–	**392 759**
Total	1 511 766	–	–	–	**1 511 766**
Fifth tranche					
G Jennett (CEO)	–	–	483 154	–	**483 154**
U van Biljon (COO)	–	–	266 589	–	**266 589**
G Booyens (CFO)	–	–	263 152	–	**263 152**
Total	–	–	1 012 895	–	**1 012 895**

Matching shares held

Number of shares	Balance at 30 June 2021	Vested/ exercised	Issued	Cancelled	**Balance at 30 June 2022**
Second tranche					
G Jennett (CEO)	47 762	–	–	–	**47 762**
U van Biljon (COO)	13 300	–	–	–	**13 300**
G Booyens (CFO)	12 160	–	–	–	**12 160**
Total	73 222	–	–	–	**73 222**
Third tranche					
G Jennett (CEO)	–	–	42 203	–	**42 203**
U van Biljon (COO)	–	–	36 534	–	**36 534**
G Booyens (CFO)	–	–	28 321	–	**28 321**
Total	–	–	107 058	–	**107 058**

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

3. Profit for the year before income tax charge continued

Non-executive Directors' fees

	Group	
R'000	**2022**	2021
G van Zyl (Chairman)	**764**	626
MS Aitken ^	**445**	370
BH Kent *	**–**	122
V Mahlangu	**519**	455
B Moroole	**416**	367
JW Templeton	**408**	347
W McCurrie	**493**	422
V Nkonyeni	**533**	445
J Nyker	**560**	470
D Thomas	**381**	334
Total	**4 518**	3 958

^ Subsequent to year end Michael Aitken retired from the board effective 31 August 2022.

* Retired effective 30 October 2020.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

4. Income tax charge

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Major components of the income tax charge				
Normal	**1 692**	(12)	**56**	(2 179)
Current	**1 692**	(12)	**56**	(2 179)
Foreign taxation	**38**	(4 721)	**–**	(12 422)
Foreign taxation – income	**38**	(7 188)	**–**	(7 188)
Foreign taxation – capital	**–**	2 467	**–**	(5 233)
	1 730	(4 733)	**56**	(14 600)
Reconciliation of the tax charge	**–**	–	**–**	–
Profit for the year before income tax credit at 28% (2021: 28%)	**272 080**	128 703	**228 985**	124 438
Qualifying distributions	**(175 309)**	(173 641)	**(175 309)**	(173 641)
Foreign withholding tax – income	**38**	(7 188)	**–**	(7 188)
Foreign capital gains tax	**–**	2 467	**–**	(5 233)
Non-taxable items:				
Non-taxable income	**(123 066)**	(89 207)	**(22 094)**	(14 912)
Non-deductible items:				
Fair value adjustments	**(18 503)**	41 504	**(22 026)**	(30 213)
Allowances for future rental escalations and upfront lease costs	**4 863**	1 403	**1 367**	2 681
Items not included in profit before tax but which are subject to tax	**8 839**	7 131	**8 839**	7 131
Non-deductible expenditure	**17 267**	15 256	**12 258**	46 582
Unrealised foreign exchange gains/(losses)	**(31 151)**	37 330	**(31 151)**	37 330
Other:				
Other (deductible)/taxable items not included in profit for the year	**(15 949)**	(1 948)	**(15 122)**	(1 831)
Tax loss not carried forward	**62 621**	33 457	**14 310**	255
	1 730	(4 733)	**56**	(14 600)

Being a REIT, the Company and its Controlled Companies, are able to claim the qualifying distribution made to shareholders as a deduction against taxable income in respect of Section 25BB of the Income Tax Act.

Non-taxable income includes income from equity-accounted investments and non-vesting share-based payment adjustments.

Non-deductible expenditure, includes the impairment of investment in subsidiaries, expected credit losses and SARS interest and penalties.

Other includes items that are not deductible for tax purposes as well as amounts that are disregarded and/or forfeited for tax purposes, s24I deductions and income, as well as capitalised interest added back for accounting purposes.

Items not included in profit before tax but which are subject to tax includes dividends received from equity-accounted investments, interest received on loans outstanding from BEE parties where the loans and corresponding interest are not recognised for accounting purposes – see note 31, Critical Accounting Estimates and judgements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

5. Basic and diluted earnings per share

R'000	Group 2022	Group 2021
Reconciliation between earnings and headline earnings		
Profit for the year attributable to Emira shareholders	**968 583**	467 285
Adjusted for		
Net fair value loss on revaluation of investment properties	**(28 718)**	541 378
Net fair value loss on revaluation of investment properties of associates	**(162 295)**	(93 087)
Non-controlling interest	**638**	(2 898)
Gain on bargain purchase	**(35 568)**	–
Impairment of investment in associate	**34 209**	–
Headline earnings	**776 848**	912 678
Earnings per share (cents)		
The calculation of earnings per share is based on net profit for the year of R968,6m (2021: R467,3m), divided by the weighted average number of shares in issue during the year of 483 358 227 (2021: 484 838 465).	**200,39**	96,38
Diluted earnings per share (cents)		
The calculation of diluted earnings per share is based on net profit for the year of R968,6m (2021: R467,3m), divided by the diluted weighted average number of shares in issue during the year of 489 333 883 (2021: 489 333 883).	**197,94**	95,49
Headline earnings per share (cents)		
The calculation of headline earnings per share is based on net profit for the year, adjusted for headline items, of R776,8m (2021: R912,7m), divided by the weighted average number of shares in issue during the year of 483 358 227 (2021: 484 838 465).	**160,72**	188,24
Diluted headline earnings per share (cents)		
The calculation of diluted headline earnings per share is based on net profit for the year, adjusted for headline items, of R776,8m (2021: R912,7m), divided by the diluted weighted average number of shares in issue during the year of 489 333 883 (2021: 489 333 883).	**158,76**	186,51
Reconciliation of weighted average number of ordinary shares		
Actual ordinary shares in issue at 1 July	**522 667 247**	522 667 247
Vendor funded shares under the BEE scheme [i]	**(26 133 364)**	(26 133 364)
Treasury shares acquired for the forfeitable share plan [ii]	**(5 975 656)**	(4 495 418)
Treasury shares held by the ESA Trust [iii]	**(7 200 000)**	(7 200 000)
Weighted average number of ordinary shares	**483 358 227**	484 838 465
Diluted effect of shares granted to employees in respect of Emira's Share Plans	**5 975 656**	4 495 418
Diluted weighted average number of shares in issue	**489 333 883**	489 333 883

i Emira shares relating to the outstanding capital on the Vendor Loans provided to the BEE Parties under Emira's June 2017 BEE Scheme, classified as treasury shares upon consolidation of BEE Scheme.

ii Emira shares held by Emira's Forfeitable Share Plan, classified as treasury shares.

iii Emira shares held by the ESA Trust are classified as treasury shares upon consolidation of the ESA Trust.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

6. Investment properties

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Net carrying value				
Cost	**7 577 963**	7 492 294	**5 380 087**	5 271 887
Fair value surplus	**1 955 225**	2 000 550	**1 859 165**	1 866 444
Investment properties held for sale	**(23 350)**	(224 300)	**–**	(162 000)
Subtotal	**9 509 838**	9 268 544	**7 239 252**	6 976 331
Right of use lease asset	**76 567**	40 212	**37 777**	37 777
	9 586 405	9 308 757	**7 277 029**	7 014 108
Movement for the year				
Balance at beginning of year	**9 308 757**	9 989 438	**7 014 109**	7 370 522
Investment property acquired	**103 000**	–	**103 000**	–
Additions – subsequent expenditure on investment property	**181 984**	100 837	**124 128**	74 290
Disposal of investment property at fair value	**(46 950)**	(34 500)	**(1 750)**	–
Surplus/(deficit) on revaluation	**28 718**	(541 378)	**41 300**	(285 763)
Tenant installations and lease commissions	**(2 108)**	18 660	**(3 759)**	17 059
– costs capitalised	**9 601**	37 653	**6 786**	31 623
– amortisation	**(11 709)**	(18 993)	**(10 545)**	(14 564)
Transfer to non-current assets held for sale	**(23 350)**	(224 300)	**–**	(162 000)
Right of use lease asset	**36 354**	–	**–**	–
Balance at end of year	**9 586 405**	9 308 757	**7 277 029**	7 014 108
Reconciliation to independent and directors' valuations				
Valuation at 30 June 2022	**9 586 405**	9 308 757	**7 277 029**	7 014 108
Allowance for future rental escalations	**192 528**	220 874	**157 415**	169 694
Unamortised upfront lease costs	**31 468**	28 522	**23 193**	20 895
Investment property held for sale	**23 350**	224 300	**–**	162 000
Independent and directors' valuations at end of year	**9 833 752**	9 782 452	**7 457 637**	7 366 697

During the year Emira acquired Northpoint Industrial Park, a multi-tenant industrial property located in Cape Town, for R103,0m. The property transferred into the Fund on 20 January 2022. The Fund disposed of five properties during the year which were either deemed non-core, were underperforming or posed excessive risk. The properties were sold for a total consideration of R271,3m and are detailed below:

Property	Location	Sector	Sales price (R'm)	Effective date
Epping Warehouse	Cape Town	Industrial	94,3	2 Feb 22
Epsom Downs Shopping Centre	Johannesburg	Retail	68,0	7 Feb 22
The Colony Centre	Johannesburg	Retail	60,0	3 Mar 22
Discovery Land	Pretoria	Vacant land	1,5	6 Apr 22
Universal Industrial Park	Durban	Industrial	47,5	8 Apr 22
			271,3	

Full details of freehold and leasehold investment properties owned by the Group are available for inspection at Emira's registered office.

The properties were valued as at 30 June 2022 using a discounted cash flow approach based on future income streams, applying an appropriate capitalisation rate to each property. In terms of its accounting policy and JSE regulations, one third of the Group's property portfolio is valued annually by independent valuers, with the balance valued by the directors. The Independent valuations were carried out by Real Insight, Yield Enhancing Solutions and Premium Valuation Services, all registered valuers in terms of section 19 of the Property Valuers Profession Act (Act No. 47 of 2000). For further details on the measurement of fair value, please refer to note 29.

The investment properties classified as properties held-for-sale relate to properties that the Board approved to be recovered through sale rather than through use. Investment property classified as held for sale, consists of one asset valued at R23,4m, namely buildings 5 and 8 at Albury Park in Johannesburg, and is in the process of being disposed of, and the property has been revalued to its respective fair value based on the contractual selling price of the property. These properties have been reclassified from investment properties to non-current assets held-for-sale as the requirements of IFRS 5 have been satisfied and there is a large degree of certainty that these units will be sold and transferred to buyers within 12 months of year-end.

Investment properties to the value of R8 673,9m (2021: R8 478,0m) have been used to provide security for loans taken out. See note 17.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

7. Allowance for future rental escalations

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Balance at beginning of year	**220 874**	225 622	**169 694**	179 057
Net straight-lining for the year	**(17 369)**	(4 748)	**(4 883)**	(9 363)
Disposal of investment property	**(10 977)**	–	**(7 396)**	–
Balance at year-end	**192 528**	220 874	**157 415**	169 694

8. Unamortised upfront lease costs

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Balance at beginning of year	**28 522**	32 554	**20 895**	23 043
Net smoothing for the year – lease costs pre 1 July 2015	**(182)**	(263)	**(157)**	(213)
Net smoothing for the year – lease costs post 1 July 2015	**3 128**	(3 769)	**2 455**	(1 935)
Balance at year-end	**31 468**	28 522	**23 193**	20 895

9. Furniture, fittings, computer equipment and intangible assets

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Cost	**5 434**	5 324	**5 410**	5 300
Accumulated depreciation	**(3 989)**	(3 172)	**(3 967)**	(3 154)
Carrying value	**1 445**	2 152	**1 443**	2 146
Movement for the year				
Opening balance	**2 152**	2 859	**2 146**	2 849
Additions	**86**	179	**110**	179
Depreciation	**(792)**	(887)	**(813)**	(883)
Net carrying value	**1 445**	2 152	**1 443**	2 146

Furniture and fittings, computer equipment and intangible assets in owner occupied property are stated at cost less accumulated depreciation/amortisation and any impairment losses.

Computer software has a finite useful life and is subsequently amortised on a straight-line method over its estimated useful life.

Depreciation is charged so as to write off the cost less residual value of furniture and fittings and computer equipment over their estimated useful lives, using the straight-line method.

The principal useful lives used for this purpose are:

Computer equipment	3 years
Furniture and fittings	6 years
Computer software	5 years

These are assets within the owner occupied properties and facilitate the day to day management of the Group and Company.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

10. Investment and loans in subsidiaries

	Issued ordinary capital		Proportion held by holding company	
R'000	**2022**	2021	**2022**	2021
Subsidiaries directly held				
Adamass Investments (Pty) Ltd*	**–**	–	**100,0**	100,0
Aquarella Investments 272 (Pty) Ltd*#	**–**	–	**100,0**	100,0
Backbone Investments (Pty) Ltd*#	**–**	–	**100,0**	100,0
Bet All Investments (Pty) Ltd*	**–**	–	**75,0**	75,0
CIL2 LLC*	**–**	–	**100,0**	100,0
Freestone Property Holdings (Pty) Ltd	**38 659**	38 659	**100,0**	100,0
Libra Investments 5 (Pty) Ltd*	**–**	–	**100,0**	100,0
Lowmer Investments (Pty) Ltd*	**–**	–	**100,0**	100,0
Menlyn Corporate Park (Pty) Ltd*	**–**	–	**100,0**	100,0
Monagon Properties (Pty) Ltd*	**–**	–	**100,0**	100,0
No 9 Sturdee Share Block (Pty) Ltd*#	**–**	–	**100,0**	100,0
Omnicron Investments 005 (Pty) Ltd*	**–**	–	**100,0**	100,0
Rapidough Properties 509 (Pty) Ltd*	**–**	–	**100,0**	100,0
Strategic Real Estate Managers (Pty) Ltd*#	**–**	–	**100,0**	100,0
Waterside Place Body Corporate*#	**–**	–	**100,0**	100,0
Windrifter Share Block (Pty) Ltd*#	**–**	–	**100,0**	100,0
Subsidiaries indirectly held^				
Cape Poinsett Property Investments (Pty) Ltd*	**–**	–	**100,0**	100,0
Freestone Property Investments (Pty) Ltd*	**–**	–	**100,0**	100,0
CIL2 REIT LLC*	**–**	–	**100,0**	100,0
CIL2 REIT TRS LLC*	**–**	–	**100,0**	100,0
Ranier CIL2 Stony Creek LLC	**–**	–	**100,0**	100,0
Ranier 32 East LLC	**–**	–	**100,0**	100,0
Ranier Belden Park LLC	**–**	–	**100,0**	100,0
Subsidiaries through deemed control				
ESA Trust*	**–**	–	**–**	–
Luxanio Investments 157 (Pty) Ltd ("Letsema")	**–**	–	**–**	–
Tamela Property Investment (RF) Proprietary Limited	**–**	–	**–**	–

* Represent nominal amounts under R1 000.

Dormant company.

^ Subsidiaries indirectly held represent subsidiaries held through a wholly owned intermediary subsidiary.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

10. Investment and loans in subsidiaries continued

R'000	Shares at cost 2022	Shares at cost 2021	Amount due to/(by) holding company 2022	Amount due to/(by) holding company 2021
Subsidiaries directly held				
Adamass Investments (Pty) Ltd*	**13 641**	13 641	**(22 802)**	(22 802)
Aquarella Investments 272 (Pty) Ltd*#	**6 379**	6 379	**(13 789)**	(13 789)
Backbone Investments (Pty) Ltd*#	**11 364**	11 364	**(11 364)**	(11 364)
Bet All Investments (Pty) Ltd*	**–**	–	**190 313**	189 683
CIL2 LLC*	**853 860**	711 565	**995 418**	753 674
Freestone Property Holdings (Pty) Ltd	**1 339 187**	1 339 187	**(874 074)**	(779 875)
Libra Investments 5 (Pty) Ltd*	**66 412**	66 412	**273 982**	267 392
Lowmer Investments (Pty) Ltd*	**111 248**	111 248	**101 669**	101 727
Menlyn Corporate Park (Pty) Ltd*	**283 386**	283 386	**361 501**	357 257
Monagon Properties (Pty) Ltd*	**14 835**	14 835	**50 094**	51 089
No 9 Sturdee Share Block (Pty) Ltd*#	**22 056**	22 056	**(23 744)**	(23 744)
Omnicron Investments 005 (Pty) Ltd*	**35 368**	35 368	**(29 407)**	(29 407)
Rapidough Properties 509 (Pty) Ltd*	**17 832**	17 832	**15 510**	15 310
Strategic Real Estate Managers (Pty) Ltd*#	**–**	–	**14 900**	14 900
Waterside Place Body Corporate*#	**278**	278	**(27)**	(27)
Windrifter Share Block (Pty) Ltd*#	**48 230**	48 230	**(48 230)**	(48 230)
Subsidiaries indirectly held^			**–**	–
Cape Poinsett Property Investments (Pty) Ltd*	**3 671**	3 671	**253 348**	249 551
Freestone Property Investments (Pty) Ltd*	**–**	–	**340 712**	434 912
CIL2 REIT LLC*	**853 860**	711 565	**–**	–
CIL2 REIT TRS LLC*	**–**	–	**–**	–
Ranier CIL2 Stony Creek LLC	**89 179**	89 179	**–**	–
Ranier 32 East LLC	**58 309**	58 309	**–**	–
Ranier Belden Park LLC	**115 247**	115 247	**–**	–
Subsidiaries through deemed control				
ESA Trust*	**–**	–	**–**	–
Luxanio Investments 157 (Pty) Ltd ("Letsema")	**–**	–	**–**	–
Tamela Property Investment (RF) Proprietary Limited	**–**	–	**–**	–
Reconciliation of subsidiaries directly held				
Investment and loan assets in subsidiary				
Gross carrying value	**2 824 081**	2 681 785	**2 003 387**	1 751 032
Impairment	**(456 424)**	(473 901)	**–**	–
Expected credit losses	**–**	–	**(283 287)**	(278 665)
Net carrying value	**2 367 656**	2 207 884	**1 720 099**	1 472 367
Loans from subsidiaries				
Gross carrying value			**(1 023 438)**	(929 238)
Net carrying value	**–**	–	**(1 023 438)**	(929 238)
Total net carrying value	**2 367 656**	2 207 884	**696 661**	543 129

* Represent nominal amounts under R1 000.

\# Dormant company.

^ Subsidiaries indirectly held represent subsidiaries held through a wholly owned intermediary subsidiary.

All subsidiary companies, with the exception of CIL2 LLC, CIL2 REIT LLC, Ranier CIL2 Stony Creek LLC, Ranier 32 East LLC, Ranier Belden Park LLC, ESA Trust, the BEE Scheme companies and Strategic Real Estate Managers (Pty) Ltd and dormant companies, are property investment companies incorporated in the Republic of South Africa. CIL2 LLC , CIL2 REIT LLC, CIL2 REIT TRS LLC, Ranier CIL2 Stony Creek LLC, Ranier 32 East LLC and Ranier Belden Park LLC are incorporated in the United States of America and are the vehicles used by Emira to invest into retail properties in the USA.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

10. Investment and loans in subsidiaries continued

ESA Trust

The ESA Trust (the "Trust") is the designated vehicle which holds shares in terms of the share ownership plan for executive directors under the approved remuneration policy. The ESA Trust is consolidated through control exercised by Emira.

For more information on the ESA trust, please refer to note 31.

BEE Share Scheme

The Company concluded a Black Economic Empowerment ("BEE") transaction in May 2017, in terms of which 26 133 364 Emira shares in aggregate ("the Subscription Shares") were issued to the special purpose vehicles of Letsema Holdings (Pty) Ltd ("Letsema") and Tamela Holdings (Pty) Ltd ("Tamela"). On 3 April 2020, as a result of the Trigger Event, Emira entered into a guarantee agreement ("Agreement") with the Lender of the BEE Scheme. In terms of the Agreement, Emira irrevocably and unconditionally guaranteed as a separate, principal and independent obligation to and in favour of the Lender, the payment and performance of the obligations of the BEE Shareholders arising in connection with the Third Party Loan. As a result of the Agreement Emira is deemed to control the BEE Shareholders and accordingly they were consolidated effective 3 April 2020.

For more information on the BEE Scheme, please refer to note 31.

Expected Credit Loss and Impairment

The cumulative expected credit loss allowance ("ECL") of the loans to subsidiaries of R283,3m (2021: R278,7m) recognised was based on the underlying net asset value of the subsidiary, except for the loan to Bet-All Investments. Bet-All Investments (Pty) Ltd owns residential property and the loss given default was based on the realisable value of the property, which was further stressed on possible future occupancy levels. The expected credit loss recognised largely stems from a decrease in the fair value of the investment properties in the underlying investments.

The cumulative impairment loss of R456,4m (2021: R473,9m) represents the write-down of Emira's long-term interest in subsidiaries to the recoverable amount of the underlying subsidiary, largely due to a decrease in the fair value of investment property in the underlying investments. Recoverable amounts have been based on the net asset value of the underlying subsidiary which represents its value in use.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments

R'000	Principal place of business	Effective voting rights (%)	Group 2022	Group 2021	Company 2022	Company 2021
Joint Venture						
Enyuka Prop Holdings (Pty) Ltd	South Africa	49,90	**638 616**	657 195	**601 282**	619 276
Associates						
Transcend Residential Property Fund Ltd	South Africa	40,69	**585 167**	438 918	**585 167**	438 918
Belden Park Delaware LLC	United States of America	46,67	**178 053**	141 630	**–**	–
Rainier Moore Plaza LLC	United States of America	49,50	**303 001**	239 189	**–**	–
32 East Center Delaware LLC	United States of America	49,42	**95 342**	75 076	**–**	–
Rainier Stony Creek LLC	United States of America	49,43	**94 858**	89 584	**–**	–
Rainier Woodlands Square LLC	United States of America	49,57	**270 849**	203 088	**–**	–
Rainier Truman's Marketplace LLC	United States of America	49,51	**112 059**	135 155	**–**	–
Rainier SA Crossing LLC	United States of America	49,50	**109 295**	89 530	**–**	–
Rainier Wheatland Investors LLC	United States of America	49,60	**165 323**	133 092	**–**	–
Rainier UTC LLC	United States of America	49,64	**229 819**	197 773	**–**	–
Rainier Dawsons Market Place LLC	United States of America	49,60	**265 322**	216 053	**–**	–
Rainier Newport Pavilion LLC	United States of America	49,62	**294 324**	179 985	**–**	–
Rainier Summit Woods LLC	United States of America	49,50	**305 599**	–	**–**	–
Carrying amount			**3 647 626**	2 796 268	**1 186 449**	1 058 194

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Reconciliation of equity-accounted investments				
Opening balance	**2 204 206**	2 090 992	**466 133**	429 767
Acquisition of equity-accounted interest	**389 611**	169 953	**98 907**	–
Gain on bargain purchase	**35 568**	–	**35 568**	–
Share in equity-accounted profit	**404 476**	320 312	**43 340**	61 835
Dividends received	**(191 191)**	(94 720)	**(31 566)**	(25 469)
Foreign currency translation	**265 096**	(282 331)	**–**	–
Impairment of equity-accounted investment	**(34 209)**	–	**–**	–
Carrying amount	**3 073 558**	2 204 206	**612 382**	466 133
Reconciliation of loans advanced to equity-accounted investments				
Opening balance	**592 062**	687 935	**592 061**	687 934
Expected credit loss	**3 302**	6 419	**3 302**	6 419
Interest accrued	**86 433**	91 576	**86 433**	91 576
Repaid during the year	**(107 729)**	(193 867)	**(107 729)**	(193 867)
Carrying amount of loans to equity-accounted investments	**574 068**	592 062	**574 067**	592 061
Less: Assets held for sale	**(638 616)**	–	**(601 282)**	–
Carrying amount of investments and loans in equity-accounted investments	**3 009 010**	2 796 268	**585 167**	1 058 194

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Joint venture: Enyuka Prop Holdings (Pty) Ltd

		Group		Company	
R'000		**2022**	2021	**2022**	2021
Acquisition date	1 July 2017				
Primary place of business	South Africa				
Proportion ownership of interest	49,90%				
Carrying value of Emira Property Fund's interest in Enyuka					
Opening balance		**65 133**	58 614	**27 214**	27 214
Share in post acquisition reserves		**33 623**	6 519	**–**	–
Impairment of equity-accounted investment		**(34 209)**	–	**–**	–
Equity-accounted investment		**64 548**	65 133	**27 214**	27 214
Loan (net of expected credit loss)		**574 068**	592 062	**574 068**	592 062
		638 616	657 195	**601 282**	619 276

Enyuka is the rural retail venture between Emira and One Property Holdings ("One Prop").

Management has concluded that in terms of IAS 28: Investments in Associates and Joint Ventures, Emira jointly controls Enyuka hence Enyuka is equity-accounted for Group.

Emira assessed the carrying value of its investment in Enyuka at reporting date and impaired the investment by R34,2m to R64,6m, being the agreed disposal value together with the loan advanced to Enyuka. Emira has classified its net investment in Enyuka of R638,6m under Assets held-for-sale on the statement of financial position and is measured at fair value.

For further detail on the disposal transaction and measurement of fair value, refer to note 29.

The loan advanced to Enyuka is unsecured and interest was charged at a rate of 15,03% (2021: 14,80%) for the year ended 30 June 2022. Interest is repayable quarterly and capital is repayable on maturity.

The credit risk of the loan to Enyuka Prop Holdings (Pty) Ltd was assessed and an expected credit loss of R0,9m (2021: R4,2m) was raised. Refer to note 30 for further information.

Further disclosure on significant estimates and judgement applied to Enyuka, refer to note 31.

Local associates

Associate: Transcend Residential Property Fund Ltd

		Group and Company	
R'000		**2022**	2021
Acquisition date	13 December 2018		
Primary place of business	South Africa		
Proportion ownership of interest	40,69%		
Carrying value of Emira Property Fund's interest in Enyuka			
Opening balance		**438 918**	402 552
Additional investment		**98 907**	–
Gain on bargain purchase		**35 568**	–
Share in post acquisition reserves		**43 340**	61 835
Dividends received		**(31 566)**	(25 469)
Equity-accounted investment		**585 167**	438 918

Transcend, which is listed on the JSE Main Board, was identified as an avenue through which Emira could enhance the diversification of the Company into the residential rental market given Transcend's expertise in specialised residential property assets, and access to significant pipeline opportunities. This strategy is in line with Emira's co-investment strategy with hands-on sector specialists who have good track records of success in their markets.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

During the year Emira's shareholding in Transcend increased by a net 21 014 895 shares taking its total share ownership to 66 697 178 (2021: 45 682 283), amounting to an equity interest of 40,7% (2021: 34,9%). The change in shareholding during the year was due to the following:

- 18 621 038 shares were subscribed for on 20 December 2021 at R4,72 per share (cum distribution). The new shares were issued by Transcend as part funding for its acquisition of two further investment properties. The terms of the issue included a waiver from other shareholders to receive a mandatory offer from Emira as a result of Emira's shareholding increasing above 35%.
- A further 2 403 857 shares were acquired on 4 March 2022 at R4,60 per share.
- On 13 April 2022 Emira disposed 10 000 shares at R5,50 per share.

The quoted share price of Transcend at 30 June 2022 was R5,80 (2021: R4,56) per share.

Further disclosure on Transcend is included in note 31.

Foreign associates

Emira has continued with its strategy of investing into grocery-anchored dominant value oriented power centres in the USA, with one further acquisition made during the current financial period. Emira now has a minority share in 12 properties, all on a co-investment basis with its USA-based partner, The Rainier Group of Companies ("Rainier").

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

Emira's holds a 100,00% equity investment in CIL 2 LLC, which is the holding company of CIL2 REIT LLC. CIL2 REIT LLC does not exercise control over any of the USA property owning entities in terms of their financial and operating policy decisions. Emira does not have board representation, nor has there been any exchange of managerial personnel and Emira does not provide any guarantees or extend any credit thereto. However, Emira does exercise significant influence over the acquisitions and disposals of the investments made by CIL2 REIT LLC and each investment is equity-accounted.

Associate: Belden Park Delaware LLC

		Group	
R'000		**2022**	2021
Acquisition date	17 October 2017		
Primary place of business	United States of America		
Proportion ownership of interest	46,67%		
Carrying value			
Opening balance		**141 630**	174 398
Share in post acquisition reserves*		**15 636**	(2 014)
Foreign currency translation movement through other comprehensive income		**20 788**	(30 753)
		178 053	141 630

* For further detail, refer to note 31, Significant estimates and judgements.

Belden Park Delaware LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Belden Park Crossing, located in North Canton, Ohio.

Dividends of USD nil (2021: USD nil) were received by Emira from its investments in Belden Park Delaware LLC.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Associate: Rainier Moore Plaza LLC

R'000		Group 2022	Group 2021
Acquisition date	18 January 2018		
Primary place of business	United States of America		
Proportion of voting rights	49,50%		
Carrying value			
Opening balance		**239 189**	248 679
Share in post acquisition reserves*		**34 419**	35 120
Dividends received		**(5 826)**	–
Foreign currency translation movement through other comprehensive income		**35 219**	(44 610)
		303 001	239 189

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Moore Plaza LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Moore Plaza, located in Corpus Christi, Texas.

Dividends of USD375 619 (2021: USD nil) were received by Emira from its investment in Rainier Moore Plaza LLC.

Associate: 32 East Center Delaware LLC

R'000		Group 2022	Group 2021
Acquisition date	19 January 2018		
Primary place of business	United States of America		
Proportion of voting rights	49,42%		
Carrying value			
Opening balance		**75 076**	79 722
Share in post acquisition reserves*		**9 199**	9 591
Foreign currency translation movement through other comprehensive income		**11 066**	(14 236)
		95 342	75 076

* For further detail, refer to note 31, Significant estimates and judgements.

32 East Centre Delaware LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as 32 East, located in Cincinnati, Ohio.

Dividends of USD nil (2021: USD nil) were received by Emira from its investment in 32 East Delaware LLC.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Associate: Rainier Stony Creek Acquisitions LLC

R'000		Group 2022	Group 2021
Acquisition date	28 March 2018		
Primary place of business	United States of America		
Proportion of voting rights	49,43%		
Carrying value			
Opening balance		**89 584**	106 186
Share in post acquisition reserves*		**2 901**	8 519
Dividends received		**(9 910)**	(6 339)
Foreign currency translation movement through other comprehensive income		**12 283**	(18 783)
		94 858	89 584

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Stony Creek Acquisitions LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Stony Creek, located in Noblesville, Indiana.

Dividends of USD638 857 (2021: USD436 105) were received by Emira from its investment in Rainier Stony Creek Acquisitions LLC.

Associate: Rainier Woodlands Square LLC

R'000		Group 2022	Group 2021
Acquisition date	26 October 2018		
Primary place of business	United States of America		
Proportion of voting rights	49,57%		
Carrying value			
Opening balance		**203 088**	196 359
Share in post acquisition reserves*		**58 497**	45 669
Dividends received		**(21 301)**	(3 564)
Foreign currency translation movement through other comprehensive income		**30 565**	(35 376)
		270 849	203 088

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Woodlands Square LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Rainier Woodlands, located in Tampa, Florida.

Dividends of USD1 373 217 (2021: USD245 217) were received by Emira from its investment in Rainier Woodlands Square LLC.

Associate: Rainier Truman's Marketplace LLC

R'000		Group 2022	Group 2021
Acquisition date	21 December 2018		
Primary place of business	United States of America		
Proportion of voting rights	49,51%		
Carrying value			
Opening balance		**135 155**	137 763
Share in post acquisition reserves*		**(29 936)**	27 071
Dividends received		**(10 178)**	(4 986)
Foreign currency translation movement through other comprehensive income		**17 019**	(24 694)
		112 059	135 155

* For further detail, refer to note 31, Significant estimates and judgements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Rainier Truman's Marketplace LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Truman's Marketplace, located in Grandview, Missouri.

Dividends of USD656 182 (2021: USD342 998) were received by Emira from its investment in Rainier Truman's Marketplace LLC.

Associate: Rainier SA Crossing LLC

R'000		Group 2022	Group 2021
Acquisition date	27 February 2019		
Primary place of business	United States of America		
Proportion of voting rights	49,50%		
Carrying value			
Opening balance		**89 530**	84 201
Additional investment		**6 113**	–
Share in post acquisition reserves*		**13 617**	28 815
Dividends received		**(12 946)**	(8 274)
Foreign currency translation movement through other comprehensive income		**12 982**	(15 212)
		109 295	89 530

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier SA Crossing LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as SA Crossing, located in San Antonio, Texas.

Dividends of USD834 620 (2021: USD569 250) were received by Emira from its investment in Rainier SA Crossing LLC.

Associate: Rainier Wheatland Investors LLC

R'000		Group 2022	Group 2021
Acquisition date	5 September 2019		
Primary place of business	United States of America		
Proportion of voting rights	49,60%		
Carrying value			
Opening balance		**133 092**	132 062
Share in post acquisition reserves*		**30 525**	35 690
Dividends received		**(17 732)**	(10 927)
Foreign currency translation movement through other comprehensive income		**19 437**	(23 732)
		165 323	133 092

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Wheatland Investors LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Wheatland, located in Dallas, Texas.

Dividends of USD1 143 125 (2021: USD751 750) were received by Emira from its investment in Rainier Wheatland Investors LLC.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Associate: Rainier UTC LLC

R'000		Group **2022**	Group 2021
Acquisition date	24 June 2019		
Primary place of business	United States of America		
Proportion of voting rights	49,64%		
Carrying value			
Opening balance		**197 773**	232 167
Share in post acquisition reserves*		**30 624**	28 362
Dividends received		**(26 689)**	(21 657)
Foreign currency translation movement through other comprehensive income		**28 111**	(41 099)
		229 819	197 773

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier UTC LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as UTC, located in Norman, Oklahoma.

Dividends of USD1 720 542 (2021: USD1 489 955) were received by Emira from its investment in Rainier UTC LLC.

Associate: Rainier Hendon Dawson Marketplace Acquisitions LLC

R'000		Group **2022**	Group 2021
Acquisition date	3 February 2020		
Primary place of business	United States of America		
Proportion of voting rights	49,60%		
Carrying value			
Opening balance		**216 053**	238 290
Share in post acquisition reserves*		**52 360**	33 675
Dividends received		**(34 496)**	(13 505)
Foreign currency translation movement through other comprehensive income		**31 405**	(42 407)
		265 322	216 053

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Hendon Dawson Marketplace Acquisitions LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Dawson Marketplace, located in Dawsonville, Georgia.

Dividends of USD2 223 878 (2021: USD929 086) were received by Emira from its investment in Rainier Hendon Dawson Marketplace Acquisitions LLC.

Associate: Rainier Newport Pavilion LLC

R'000		Group **2022**	Group 2021
Acquisition date	16 June 2021		
Primary place of business	United States of America		
Proportion of voting rights	49,62%		
Carrying value			
Opening balance		**179 985**	–
Initial investment		**–**	169 953
Share in post acquisition reserves*		**105 151**	1 462
Foreign currency translation movement through other comprehensive income		**29 733**	8 571
		294 324	179 985

* For further detail, refer to note 31, Significant estimates and judgements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Rainier Newport Pavilion LLC is a limited liability company registered in the State of Texas, United States of America, and is the owner of the property known as Newport Pavilion, located in Cincinnati, Kentucky.

Dividends of USD1 324 551 (2021: USD nil) were received by Emira from its investment in Rainier Newport Pavilion LLC.

Associate: Rainier Summit Woods Acquisitions LLC

R'000		Group 2022	Group 2021
Acquisition date	13 May 2022		
Primary place of business	United States of America		
Proportion of voting rights	49,50%		
Carrying value			
Initial investment		**284 591**	–
Share in post acquisition reserves*		**4 519**	–
Foreign currency translation movement through other comprehensive income		**16 489**	–
		305 599	–

* For further detail, refer to note 31, Significant estimates and judgements.

Rainier Summit Woods Acquisitions LLC is a limited liability company registered in the State of Delaware, United States of America, and is the owner of the property known as Newport Pavilion, located in Lee's Summit, Missouri.

Rainier Summit Woods Acquisition LLC acquired Summit Woods on 11 May 2022.

Dividends of USD Nil (2021: USD Nil) were received by Emira from its investment in Ranier Summit Wood Acquisition LLC.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Summarised financial information

Summarised financial information for each of the associates is presented below and represents the financial information included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest.

Statement of financial position*

2022	Enyuka Prop Holdings R'000	Transcend Residential Property Fund# R'000	Belden Park Delaware LLC USD'000	Rainier Moore Plaza LLC USD'000	32 East Center Delaware LLC USD'000
Functional currency	**ZAR**	**ZAR**	**USD**	**USD**	**USD**
Sector	**Local – Rural retail**	**Local – residential**	**Offshore – retail**	**Offshore – retail**	**Offshore – retail**
Effective interest (%)	**49,90**	**40,69**	**46,67**	**49,50**	**49,42**
Assets					
Non-current assets	**1 722 139**	**2 393 243**	**62 800**	**80 300**	**30 900**
Investment property	**1 720 101**	**2 392 585**	**62 800**	**80 300**	**30 900**
Fixtures and fittings	**–**	**658**	**–**	**–**	**–**
Derivative financial instruments	**2 038**	**–**	**–**	**–**	**–**
Current assets	**68 798**	**69 806**	**6 920**	**2 364**	**2 171**
Trade and other receivables	**11 346**	**29 434**	**566**	**(405)**	**184**
Cash and cash equivalents	**57 452**	**40 372**	**6 354**	**2 769**	**1 987**
Total assets	**1 790 937**	**2 463 049**	**69 720**	**82 664**	**33 071**
Equity and liabilities					
Equity	**103 238**	**1 438 293**	**19 289**	**34 303**	**12 413**
Share capital and reserves	**13 089**	**1 173 215**	**13 438**	**17 522**	**6 762**
Retained Income	**90 149**	**265 078**	**5 850**	**16 782**	**5 651**
Non-current liabilities	**1 613 032**	**978 167**	**48 652**	**47 018**	**20 072**
Loans from shareholders	**663 403**	**–**	**–**	**–**	**–**
Interest-bearing debt	**921 383**	**973 610**	**48 652**	**47 018**	**20 072**
Other long-term liabilities	**28 247**	**–**	**–**	**–**	**–**
Derivative financial instruments	**–**	**4 557**	**–**	**–**	**–**
Current liabilities	**74 667**	**46 589**	**1 779**	**1 343**	**587**
Accounts payable	**74 667**	**43 276**	**1 779**	**1 343**	**587**
Interest-bearing debt	**–**	**3 312**	**–**	**–**	**–**
Total equity and liabilities	**1 790 937**	**2 463 049**	**69 720**	**82 664**	**33 071**

* The information in Enyuka Prop Holdings was extracted from Enyuka's audited financial statements for the year ending 30 June 2022. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from the audited trial balances for the year ended 30 June 2022. The independent auditors of the USA associates are Whitley Penn LLP.

The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2022, as announced on SENS on 15 August 2022.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of financial position* continued

2022	Rainier Stony Creek LLC USD'000	Rainier Woodlands Square LLC USD'000	Rainier Truman's Marketplace LLC USD'000	Rainier SA Crossing LLC USD'000	Rainier Wheatland Investors LLC USD'000
Functional currency	**USD**	**USD**	**USD**	**USD**	**USD**
Sector	**Offshore – retail**	**Offshore – retail**	**Offshore – retail**	**Offshore – retail**	**Offshore – retail**
Effective interest (%)	**49,43**	**49,57**	**49,51**	**49,50**	**49,60**
Assets					
Non-current assets	**33 000**	**70 600**	**30 600**	**26 200**	**37 920**
Investment property	**33 000**	**70 600**	**30 600**	**26 200**	**37 920**
Fixtures and fittings	**–**	**–**	**–**	**–**	**–**
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**
Current assets	**1 701**	**3 518**	**3 896**	**1 889**	**2 872**
Trade and other receivables	**788**	**659**	**564**	**180**	**330**
Cash and cash equivalents	**913**	**2 858**	**3 332**	**1 709**	**2 542**
Total assets	**34 701**	**74 118**	**34 496**	**28 089**	**40 792**
Equity and liabilities					
Equity	**12 287**	**31 126**	**13 502**	**13 541**	**19 028**
Share capital and reserves	**7 444**	**17 284**	**8 472**	**5 379**	**8 030**
Retained Income	**4 844**	**13 841**	**5 030**	**8 162**	**10 998**
Non-current liabilities	**21 371**	**41 831**	**19 963**	**14 060**	**20 942**
Loans from shareholders	**–**	**–**	**–**	**–**	**–**
Interest-bearing debt	**21 371**	**41 831**	**19 963**	**14 060**	**20 942**
Other long-term liabilities	**–**	**–**	**–**	**–**	**–**
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**
Current liabilities	**1 042**	**1 161**	**1 031**	**489**	**822**
Accounts payable	**1 042**	**1 161**	**1 031**	**489**	**822**
Interest-bearing debt	**–**	**–**	**–**	**–**	**–**
Total equity and liabilities	**34 701**	**74 118**	**34 496**	**28 089**	**40 792**

* The information in Enyuka Prop Holdings was extracted from Enyuka's audited financial statements for the year ending 30 June 2022. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from the audited trial balances for the year ended 30 June 2022. The independent auditors of the USA associates are Whitley Penn LLP.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of financial position* continued

2022	Rainier UTC LLC USD'000	Rainier Hendon Dawson Marketplace LLC USD'000	Rainier Newport Pavilion LLC USD'000	Rainier Summit Woods Acquisitions LLC USD'000
Functional currency	USD	USD	USD	USD
Sector	Offshore – retail	Offshore – retail	Offshore – retail	Offshore – retail
Effective interest (%)	49,64	49,60	49,62	49,50
Assets				
Non-current assets	66 200	76 320	84 600	93 475
Investment property	66 200	76 320	84 600	93 475
Fixtures and fittings	–	–	–	–
Derivative financial instruments	–	–	–	–
Current assets	7 725	3 923	3 758	5 209
Trade and other receivables	671	271	1 049	717
Cash and cash equivalents	7 054	3 652	2 709	4 491
Total assets	73 925	80 243	88 358	98 684
Equity and liabilities				
Equity	27 450	31 838	36 376	37 864
Share capital and reserves	16 570	32 823	22 513	37 275
Retained Income	10 880	(985)	13 863	589
Non-current liabilities	41 047	47 691	50 934	59 104
Loans from shareholders	–	–	–	–
Interest-bearing debt	41 047	47 691	50 934	59 104
Other long-term liabilities	–	–	–	–
Derivative financial instruments	–	–	–	–
Current liabilities	5 428	715	1 049	1 716
Accounts payable	5 428	715	1 049	1 716
Interest-bearing debt	–	–	–	–
Total equity and liabilities	73 925	80 243	88 358	98 684

* The information in Enyuka Prop Holdings was extracted from Enyuka's audited financial statements for the year ending 30 June 2022. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from the audited trial balances for the year ended 30 June 2022. The independent auditors of the USA associates are Whitley Penn LLP.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of financial position* continued

2021	Enyuka Prop Holdings R'000	Transcend Residential Property Fund# R'000	Belden Park Delaware LLC USD'000	Rainier Moore Plaza LLC USD'000	32 East Center Delaware LLC USD'000
Functional currency	ZAR	ZAR	USD	USD	USD
Sector	Local – Rural retail	Local – residential	Offshore – retail	Offshore – retail	Offshore – retail
Effective interest (%)	49,90	34,90	46,67	49,50	49,42
Assets					
Non-current assets	1 664 190	2 534 917	65 300	76 200	29 900
Investment property	1 657 606	2 518 833	65 300	76 200	29 900
Fixtures and fittings	6 584	1 384	–	–	–
Loans receivable	–	14 700	–	–	–
Derivative financial instruments	–	–	–	–	–
Current assets	54 963	36 373	6 573	3 644	1 788
Trade and other receivables	10 077	7 775	1 094	(502)	105
Loans receivable	–	8 938	–	–	–
Cash and cash equivalents	44 886	19 660	5 479	4 146	1 683
Total assets	1 719 153	2 571 290	71 873	79 844	31 688
Equity and liabilities					
Equity	66 212	1 257 251	20 573	31 704	10 733
Share capital and reserves	13 089	1 020 934	13 437	19 045	6 760
Preference share capital	–	–	–	–	–
Retained Income	53 124	236 317	7 136	12 659	3 973
Non-current liabilities	1 624 423	680 885	49 435	46 929	20 392
Loans from shareholders	684 699	–	–	–	–
Interest-bearing debt	920 672	632 300	49 435	46 929	20 392
Other long-term liabilities	11 553	–	–	–	–
Derivative financial instruments	7 499	48 585	–	–	–
Current liabilities	28 517	633 154	1 865	1 210	563
Accounts payable	28 517	58 586	1 865	1 210	563
Interest-bearing debt	–	574 568	–	–	–
Total equity and liabilities	1 719 153	2 571 290	71 873	79 844	31 688

* The information of Enyuka Prop Holdings was extracted from Enyuka's trial balance for the year ending 30 June 2021. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from their trial balances for the year ended 30 June 2021. The independent auditors of the USA associates are Whitley Penn LLP. The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2021, as announced on SENS on 16 August 2021.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of financial position* continued

2021	Rainier Stony Creek LLC USD'000	Rainier Woodlands Square LLC USD'000	Rainier Truman's Marketplace LLC USD'000	Rainier SA Crossing LLC USD'000	Rainier Wheatland Investors LLC USD'000
Functional currency	USD	USD	USD	USD	USD
Sector	Offshore – retail	Offshore – retail	Offshore – retail	Offshore – retail	Offshore – retail
Effective interest (%)	49,43	49,57	49,51	49,50	49,60
Assets					
Non-current assets	32 500	66 775	34 500	23 163	36 740
Investment property	32 500	66 775	34 500	23 163	36 740
Fixtures and fittings	–	–	–	–	–
Loans receivable	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–
Current assets	2 682	3 796	4 105	2 813	2 660
Trade and other receivables	893	958	507	132	345
Loans receivable	–	–	–	–	–
Cash and cash equivalents	1 789	2 838	3 597	2 680	2 316
Total assets	35 182	70 571	38 605	25 976	39 400
Equity and liabilities					
Equity	12 924	27 836	17 484	12 657	17 812
Share capital and reserves	8 845	19 812	9 855	6 269	9 913
Preference share capital	–	–	–	–	–
Retained Income	4 079	8 023	7 629	6 388	7 899
Non-current liabilities	21 331	41 763	19 921	12 823	20 896
Loans from shareholders	–	–	–	–	–
Interest-bearing debt	21 331	41 763	19 921	12 823	20 896
Other long-term liabilities	–	–	–	–	–
Derivative financial instruments	–	–	–	–	–
Current liabilities	926	972	1 201	495	693
Accounts payable	926	972	1 201	495	693
Interest-bearing debt	–	–	–	–	–
Total equity and liabilities	35 182	70 571	38 605	25 976	39 400

* The information of Enyuka Prop Holdings was extracted from Enyuka's trial balance for the year ending 30 June 2021. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from their trial balances for the year ended 30 June 2021. The independent auditors of the USA associates are Whitley Penn LLP. The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2021, as announced on SENS on 16 August 2021.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of financial position* continued

2021	Rainier UTC LLC USD'000	Rainier Hendon Dawson Marketplace LLC USD'000	Rainier Newport Pavilion LLC USD'000
Functional currency	USD	USD	USD
Sector	Offshore – retail	Offshore – retail	Offshore – retail
Effective interest (%)	49,64	49,60	49,62
Assets			
Non-current assets	64 800	66 130	74 750
Investment property	64 800	66 130	74 750
Fixtures and fittings	–	–	–
Loans receivable	–	–	–
Derivative financial instruments	–	–	–
Current assets	4 472	10 276	1 585
Trade and other receivables	487	126	133
Loans receivable	–	–	–
Cash and cash equivalents	3 985	10 150	1 452
Total assets	69 272	76 406	76 334
Equity and liabilities			
Equity	27 083	27 178	25 383
Share capital and reserves	19 917	36 214	25 180
Preference share capital	–	–	–
Retained Income	7 166	(9 037)	203
Non-current liabilities	40 969	48 355	50 758
Loans from shareholders	–	–	–
Interest-bearing debt	40 969	48 355	50 758
Other long-term liabilities	–	–	–
Derivative financial instruments	–	–	–
Current liabilities	1 221	874	193
Accounts payable	1 221	874	193
Interest-bearing debt	–	–	–
Total equity and liabilities	69 272	76 406	76 334

* The information of Enyuka Prop Holdings was extracted from Enyuka's trial balance for the year ending 30 June 2021. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from their trial balances for the year ended 30 June 2021. The independent auditors of the USA associates are Whitley Penn LLP. The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2021, as announced on SENS on 16 August 2021.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of comprehensive income*

2022	Enyuka Prop Holdings R'000	Transcend Residential Property Fund# R'000	Belden Park Delaware LLC USD'000	Rainier Moore Plaza LLC USD'000	32 East Center Delaware LLC USD'000
Revenue	296 888	156 648	6 607	7 723	2 598
Other income	3 534	2 588	20	(0)	–
Expenditure					
Operating expenses	(127 551)	(70 050)	(2 804)	(3 266)	(759)
Operating profit	172 872	89 186	3 823	4 457	1 839
Fair value adjustments	47 498	10 385	(2 753)	1 875	809
Finance income	2 040	2 264	3	–	1
Finance costs	(168 691)	(46 828)	(2 342)	(2 182)	(961)
Profit before income tax charge	53 719	55 007	(1 268)	4 150	1 688
Taxation	(16 693)	–	(18)	(28)	(10)
Profit for the year	37 026	55 007	(1 285)	4 123	1 678
Emira's share of profit/(loss)^	33 623	11 774	1 008	2 219	593

2022	Rainier Stony Creek LLC USD'000	Rainier Woodlands Square LLC USD'000	Rainier Truman's Marketplace LLC USD'000	Rainier SA Crossing LLC USD'000	Rainier Wheatland Investors LLC USD'000
Revenue	3 739	6 568	4 817	2 627	4 593
Other income	0	–	(17)	6	(0)
Expenditure					
Operating expenses	(1 342)	(1 995)	(2 386)	(955)	(1 776)
Operating profit	2 397	4 572	2 414	1 679	2 817
Fair value adjustments	(607)	3 280	(3 999)	761	1 166
Finance income	–	1	–	–	0
Finance costs	(1 029)	(2 035)	(1 026)	(651)	(869)
Profit before income tax charge	761	5 818	(2 611)	1 789	3 114
Taxation	4	–	12	(15)	(14)
Profit for the year	765	5 818	(2 599)	1 773	3 099
Emira's share of profit/(loss)^	187	3 771	(1 930)	878	1 968

* The information in Enyuka Prop Holdings was extracted from Enyuka's audited financial statements for the year ending 30 June 2022. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from the audited trial balances for the year ended 30 June 2022. The independent auditors of the USA associates are Whitley Penn LLP.

^ Emira's share of profit of Enyuka Prop Holdings (Pty) Ltd ("Enyuka"), represents its participation rights in respect of its investment into the ordinary share capital and A class preference share capital of Enyuka. For further information in respect of Emira's participation rights to its share profit of its foreign USA associates, refer to note 31, significant judgements and estimates.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of comprehensive income* continued

2022	Rainier UTC LLC USD'000	Rainier Hendon Dawson Marketplace LLC USD'000	Rainier Newport Pavilion LLC USD'000	Rainier Summit Woods Acquisitions LLC USD'000
Revenue	**6 540**	**5 485**	**6 733**	**1 329**
Other income	**0**	**0**	**10**	**0**
Expenditure				
Operating expenses	**(1 950)**	**(1 333)**	**(1 175)**	**(375)**
Operating profit	**4 591**	**4 153**	**5 568**	**954**
Fair value adjustments	**778**	**5 588**	**9 696**	**–**
Finance income	**–**	**2**	**0**	**0**
Finance costs	**(1 686)**	**(1 691)**	**(1 603)**	**(365)**
Profit before income tax charge	**3 683**	**8 052**	**13 661**	**589**
Taxation	**32**	**–**	**–**	**–**
Profit for the year	**3 714**	**8 052**	**13 661**	**589**
Emira's share of profit/(loss)^	**1 974**	**3 376**	**6 779**	**291**

* The information in Enyuka Prop Holdings was extracted from Enyuka's audited financial statements for the year ending 30 June 2022. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from the audited trial balances for the year ended 30 June 2022. The independent auditors of the USA associates are Whitley Penn LLP.

^ Emira's share of profit of Enyuka Prop Holdings (Pty) Ltd ("Enyuka"), represents its participation rights in respect of its investment into the ordinary share capital and A class preference share capital of Enyuka. For further information in respect of Emira's participation rights to its share profit of its foreign USA associates, refer to note 31, significant judgements and estimates.

2021	Enyuka Prop Holdings R'000	Transcend Residential Property Fund# R'000	Belden Park Delaware LLC USD'000	Rainier Moore Plaza LLC USD'000	32 East Center Delaware LLC USD'000
Revenue	277 193	154 997	7 245	7 334	2 321
Other income	3 503	2 237	6	3	0
Expenditure					
Operating expenses	(118 646)	(70 282)	(2 748)	(3 196)	(756)
Operating profit	162 050	86 952	4 503	4 141	1 565
Fair value adjustments	13 030	135 531	(3 290)	3 658	716
Finance income	1 122	2 152	1	139	0
Finance costs	(166 034)	(56 483)	(2 375)	(2 182)	(991)
Profit before income tax charge	10 168	168 152	(1 161)	5 757	1 290
Taxation	(3 082)	–	(20)	(45)	(22)
Profit for the year	7 086	168 152	(1 180)	5 712	1 268
Emira's share of profit/(loss)^	6 519	58 685	(139)	2 408	660

* The information of Enyuka Prop Holdings was extracted from Enyuka's trial balance for the year ending 30 June 2021. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from their trial balances for the year ended 30 June 2021. The independent auditors of the USA associates are Whitley Penn LLP. The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2021, as announced on SENS on 16 August 2021.

^ Emira's share of profit of Enyuka Prop Holdings (Pty) Ltd ("Enyuka"), represents its participation rights in respect of its investment into the ordinary share capital and A class preference share capital of Enyuka. For further information in respect of Emira's participation rights to its share profit of its foreign USA associates, refer to note 31, Critical accounting estimates and judgements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

11. Investments and loans in equity-accounted investments continued

Statement of comprehensive income* continued

2021	Rainier Stony Creek LLC USD'000	Rainier Woodlands Square LLC USD'000	Rainier Truman's Marketplace LLC USD'000	Rainier SA Crossing LLC USD'000	Rainier Wheatland Investors LLC USD'000
Revenue	3 986	6 183	4 863	2 485	4 137
Other income	–	0	0	3	(1)
Expenditure					
Operating expenses	(1 474)	(1 961)	(2 360)	(879)	(1 830)
Operating profit	2 511	4 222	2 502	1 609	2 306
Fair value adjustments	311	4 347	1 064	3 051	2 389
Finance income	–	0	–	–	0
Finance costs	(1 029)	(2 090)	(1 026)	(644)	(869)
Profit before income tax charge	1 793	6 478	2 541	4 016	3 826
Taxation	–	–	–	(11)	(36)
Profit for the year	1 793	6 478	2 541	4 005	3 790
Emira's share of profit/(loss)^	586	3 142	1 862	1 982	2 455

2021	Rainier UTC LLC USD'000	Rainier Hendon Dawson Marketplace LLC USD'000	Rainier Newport Pavilion LLC USD'000
Revenue	6 371	5 166	270
Other income	(5)	0	0
Expenditure			
Operating expenses	(1 982)	(1 257)	(2)
Operating profit	4 383	3 909	268
Fair value adjustments	1 192	(5 057)	–
Finance income	2	3	0
Finance costs	(1 686)	(1 781)	(65)
Profit before income tax charge	3 891	(2 927)	203
Taxation	(152)	–	–
Profit for the year	3 739	(2 927)	203
Emira's share of profit/(loss)^	1 951	2 317	101

* The information of Enyuka Prop Holdings was extracted from Enyuka's trial balance for the year ending 30 June 2021. The independent external auditors of Enyuka are BDO South Africa Inc. The information in relation to the USA investments were extracted from their trial balances for the year ended 30 June 2021. The independent auditors of the USA associates are Whitley Penn LLP. The information for Transcend was extracted from Transcend's interim financial statements for the six months ended 30 June 2021, as announced on SENS on 16 August 2021.

^ Emira's share of profit of Enyuka Prop Holdings (Pty) Ltd ("Enyuka"), represents its participation rights in respect of its investment into the ordinary share capital and A class preference share capital of Enyuka. For further information in respect of Emira's participation rights to its share profit of its foreign USA associates, refer to note 31, Critical accounting estimates and judgements.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

12. Other financial assets

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Inani Prop Holdings Proprietary Limited ("Inani")				
Holding (%)	**20**	20	**20**	20
Fair value at beginning of the year	**5 474**	19 360	**5 474**	19 360
Equity investment in Inani	**3 300**	9 400	**3 300**	9 400
Fair value adjustment	**(8 774)**	(23 287)	**(8 774)**	(23 287)
Fair value at end of year	**–**	5 474	**–**	5 474

The fair value of the investment in Inani was determined with reference to the net asset value of Inani, which is deemed to be a level 3 input of the fair value hierarchy as defined by IFRS 13 Fair Value Measurements. For further information in relation to the measurement of fair value, please refer to note 29.

	Group		Company	
R'000	**2022**	2021	**2022**	2021
IHS Asset Management Proprietary Limited ("IHS Asset Management")				
Holding (%)	**15**	–	**15**	–
Fair value at beginning of the year	**–**	–	**–**	–
Equity investment in IHS Asset Management	**1 082**	–	**1 082**	–
Fair value adjustment	**(770)**	–	**(770)**	–
Fair value at end of year	**312**	–	**312**	–

The fair value of the investment in IHS Asset Management was determined with reference to the net asset value of IHS Asset Management, which is deemed to be a level 3 input of the fair value hierarchy as defined by IFRS 13 Fair Value Measurements. For further information in relation to the measurement of fair value, please refer to note 29.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

13. Accounts receivable

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Trade receivables	**46 942**	64 948	**35 432**	48 758
Less: Expected credit losses	**(33 415)**	(37 792)	**(26 028)**	(27 186)
Net trade receivables	**13 527**	27 156	**9 403**	21 572
Prepayments	**16 433**	17 568	**10 736**	13 018
Accrual of recoverable expenses	**45 879**	48 117	**33 881**	36 190
Municipal deposits	**17 670**	13 609	**11 276**	9 699
Other receivables	**959**	11 828	**15 171**	8 983
Total	**94 468**	118 278	**80 467**	89 462
Due within one year	**94 468**	118 278	**80 467**	89 462

The carrying values of accounts receivable approximate their fair value. All classes of accounts receivable have been considered for impairment.

The movement in the expected credit losses for trade receivables is as follows:

Opening balance	**37 792**	45 801	**27 186**	34 217
Expected credit losses written off during the year as uncollectable	**(12 380)**	(28 557)	**(7 402)**	(24 463)
Additional expected credit losses recognised during the year	**8 002**	20 548	**6 244**	17 432
– Standard trade receivables	**10 155**	38 047	**7 513**	30 092
– Deferred rental	**(2 152)**	(17 499)	**(1 269)**	(12 660)
Closing balance	**33 415**	37 792	**26 028**	27 186

Ageing of gross trade receivables

R'000	Government	Retail formal	SMME	Total
2022 – Group				
30 days	**988**	**7 339**	**5 483**	**13 810**
60 days	**379**	**1 509**	**3 492**	**5 380**
90 days	**245**	**439**	**2 674**	**3 358**
120+ days	**1 110**	**6 939**	**16 345**	**24 394**
Total	**2 722**	**16 226**	**27 994**	**46 942**
2021 – Group				
30 days	1 418	6 518	9 511	17 446
60 days	303	2 322	4 226	6 850
90 days	282	1 574	3 978	5 835
120+ days	2 706	14 457	17 654	34 817
Total	4 709	24 870	35 369	64 948
2022 – Company				
30 days	**171**	**6 371**	**4 049**	**10 591**
60 days	**47**	**1 497**	**1 878**	**3 423**
90 days	**59**	**327**	**1 876**	**2 263**
120+ days	**1 110**	**6 398**	**11 646**	**19 155**
Total	**1 388**	**14 594**	**19 449**	**35 432**
2021 – Company				
30 days	623	5 511	6 220	12 354
60 days	185	2 187	2 570	4 941
90 days	167	1 445	2 330	3 942
120+ days	2 064	14 731	10 726	27 521
Total	3 039	23 874	21 845	48 758

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

13. Accounts receivable continued

Ageing of expected credit loss allowance

R'000	Government	Retail formal	SMME	Total
2022 – Group				
30 days	**279**	**2 407**	**946**	**3 632**
60 days	**339**	**1 238**	**1 974**	**3 551**
90 days	**228**	**219**	**1 998**	**2 445**
120+ days	**1 056**	**6 608**	**16 122**	**23 786**
Total	**1 902**	**10 473**	**21 041**	**33 415**
2021 – Group				
30 days	372	2 066	2 651	5 089
60 days	167	896	2 730	3 793
90 days	256	566	3 262	4 085
120+ days	2 703	6 977	15 145	24 825
Total	3 499	10 506	23 788	37 792
2022 – Company				
30 days	**98**	**2 405**	**646**	**3 148**
60 days	**8**	**1 238**	**1 389**	**2 635**
90 days	**42**	**188**	**1 464**	**1 693**
120+ days	**1 056**	**6 067**	**11 429**	**18 552**
Total	**1 204**	**9 898**	**14 927**	**26 028**
2021 – Company				
30 days	370	1 971	1 661	4 002
60 days	64	788	1 720	2 572
90 days	142	443	1 915	2 499
120+ days	2 060	6 977	9 075	18 113
Total	2 636	10 180	14 370	27 186

Refer to note 30 for further information on the credit risk of trade and other receivables.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

14. Loans receivable

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Loans provided on the disposal of investment property				
Inani Prop Holdings (Pty) Ltd	**398 371**	366 171	**398 371**	366 171
The loan bears interest at 3 month JIBAR plus a margin of 5,0% (2021: 4,5%) and thereafter increasing by 50 basis points for each 12 month period. The full capital balance including accrued interest on the loan is repayable on 27 June 2024 and Emira has a 2nd ranking debt guarantee.				
RAB Property Investments (Pty) Ltd	**40 674**	40 645	**40 674**	40 645
The loan was refinanced and extended with effect from 29 October 2021 to 28 February 2027. The loan bears interest at 3 month JIBAR plus a margin of 3,5% per annum until 28 February 2022 and thereafer 4,0% until the final repayment date on a monthly basis. Interest on the loan is payable monthly and capital repayments are due from 28 March 2023 until final repayment date. The loan is secured by a guarantee from its parent company, Ozmik Property Investments (Pty) Ltd. The loan relates to finance provided on the disposal of the properties known as Brooklyn Gardens, Waterkloof House and Brooklyn Forum.				
Square Buttons Consulting (Pty) Ltd	**–**	4 070	**–**	4 070
The loan was settled in full on 19 October 2021.				
Kyostax (Pty) Ltd	**4 125**	–	**4 125**	–
A loan of R4m was advanced on 7 February 2022 for a period of 36 months and bears interest at the prime interest rate. The interest on the loan is repayable quarterly, with the capital amount repayable on 30 June 2025. The loan relates to finance provided on the disposal of the property known as Epsom Downs Shopping Centre and is unsecured.				
Supplier development loans				
BrightBlack Energy (Pty) Ltd – Boskruin Shopping Centre	**2 557**	2 670	**2 557**	2 670
The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R3,1m was advanced at a interest rate of prime less 70 basis points. The loan is repayable quarterly with the final repayable amount due on 15 April 2029. The loan is secured by a notarial bond over the related solar panels.				
BrightBlack Energy (Pty) Ltd – Randridge Mall	**8 252**	8 605	**8 252**	8 605
The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R9,7m was advanced at a interest rate of prime less 70 basis points. The loan is repayable quarterly with the final repayable amount due on 30 September 2029. The loan is secured by a notarial bond over the related solar panels.				
BrightBlack Energy (Pty) Ltd – Market Square	**1 875**	1 979	**1 875**	1 979
The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R1,9m was advanced at a interest rate of prime less 70 basis points. The loan is repayable quarterly with the final repayable amount due on 31 January 2031. The loan is secured by a notarial bond over the related solar panels.				
Sinani Energy (Pty) Ltd – Ben Fleur Shopping Centre	**3 418**	3 696	**3 418**	3 696
The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R4,0m was advanced at a interest rate of prime less 70 basis points. The loan is repayable quarterly with the final repayable amount due on 31 July 2029. The loan is secured by a notarial bond over the related solar panels.				
Sinani Energy (Pty) Ltd – Springfield Retail Centre	**2 527**	2 673	**2 527**	2 673
The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R2,7m was advanced at a interest rate of prime less 70 basis points. The loan is repayable quarterly with the final repayable amount due on 31 December 2030. The loan is secured by a notarial bond over the related solar panels.				

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

14. Loans receivable continued

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Sinani Energy (Pty) Ltd – Quagga Centre The loan was advanced in terms of the solar project undertaken in line with the Fund's B-BBEE policy of supplier development. R2,0m was advanced at a interest rate of prime. The loan is repayable quarterly with the final repayable amount due on 31 August 2031. The loan is secured by a notarial bond over the related solar panels.	**2 092**	2 237	**2 092**	2 237
Executive Share Incentive Scheme loans				
ESA Trust – Mezzanine loan The loan bears interest at a rate equivalent to the aggregate amount of distributions paid during the interest period divided by the loan, expressed as a %. Each interest period consists of six consecutive calendar months ending on either 30 June or 31 December. The loan is repayable on 27 June 2024.	**–**	–	**49 162**	49 384
ESA Trust – First amortising loan The loan bears interest at the higher of Emira's weighted average cost of debt or the fringe benefit tax interest rate and is payable bi-annually. The loan is repayable on 27 June 2024 and is secured by a personal suretyship from Geoff Jennett. The loan was settled in full on 23 September 2021.	**–**	–	**–**	1 390
ESA Trust – Second amortising loan The loan bears interest at the higher of Emira's weighted average cost of debt or the fringe benefit tax interest rate and is payable bi-annually. The loan is repayable on 27 June 2024 and is secured by a personal suretyship from Greg Booyens.	**–**	–	**275**	1 065
ESA Trust – Third amortising loan The loan bears interest at the higher of Emira's weighted average cost of debt or the fringe benefit tax interest rate and is payable bi-annually. The loan is repayable on 27 June 2024 and is secured by a personal suretyship from Ulana van Biljon. The loan was settled in full on 15 October 2021.	**–**	–	**–**	1 140
BEE Scheme loans				
Luxanio Trading 157 (Pty) Ltd – Letsema SPV The loan bears interest at a rate equal to the Emira dividend yield per annum, is unsecured. The loan is repayable in full and had an original maturity date of 28 June 2022, which was extended during the year to 27 October 2027. Emira has a reversionary pledge and cession over the shares held by the BEE special purpose vehicle. The loan relates to the Emira BEE Equity Scheme implemented in June 2017.	**–**	–	**90 115**	90 283
Tamela Property Investment (RF) Proprietary Limited The loan bears interest at a rate equal to the Emira dividend yield per annum, is unsecured. The loan is repayable in full and had an original maturity date of 28 June 2022, which was extended during the year to 27 October 2027. Emira has a reversionary pledge and cession over the shares held by the BEE special purpose vehicle. The loan relates to the Emira BEE Equity Scheme implemented in June 2017.	**–**	–	**90 115**	90 283
Total gross loans receivable	**463 891**	432 746	**693 559**	666 291
Total expected credit loss	**(104 802)**	(75 614)	**(104 803)**	(75 618)
Net loans receivable	**359 089**	357 132	**588 756**	590 673
Current portion of gross loans receivable	**13 177**	53 722	**13 177**	53 723
Current portion of expected credit loss	**(8 594)**	(549)	**(8 594)**	(553)
Net current portion of loans receivable	**4 583**	53 173	**4 583**	53 170
Non-current portion of gross loans receivable	**450 715**	379 024	**680 382**	612 568
Non-Current portion of expected credit loss	**(96 209)**	(75 065)	**(96 209)**	(75 065)
Non-current portion of loans receivable	**354 506**	303 959	**584 173**	537 503

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

15. Share capital

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Authorised				
2 000 000 000 ordinary shares of no par value (2021: 2 000 000 000).				
Issued				
522 667 247 ordinary shares of no par value (2021: 522 667 247).				
Authorised and issued				
Balance at beginning of year	**3 433 875**	3 445 296	**3 897 651**	3 909 071
Treasury shares in issue	**(8 139)**	(11 421)	**(8 139)**	(11 420)
Shares acquired for the Forfeitable Share Plan [i]	**(14 852)**	(14 576)	**(14 852)**	(14 576)
Emira Forfeitable Share Plan shares vested [ii]	**6 713**	2 754	**6 713**	2 754
Emira Matching Share Plan shares vested [ii]	**–**	402	**–**	402
Closing balance	**3 425 736**	3 433 875	**3 889 512**	3 897 651

i Shares held in treasury in respect of the Forfeitable share plan issued as a long-term incentive to employees of 6 326 425 (2021: 5 129 878). A total of 1 699 353 shares were acquired at an average price of R8,96 per share.

ii 461 500 (2021: 204 292) Emira Forfeitable Share Plan shares and nil (2021: 30 355) Emira Matching Share plan shares, vested in the current financial period. For further information, refer to note 22.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

16. Reserves

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Fair value and other reserves				
Opening balance	**3 529 502**	4 086 457	**3 176 869**	3 473 736
Transfer to fair value reserve	**28 718**	(556 955)	**41 300**	(296 867)
Fair value adjustments on investment property	**28 718**	(541 378)	**41 300**	(285 763)
Transfer to share based-payments reserve	**–**	(15 577)	**–**	(11 104)
Closing balance	**3 558 219**	3 529 502	**3 218 169**	3 176 869
Share-based payments reserve				
Opening balance	**24 385**	–	**24 385**	–
Emira Forfeitable Share Plan shares vested	**(6 713)**	(2 911)	**(6 713)**	(2 911)
Emira Matching Share Plan shares vested	**–**	(402)	**–**	(402)
Equity settled share scheme charge	**10 049**	12 121	**10 049**	16 594
Transfer from fair value and other reserves	**–**	15 577	**–**	11 104
Closing balance	**27 721**	24 385	**27 721**	24 385
Foreign currency translation reserve				
Opening balance	**26 777**	173 968	**–**	–
Exchange differences on translation of foreign operations	**153 662**	(147 191)	**–**	–
Closing balance	**180 439**	26 777	**–**	–
Non-controlling interest				
Opening balance	**2 976**	5 874	**–**	–
Profit for the year	**1 400**	(2 898)	**–**	–
Closing balance	**4 376**	2 976	**–**	–
Retained income/(accumulated losses)				
Opening balance	**334 015**	(270 352)	**(746 295)**	(1 061 145)
Total comprehensive income for the year	**968 583**	467 286	**817 747**	459 022
Profit for the year	**969 983**	464 387	**817 747**	459 022
Non-controlling interest	**(1 400)**	2 898	**–**	–
Dividends paid	**(604 040)**	(404 297)	**(644 113)**	(429 935)
Transfer to fair value reserve	**(28 718)**	541 378	**(41 300)**	285 763
Closing balance	**669 840**	334 015	**(613 962)**	(746 295)
Total reserves	**4 440 596**	3 917 655	**2 631 928**	2 454 959

The fair value reserve represents all fair value adjustments made in respect of investment properties and listed property investment.

The other reserve represents the charge which was made to the statement of comprehensive income in respect of shares that were issued to the ESA Trust, the Fund's BEE partners and vendors of properties in prior years and the cost recognised on the equity settled share schemes, as detailed in note 30.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

17. Interest-bearing debt

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Reconciliation of interest bearing borrowings:				
Balance at 1 July	**5 171 671**	5 179 061	**4 982 558**	4 988 858
Borrowings acquired	**1 749 283**	2 655 000	**1 749 283**	2 655 000
Transaction costs paid	**(4 118)**	(4 257)	**(4 118)**	(4 257)
Transaction costs amortised (non-cash)	**5 091**	3 053	**5 091**	3 053
Interest accrued	**308 371**	279 554	**295 444**	267 097
Repayment of debt	**(1 430 000)**	(2 653 684)	**(1 430 000)**	(2 653 684)
Interest paid	**(300 281)**	(287 057)	**(287 728)**	(273 509)
Balance at 30 June	**5 500 017**	5 171 671	**5 310 530**	4 982 558
Current portion	**1 429 146**	720 792	**1 425 289**	717 190
Non-current portion	**4 070 871**	4 450 878	**3 885 241**	4 265 368

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

17. Interest-bearing debt continued

R'000 Funder		Nominal interest rate	Term (months)	Date of maturity	Group 2022	Group 2021	Company 2022	Company 2021
Emira direct funding								
Rand Merchant Bank[1]	Secured	PRIME - 1,45%	36	Jun 22	**–**	129 677	**–**	129 677
Rand Merchant Bank[1]	Secured	3m JIBAR + 1,85%	60	Dec 23	**301 466**	301 128	**301 466**	301 128
Rand Merchant Bank[1]	Secured	3m JIBAR + 1,65%	38	Jun 22	**–**	202 608	**–**	202 608
Rand Merchant Bank[1]	Secured	PRIME - 1,45%	36	Jun 25	**165 973**	–	**165 973**	–
Rand Merchant Bank[1]	Secured	3m JIBAR + 1,80%	62	Jul 24	**304 382**	303 749	**304 382**	303 749
Rand Merchant Bank[1]	Secured	3m JIBAR + 1,95%	36	May 23	**201 484**	201 106	**201 484**	201 106
Rand Merchant Bank[1]	Secured	3m JIBAR + 2,05%	48	Jul 25	**202 632**	199 889	**202 632**	199 889
Rand Merchant Bank[1]	Secured	3m JIBAR + 1,95%	60	Jul 27	**199 732**	–	**199 732**	–
ABSA[4]	Secured	PRIME - 1,50%	36	Jun 22	**–**	(319)	**–**	(319)
ABSA[4]	Secured	3m JIBAR + 1,60%	28	Jun 22	**–**	150 493	**–**	150 493
ABSA[4]	Secured	3m JIBAR + 1,68%	86	Apr 25	**199 525**	199 336	**199 525**	199 336
ABSA[4]	Secured	3m JIBAR + 2,10%	48	Nov 24	**199 579**	199 381	**199 579**	199 381
ABSA[4]	Secured	PRIME - 1,47%	36	Jul 25	**250 870**	–	**250 870**	–
ABSA[4]	Secured	3m JIBAR + 1,85%	48	Jul 26	**150 456**	–	**150 456**	–
Nedbank[2]	Secured	3m JIBAR + 1,85%	63	Sep 23	**200 264**	200 039	**200 264**	200 039
Nedbank[2]	Secured	3m JIBAR + 1,70%	60	Apr 24	**202 499**	202 127	**202 499**	202 127
Nedbank[2]	Secured	3m JIBAR + 2,00%	60	Sep 22	**300 126**	299 893	**300 126**	299 893
Nedbank[2]	Secured	3m JIBAR + 2,20%	36	Mar 24	**141 149**	(688)	**141 149**	(688)
Standard Bank[3]	Secured	3m JIBAR + 2,05%	48	Jun 25	**224 715**	224 595	**224 715**	224 595
Standard Bank[3]	Secured	3m JIBAR + 1,85%	60	Jun 23	**200 238**	200 076	**200 238**	200 076
Sanlam[5]	Secured	3m JIBAR + 1,95%	36	Jul 24	**199 702**	199 527	**199 702**	199 527
Investec Bank	Unsecured	QUOTED 0,00%	12	Apr 22	**–**	166 565	**–**	166 565
DMTN programme[6]	Unsecured	3m JIBAR + 2,00%	60	Jun 23	**127 576**	127 485	**127 576**	127 485
DMTN programme[7]	Secured	3m JIBAR + 1,45%	36	Sep 21	**–**	130 427	**–**	130 427
DMTN programme[7]	Secured	3m JIBAR + 1,60%	60	Sep 23	**200 783**	200 564	**200 783**	200 564
DMTN programme[6]	Secured	3m JIBAR + 1,80%	84	Dec 25	**100 257**	100 160	**100 257**	100 160
DMTN programme[7]	Unsecured	3m JIBAR + 1,65%	36	Sep 22	**90 286**	90 194	**90 286**	90 194
DMTN programme[6]	Unsecured	3m JIBAR + 1,60%	36	Nov 22	**100 870**	100 761	**100 870**	100 761
DMTN programme[7]	Secured	3m JIBAR + 2,10%	36	Sep 23	**70 348**	70 246	**70 348**	70 246
DMTN programme[6]	Unsecured	3m JIBAR + 2,10%	36	May 24	**382 088**	381 679	**382 088**	381 679
DMTN programme[6]	Unsecured	3m JIBAR + 1,70%	12	Nov 21	**–**	170 293	**–**	170 293
DMTN programme[6]	Unsecured	3m JIBAR + 1,60%	12	Mar 22	**–**	231 567	**–**	231 567
DMTN programme[6]	Unsecured	3m JIBAR + 1,40%	12	Nov 22	**162 344**	–	**162 344**	–
DMTN programme[6]	Unsecured	3m JIBAR + 1,35%	12	Mar 23	**220 643**	–	**220 643**	–
DMTN programme[6]	Unsecured	3m JIBAR + 1,80%	36	Mar 25	**80 147**	–	**80 147**	–
DMTN programme[7]	Secured	3m JIBAR + 1,95%	60	Sep 26	**130 397**	–	**130 397**	–
					5 310 531	4 982 558	**5 310 531**	4 982 558
Other consolidated debt								
Sanlam (ESA Trust)*	Secured	3m JIBAR + 3,00%	60	Jun 24	**40 673**	40 593	**–**	–
Sanlam (Tamela SPV)**	Secured	3m JIBAR + 3,00%	64	Jun 27	**74 407**	74 260	**–**	–
Sanlam (Letsema SPV)***	Secured	3m JIBAR + 3,00%	64	Jun 27	**74 407**	74 260	**–**	–
					5 500 018	5 171 670	**5 310 531**	4 982 558
Current portion included in current liabilities					**(1 429 146)**	(720 792)	**(1 425 289)**	(717 190)
					4 070 872	4 450 878	**3 885 242**	4 265 368

* Relates to the funding provided by Sanlam to The ESA Trust ("ESA"), the investment vehicle for the executive directors. The loan is secured by ESA's 7 200 000 Emira shares. Emira exercises control over ESA and as such it is consolidated in line with IFRS 10.

** Relates to the funding provided by Sanlam to Tamela Property Investments (Pty) Ltd ("Tamela SPV"), a wholly owned subsidiary of Tamela Holdings (Pty) Ltd ("Tamela"), in terms of Emira's June 2017 BEE equity investment scheme. The loan is secured by Tamela SPV's 13 066 682 Emira shares. Tamela SPV is consolidated by Emira, effective 27 March 2020, due to the guarantee provided by Emira to Sanlam in respect of the Tamela SPV's outstanding debt. The loan was extended for a further five years effective 22 June 2022.

*** Relates to the funding provided by Sanlam to Luxanio Trading 157 (Pty) Ltd ("Letsema SPV"), a wholly owned subsidiary of Letsema Holdings (Pty) Ltd ("Letsema"), in terms of Emira's June 2017 BEE equity investment scheme. The loan is secured by Letsema SPV's 13 066 682 Emira shares. Letsema SPV is consolidated by Emira, effective 27 March 2020, due to the guarantee provided by Emira to Sanlam in respect of the Letsema SPV's outstanding debt. The loan was extended for a further five years effective 22 June 2022.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

17. Interest-bearing debt continued

The financial assets have been pledged under the following terms:

1. A minimum Group net asset value of R6 billion must be maintained at all times.
   The facility gearing ratio shall not exceed 60%.
   The Group consolidated net interest-bearing debt to total assets ratio shall be no more than 50%.
   The facility interest cover ratio ("ICR") shall be greater than 1,9 times.
   The Group consolidated ICR shall be greater than two times.
   The facility gearing ratio including hedging liabilities shall be no more than 70%.

2 The facility ICR shall be greater than 1,1 times.
   The facility LTV ratio shall not exceed 70%.
   The Group consolidated ICR shall be greater than two times.
   The Group consolidated LTV ratio shall not exceed 50%.

3. The facility ICR shall be greater than 1,2 times.
   The facility LTV ratio shall not exceed 70%.
   The Group consolidated ICR shall be greater than two times.
   The Group consolidated LTV ratio shall not exceed 50%.

4. The facility ICR shall be greater than two times.
   The facility LTV ratio shall not exceed 60%.
   The facility LTV ratio, including net mark-to-market shall not exceed 70%.
   The Group consolidated ICR shall be greater than two times.
   The Group consolidated LTV ratio shall not exceed 50%.

5. The Group LTV ratio may not exceed 50%.
   The 30 Day VWAP of the pledged Transcend Residential Property Fund shares must be greater than 80% of the Opening 30 Day VWAP.

6. The Group LTV ratio may not exceed 50%.

7. The Group LTV ratio may not exceed 50%.
   The facility LTV ratio shall not exceed 60%.

Interest-bearing debt is measured at amortised cost.

As at 30 June 2022 Emira had total debt facilities (excluding other consolidated debt) of R6 158,0m (2021: R5 797,0m), of which R5 288,7m (2021: R4 968,0m) had been utilised.

At 30 June 2022, the aggregate indebtedness amounted to 40,5% (2021: 40,9%) of the gross value of the underlying income producing assets.

As at 30 June 2022 interest rates were fixed in respect of 73,0% (2021: 80,7%) of interest-bearing borrowings and the weighted average all in interest rate was 7,38% (2021: 7,34%), excluding other consolidated debt. Details of Emira's interest-rate hedging contracts are shown in note 20.

No covenants were breached during the year.

Debt covenant summary:

	Transaction LTV		Transaction LTV, including derivatives		Corporate LTV covenant		Transaction ICR		Corporate ICR	
	Prescribed (%)	Actual (%)	Prescribed (%)	Actual (%)	Prescribed (%)	Actual (%)	Prescribed (%)	Actual (%)	Prescribed (%)	Actual (%)
Rand Merchant Bank #	60,0	38,5	70,0	40,4	50,0	40,5	1,9	2,1	2,0	2,5 *
ABSA #	60,0	52,7	70,0	59,2	50,0	40,5	2,0	2,0	2,0	2,8
Nedbank #	70,0	57,3	n/a	n/a	50,0	40,5	1,1	2,0	2,0	2,8
Standard Bank #	70,0	53,2	n/a	n/a	50,0	40,5	1,2	2,7	2,0	2,8
Sanlam **	**	**	n/a	n/a	50,0	40,5	n/a	n/a	2,0	2,8
DMTN programme (secured) #	60,0	38,5	n/a	n/a	50,0	40,5	n/a	n/a	2,0	2,8
DMTN programme (unsecured) ^	n/a	n/a	n/a	n/a	50,0	40,5	n/a	n/a	2,0	2,8

Secured.

^ Unsecured.

* ICR covenant allocates interest received to EBITDA rather than offsetting against interest paid.

** Sanlam facility is secured by Emira's 45 682 283 (2021: 45 682 283) Transcend Residential Property Fund ("TPF") shares. Trigger event occurs if 30 day VWAP of TPF shares ≤R3 648,30 day VWAP at 30 June 2022 was R6 083 (2021: R4 560).

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

18. Other financial liabilities

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Other financial liabilities				
Feenstra Property Group (Pty) Ltd	**23 740**	23 548	**–**	–
Loan provided to Bet-All Investments (Pty) Ltd from minority shareholder. The loan is unsecured and bears interest at three month JIBAR plus 180 basis points.				
Letsema Holdings (Pty) Ltd	**4 243**	7 795	**–**	–
Loan provided to Luxanio Trading 157 (Pty) Ltd in respect the shareholder's equity contribution into the BEE scheme, which is unsecured and does not bear interest.				
Letsema Strategy Services (Pty) Ltd	**440**	140	**–**	–
Loan provided to Luxanio Trading 157 (Pty) Ltd in respect of the shareholder's equity contribution into the BEE scheme, which is unsecured and does not bear interest.				
Sanlam Life Insurance Limited	**–**	3 427	**–**	–
Loan provided to Tamela Property Investments (Pty) Ltd in respect of the shareholder's equity contribution. The loan is unsecured and bears interest at three month JIBAR + 3,25% repayable quarterly. The loan was fully settled during the current financial period.				
Tamela Holdings (Pty) Ltd	**10 562**	9 106	**–**	–
Loan provided to Tamela Property Investments (Pty) Ltd in respect of the shareholder's equity contribution, which is unsecured and does not bear interest.				
Financial guarantees				
Financial guarantee to Sanlam Life Insurance Limited on behalf of ESA Trust*	**–**	–	**22 814**	16 684
Financial guarantee to Sanlam Life Insurance Limited on behalf of Luxanio Trading 157 (Pty) Ltd*	**–**	–	**42 882**	31 736
Financial guarantee to Sanlam Life Insurance Limited on behalf of Tamela Property Investments (Pty) Ltd*	**–**	–	**42 882**	31 736
Closing balance	**38 984**	44 016	**108 577**	80 156
Current portion	**–**	–	**–**	
Non-current portion	**38 984**	44 016	**108 577**	80 156
Closing balance	**38 984**	44 016	**108 577**	80 156

* The Group issued financial guarantees to Sanlam Life Insurance Limited ("Sanlam") on behalf the ESA Trust, Luxanio Trading 157 (Pty) Ltd ("BEE Scheme SPV") and Tamela Property Investments (Pty) Ltd ("BEE Scheme SPV"), during the 2020 financial period, to support the borrowings undertaken in each of the respective SPV entities. The guarantees granted in respect of the BEE Scheme SPV's were extended for a further 5 years to 30 June 2027.

The carrying values of the other financial liabilities approximate the fair value thereof.

The financial guarantee contracts are measured at the higher of the expected loss allowance and the amount initially recognised less cumulative amortisation, where appropriate. However, due to the increased risk that SPV entities will default on the contract, the calculation was based on the lifetime expected credit losses as the difference between the expected payments to reimburse Sanlam and the value of the value of the security at reporting date. For further detail, refer to note 30.

Emira has a contingent liability of R80,9m (2021: R108,9m) in respect of the financial guarantees issued to Sanlam, representing the excess between the total loans provided by Sanlam to the BEE Scheme SPV's and ESA Trust, and the financial guarantees recognised.

For further information in respect of the terms of the guarantees provided, refer to note 31.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

19. Lease liability

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Opening balance	**38 668**	39 587	**38 285**	38 140
Renewal and extension of properties held under lease	**38 790**	–	**–**	–
Interest expense	**4 594**	2 895	**2 910**	2 788
Lease payments	**(4 333)**	(3 813)	**(2 877)**	(2 644)
Closing balance	**77 719**	38 668	**38 318**	38 285
Current portion	**4 574**	3 152	**3 012**	2 769
Non-current portion	**73 145**	35 516	**35 306**	35 515
Closing balance	**77 719**	38 668	**38 318**	38 285
Maturity analysis of future lease liability payments				
– Due within one year	**4 790**	3 169	**3 133**	2 877
– Due within two to five years	**23 907**	14 341	**15 650**	14 341
– Due beyond five years	**114 555**	50 694	**46 252**	50 694
Closing balance	**143 252**	68 204	**65 035**	67 912

The Group adopted IFRS 16 – Leases on 1 July 2019. The lease liabilities relate to the right-of-use assets disclosed under note 6. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The incremental borrowing rate applied to the lease liabilities on 1 July 2019 ranged from 7,4% to 7,6%. Each lease payment is allocated between the liability and finance cost. Finance costs are charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group had total cash outflows for leases of R4,3m in 2022 (2021: R3,8m). The Group also had non-cash additions to right-of-use assets and lease liabilities of R38,8m in 2022 (2021: nil), as a result of the renewal and extension of the land lease for the investment property known as The Tramshed, for a further 20 years at an interest rate implicit in the lease of 6,1%. As at 30 June 2022, the lease liabilities related to the right-of-use assets classified as investment property of R76,6m (2021: R40,2m).

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

20. Derivative financial instruments

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Net fair value of the derivative assets at the statement of financial position date was:				
Interest-rate swap contracts#	**40 227**	2 492	**40 227**	2 491
Foreign exchange option contracts^	**27 870**	120 212	**27 870**	120 212
Balance at period end	**68 097**	122 704	**68 097**	122 703
Less: current portion	**(23 321)**	(41 392)	**(23 321)**	(41 391)
Non-current portion	**44 776**	81 312	**44 776**	81 312
Net fair value of the derivative liabilities at the statement of financial position date was:				
Interest-rate swap contracts#	**9 299**	108 936	**9 299**	108 936
Cross-currency interest-rate swap contracts#	**169 265**	113 600	**169 265**	113 600
Foreign exchange option contracts^	**31 783**	90 449	**31 783**	90 449
Forward contracts relating to share appreciation rights scheme*	**–**	4 938	**–**	4 938
Balance at period end	**210 347**	317 923	**210 347**	317 923
Less: current portion	**(18 326)**	(117 054)	**(18 326)**	(117 054)
Non-current liabilities	**192 021**	200 869	**192 021**	200 869

Share incentive scheme derivatives*

The Group utilised cash settled forward contracts with Investec as an economic hedge for its Share Appreciation Rights ("SARS") Share Incentive Scheme. The Fifth and final tranche expired during the current financial period. No share appreciation rights ("SARS") vested during the year and the cash settled SARS (option) scheme has been discontinued after the introduction of the new FSP scheme.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

20. Derivative financial instruments continued

Interest-rate derivatives#

The notional principal amount of the outstanding interest-rate hedging contracts at 30 June 2022 was R3 860,6m (2021: R4 009,0m).

The interest-rate hedging contracts as at 30 June 2022 are as follows:

Financial institution	Nominal value	Commencement date	Maturity date	Fixed rate (%)	Rate basis
Interest-rate swaps and caps					
Rand Merchant Bank	R50,0 million	1 Jul 11	29 Jul 22	7,51	3m JIBAR
Rand Merchant Bank	R50,0 million	1 Jul 11	31 Aug 22	7,50	3m JIBAR
Rand Merchant Bank	R213,0 million	15 Aug 14	30 Sep 22	6,70	3m JIBAR
Rand Merchant Bank	R100,0 million	10 Sep 07	31 Dec 22	7,45	3m JIBAR
Rand Merchant Bank	R60,0 million	2 Jun 10	31 Jan 23	7,53	3m JIBAR
Rand Merchant Bank	R270,0 million	14 Jun 21	14 Jun 23	4,74	3m JIBAR
Rand Merchant Bank	R200,0 million	20 Jun 13	20 Jun 23	7,65	3m JIBAR
Rand Merchant Bank	R200,0 million	20 Dec 13	20 Jun 23	10,00	3m JIBAR
Rand Merchant Bank	R200,0 million	6 Aug 20	6 Aug 23	4,19	3m JIBAR
ABSA	R125,0 million	24 Jul 19	17 Aug 23	7,27	3m JIBAR
ABSA	R50,0 million	19 Jul 19	26 Sep 23	7,27	3m JIBAR
ABSA	R125,0 million	19 Jul 19	1 Mar 24	7,16	3m JIBAR
ABSA	R50,0 million	29 Mar 19	28 Mar 24	7,55	3m JIBAR
ABSA	R150,0 million	19 Jul 19	2 Apr 24	7,19	3m JIBAR
ABSA	R150,0 million	12 Jun 19	28 Jun 24	7,48	3m JIBAR
Rand Merchant Bank	R250,0 million	7 Jan 20	7 Jan 25	6,97	3m JIBAR
Rand Merchant Bank	R200,0 million	29 Apr 22	20 May 25	7,35	3m JIBAR
Nedbank	R150,0 million	3 Aug 21	13 Jun 25	6,26	3m JIBAR
Rand Merchant Bank	R200,0 million	29 Jun 22	30 Jun 25	7,65	3m JIBAR
Nedbank	R250,0 million	1 Feb 22	2 Feb 26	5,79	3m JIBAR
Cross-currency interest-rate swaps					
ABSA	USD4,2 million	16 Oct 19	8 Nov 23	2,14	3m JIBAR
ABSA	USD9,7 million	16 Oct 19	8 Feb 24	2,09	3m JIBAR
ABSA	USD6,1 million	31 Jul 19	7 May 24	2,64	3m JIBAR
ABSA	USD8,0 million	18 Jun 19	7 Aug 24	2,31	3m JIBAR
ABSA	USD6,0 million	29 Apr 22	8 May 23	1,93	3m JIBAR
Rand Merchant Bank	USD8,0 million	28 Jan 20	7 Aug 24	1,93	3m JIBAR
Rand Merchant Bank	USD3,1 million	20 Dec 17	7 Feb 25	2,38	3m JIBAR
Rand Merchant Bank	USD1,0 million	16 Nov 17	7 Feb 25	2,18	3m JIBAR
Rand Merchant Bank	USD1,2 million	10 May 19	7 Nov 25	2,76	3m JIBAR
Rand Merchant Bank	USD2,5 million	26 Mar 19	7 Nov 25	2,77	3m JIBAR
Rand Merchant Bank	USD5,7 million	18 Dec 18	7 Nov 25	2,89	3m JIBAR
Rand Merchant Bank	USD11,6 million	19 Oct 18	7 May 26	2,89	3m JIBAR
Rand Merchant Bank	USD6,0 million	29 Apr 22	7 May 25	2,97	3m JIBAR

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

20. Derivative financial instruments continued

Foreign exchange derivatives ^

The Group uses forward exchange contracts to hedge the anticipated income flows from its investments in the USA.

The foreign exchange contracts as at 30 June 2022 are as follows:

Maturity period	Nominal value USD'000	Fixed USD/R rate
Dec 2022	4 541	16,53
Jun 2023	4 206	16,72
Dec 2023	4 611	17,58
Jun 2024	3 967	17,52
Dec 2024	3 747	18,30
Jun 2025	3 291	18,46
Dec 2025	1 563	18,65
Jun 2026	584	18,71
Dec 2026	292	19,08

21. Accounts payable

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Trade payables	**13 869**	13 639	**9 943**	9 157
Tenant deposits	**86 623**	85 762	**60 888**	59 974
Accrued expenses ^	**202 503**	179 885	**155 957**	140 959
Pre-paid debtors	**31 859**	30 651	**21 269**	21 996
Value added tax	**150**	5 742	**2 291**	4 547
Other payables *	**20 606**	18 914	**9 444**	11 408
Total	**355 610**	334 593	**259 792**	248 041
Current	**355 610**	334 593	**259 792**	248 041

^ Accrued expenses consist of accrued municipal expenditure, accrued lease commissions and capital expenditure.

* Other payables consists of promotion/marketing funds due, sundry creditors, unclaimed distributions and preference dividends payable.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

22. Employee benefits

Employee benefits liability

R'000	Group and Company 2022	Group and Company 2021
Share appreciation rights scheme	**–**	180
Provision for leave pay	**2 379**	2 689
Accrued bonuses	**17 777**	16 511
Total	**20 156**	19 380

Share-based payments

i. Share appreciation rights

The Group operated a share appreciation rights scheme ("SARS") that was formulated to reward certain employees who make a meaningful and sustainable contribution to the financial performance of Emira.

The awards are to be exercised in equal tranches, three, four and five years after the date of grant. Tranche 5 was subject to a performance condition of annual growth in distributions compared to CPI.

The number of SARS awards outstanding is as follows:

	Outstanding at 1 July 2021	Granted	Cancelled/ expired	Vested	Outstanding at 30 June 2022
Tranche					
Fifth tranche	1 556 833	–	(1 556 833)	–	–
	1 556 833	–	(1 556 833)	–	–

The IFRS 2 charge recognised in the statement of comprehensive income in respect of the share appreciation rights scheme amounted to income of R0,2m (2021: income R0,3m). The scheme is accounted for as a cash-settled share-based payment, whereby a share-based payment expense is recognised as the services and vesting conditions are met. The fair value of the share appreciation rights is calculated by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

No SARs vested during the year and the cash settled SARS (option) scheme has been discontinued after the introduction of the new FSP scheme.

ii. Forfeitable Share Plan

The Forfeitable Share Plan ("FSP") was introduced as a long-term incentive for employees, who receive shares in the Company for no consideration. The purpose of the FSP is to provide both an incentive to employees to deliver the Group's business strategy and objectives over the long-term and to act as a retention mechanism. The vesting of the FSP awards are subject to continued employment over the vesting period and meeting certain pre-set performance targets. In terms of the plan and depending on vesting conditions being met, the shares awarded to employees vest in equal tranches from the date of the award to three, four and five years after the date of the grant.

Participants are entitled to the corresponding voting rights and distributions prior to vesting.

In the event of death, serious disability, retrenchment or retirement of a participant, a portion of the award, to be calculated in terms of the provisions of the FSP, shall vest. If the participant's employment is terminated, the unvested portion of the award will be forfeited in its entirety, or partially, at the discretion of the Remuneration Committee, and all rights will lapse immediately on the date of termination of employment.

Movements in the number of forfeitable shares outstanding during the year are as follows:

Grant date	Tranche	Outstanding at 1 July 2021	Granted	Cancelled/ expired	Vested	Outstanding at 30 June 2022
15 December 2017	First tranche	409 400	–	(37 353)	(182 223)	189 824
15 September 2018	Second tranche	761 099	–	(46 378)	(279 277)	435 444
15 September 2019	Third tranche	1 340 066	–	(57 358)	–	1 282 708
15 October 2020	Fourth tranche	2 422 710	–	(128 928)	–	2 293 782
15 October 2021	Fifth tranche	–	1 699 353	(86 384)	–	1 612 969
		4 933 275	1 699 353	(356 401)	(461 500)	5 814 727

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

22. Employee benefits continued

As at 30 June 2022 all awards in issue were expected to vest in the future.

The IFRS 2 expense recognised in the statement of comprehensive income for the year in respect of the FSP amounted to R10,4m (2021: R11,9m). The fair value was determined by using the actual share price that the FSP shares were acquired at grant date.

iii. Matching Share Scheme

In terms of the matching share scheme, participants are invited bi-annually to acquire Emira shares.

Participants holding shares at the third anniversary of the date of award will, subject to pre-determined performance criterion being met, be awarded Emira shares, free of consideration, based on a multiple of one share for every three original shares held.

The number of matching scheme awards in issue are as follows:

Grant date	Tranche	Outstanding at 1 July 2021	Granted	Cancelled/ expired	Vested	Outstanding at 30 June 2022
27 November 2020	Second tranche	97 833	–	(5 188)	–	92 645
27 November 2021	Third tranche	–	138 338	–	–	138 338
		97 833	138 338	(5 188)	–	230 983

As at 30 June 2022 all matching scheme awards in issue were expected to vest in the future.

The IFRS 2 expense recognised in the statement of comprehensive income in respect of the share matching scheme amounted to R0,4m (2021: R0,1m). The fair value of services received in return for the matching share scheme awards has been determined as the number of shares expected to vest multiplied by the share price at grant date.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

23. Notes to the statement of cash flows

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Cash generated from operations				
Profit before income tax charge for the year	**971 713**	459 654	**817 803**	444 422
Adjusted for:				
Fair value adjustments	**(19 174)**	564 665	**(31 757)**	309 049
Allowance for future rental escalations	**17 369**	4 748	**4 883**	9 363
Amortisation of lease commission	**8 533**	262	**5 665**	213
Amortisation of tenant installations	**11 709**	18 993	**10 545**	14 564
Dividends received from subsidiaries*	**–**	–	**(44 069)**	–
Income from equity-accounted investments	**(526 477)**	(418 750)	**(165 341)**	(153 411)
Interest expense	**401 223**	404 537	**385 575**	390 497
Interest capitalised to the cost of developments	**–**	(3 936)	**–**	(3 936)
Foreign exchange profit/(loss)	**(115 602)**	137 985	**(115 602)**	143 389
Unrealised deficit on revaluation of interest rate swaps	**(48 031)**	(411 470)	**(48 031)**	(411 470)
Revaluation of derivative financial instruments relating to share appreciation rights scheme	**1 122**	(4 966)	**1 122**	(4 966)
Expected credit losses	**25 887**	29 048	**58 928**	76 217
Impairment of investments	**34 209**	–	**(17 477)**	68 758
Share-based payment amortisation	**10 049**	11 963	**10 049**	11 963
Finance income	**(42 256)**	(40 183)	**(154 960)**	(143 522)
Depreciation	**792**	875	**813**	883
Operating profit before working capital changes	**731 064**	753 423	**718 144**	752 013
Increase/(decrease) in accounts receivable	**23 811**	34 813	**8 996**	33 405
Decrease/increase in accounts payable	**22 499**	24 788	**13 233**	34 283
Cash generated from operations	**777 374**	813 024	**740 373**	819 701
Distribution to shareholders				
Distributions for the year	**(604 040)**	(402 983)	**(644 113)**	(429 935)
Distributions paid to shareholders	**(604 040)**	(402 983)	**(644 113)**	(429 935)
Taxation paid for the year				
Taxation payable at beginning of year	**3 590**	17 130	**(725)**	14 600
Movement in statement of comprehensive income:	**976**	(5 112)	**56**	(14 600)
SA normal taxation	**1 692**	(12)	**56**	(2 179)
SARS interest and penalties	**(755)**	(379)	**–**	–
Foreign taxation	**38**	(4 721)	**–**	(12 422)
Taxation payable at end of year	**(2 400)**	(3 590)	**–**	725
Taxation paid for the year	**2 166**	8 428	**(669)**	725

* Revenue – dividend income from local subsidiaries of R183 million represents a non-cash dividend which settles against inter-company accounts and is pre-emptively funded by monthly cash sweeps throughout the year. This amount stems from cash generated from operations of the underlying investment properties despite the actual declaration being settled in a non-cash manner.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

24. Related parties and related party transactions

The following transactions were carried out with related parties:

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Adamass Investments (Pty) Ltd				
Shares	**–**	–	**13 641**	13 641
Loan#	**–**	–	**(22 802)**	(22 802)
Relationship: Wholly-owned subsidiary				
Aquarella Investments 272 (Pty) Ltd				
Shares	**–**	–	**6 379**	6 379
Loan#	**–**	–	**(13 789)**	(13 789)
Relationship: Wholly-owned subsidiary				
Backbone Investments (Pty) Ltd				
Shares	**–**	–	**11 365**	11 365
Loan#	**–**	–	**(11 364)**	(11 364)
Relationship: Wholly-owned subsidiary				
Bet All Investments (Pty) Ltd				
Shares*	**–**	–	**–**	–
Loan^	**–**	–	**190 313**	189 683
Expected credit loss	**–**	–	**(190)**	(3 574)
Interest received	**–**	–	**11 417**	10 915
Relationship: Subsidiary 75% owned				
Cape Poinsett Property Investments (Pty) Ltd				
Shares	**–**	–	**3 671**	3 671
Loan#	**–**	–	**253 348**	249 551
Dividend received	**–**	–	**(29 316)**	41 911
Relationship: Wholly-owned subsidiary of Libra Investments 5 (Pty) Ltd				
CIL2 LLC				
Shares	**–**	–	**853 860**	711 565
Loan	**–**	–	**995 418**	753 674
Interest received	**–**	–	**84 038**	74 747
Dividend received	**–**	–	**44 069**	–
Relationship: Subsidiary 100% owned				
Enyuka Prop Holdings (Pty) Ltd				
Shares	**12**	12	**12**	12
Loan	**575 000**	596 296	**575 000**	596 296
Interest received	**86 433**	85 121	**85 121**	85 121
Expected credit loss	**(932)**	(4 234)	**(932)**	(4 234)
Relationship: Joint venture, 49,9% owned				
ESA Trust – Mezzanine Loan				
Loan	**–**	–	**49 162**	49 384
Interest received	**–**	–	**3 802**	293
Financial guarantee	**–**	–	**(22 814)**	(16 684)
Relationship: Executive Share Scheme SPV				
ESA Trust – First Amortising Loan				
Loan	**–**	–	**–**	1 390
Interest (paid)/received	**–**	–	**(59)**	119
Expected credit loss	**–**	–	**–**	(1)
Relationship: Executive Share Scheme SPV				
ESA Trust – Second Amortising Loan				
Loan	**–**	–	**275**	1 065
Interest received	**–**	–	**37**	87
Expected credit loss	**–**	–	**–**	–
Relationship: Executive Share Scheme SPV				

* Zero balances represent nominal balances under R1 000.

^ The loan to Bet-All Investments bears interest at 3 month JIBAR plus a margin of 2,3% per annum, is unsecured and is repayable quarterly.

All loans to subsidiary companies are interest free and are not subject to fixed repayment terms.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

24. Related parties and related party transactions continued

R'000	Group 2022	Group 2021	Company 2022	Company 2021
ESA Trust – Third Amortising Loan				
Loan	–	–	–	1 140
Interest received	–	–	20	92
Expected credit loss	–	–	–	(1)
Relationship: Executive Share Scheme SPV				
Freestone Property Holdings (Pty) Ltd				
Shares	–	–	1 339 187	1 339 187
Loan #	–	–	(874 074)	(779 875)
Dividend received	–	–	89 323	95 780
Relationship: Wholly-owned subsidiary				
Freestone Property Investments (Pty) Ltd				
Shares *	–	–	–	–
Loan #	–	–	340 712	434 912
Dividend received	–	–	89 323	95 780
Relationship: Wholly-owned subsidiary of Freestone Property Holdings (Pty) Ltd				
Libra Investments 5 (Pty) Ltd				
Shares	–	–	66 412	66 412
Loan #	–	–	273 982	267 392
Dividend received	–	–	29 316	41 911
Impairment of investment	–	–	(38 042)	(54 162)
Relationship: Wholly-owned subsidiary				
Lowmer Investments (Pty) Ltd				
Shares	–	–	111 248	111 248
Loan #	–	–	101 669	101 728
Dividend received	–	–	17 251	20 228
Impairment of investment	–	–	(111 248)	(123 638)
Expected credit loss	–	–	(10 457)	–
Relationship: Wholly-owned subsidiary				
Luxanio Trading 157 (Pty) Ltd – Letsema SPV				
Loan #	–	–	90 115	90 283
Financial guarantee	–	–	(42 882)	(31 736)
Relationship: BEE Share Scheme SPV				
Menlyn Corporate Park (Pty) Ltd				
Shares	–	–	283 386	283 386
Loan #	–	–	361 501	357 257
Dividend received	–	–	38 661	37 994
Impairment of investment	–	–	(283 386)	(283 386)
Expected credit loss	–	–	(219 595)	(208 834)
Relationship: Wholly-owned subsidiary				
Monagon Properties (Pty) Ltd				
Shares	–	–	14 835	14 835
Loan #	–	–	50 094	51 089
Dividend received	–	–	5 105	4 749
Impairment of investment	–	–	(14 835)	(14 835)
Expected credit loss	–	–	(34 570)	(38 965)
Relationship: Wholly-owned subsidiary				
No. 9 Sturdee Share Block (Pty) Ltd				
Shares	–	–	22 056	22 056
Loan #	–	–	(23 744)	(23 744)
Relationship: Wholly-owned subsidiary				

* Zero balances represent nominal balances under R1 000.

^ The loan to Bet-All Investments bears interest at 3 month JIBAR plus a margin of 2,3% per annum, is unsecured and is repayable quarterly.

All loans to subsidiary companies are interest free and are not subject to fixed repayment terms.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

24. Related parties and related party transactions continued

R'000	Group 2022	Group 2021	Company 2022	Company 2021
Omnicron Investments 005 (Pty) Ltd				
Shares	–	–	**35 368**	35 368
Loan #	–	–	**(29 407)**	(29 407)
Impairment of investment	–	–	**(5 313)**	(5 308)
Relationship: Wholly-owned subsidiary				
Rapidough Properties 509 (Pty) Ltd				
Shares	–	–	**17 832**	17 832
Loan #	–	–	**15 510**	15 310
Dividend received	–	–	**3 899**	3 689
Impairment of investment	–	–	**(3 442)**	(4 804)
Relationship: Wholly-owned subsidiary				
Strategic Real Estate Managers (Pty) Ltd				
Shares *	–	–	–	–
Loan #	–	–	**14 901**	14 901
Expected credit loss	–	–	**(14 901)**	(14 901)
Relationship: Wholly-owned subsidiary				
Tamela Property Investment (RF) Proprietary Limited				
Loan	–	–	**90 115**	90 283
Financial guarantee	–	–	**(42 882)**	(31 736)
Relationship: BEE Share Scheme SPV				
Transcend Residential Property Fund Ltd				
Investment	**585 167**	438 918	**585 167**	438 918
Interest received	–	6 455	–	6 455
Dividend received	**31 566**	25 469	**31 566**	25 469
Relationship: Equity-accounted associate, 40,69% owned				
Windrifter Share Block (Pty) Ltd				
Shares	–	–	**48 230**	48 230
Loan #	–	–	**(48 230)**	(48 230)
Relationship: Wholly-owned subsidiary				

* Zero balances represent nominal balances under R1 000.

^ The loan to Bet-All Investments bears interest at 3 month JIBAR plus a margin of 2,3% per annum, is unsecured and is repayable quarterly.

All loans to subsidiary companies are interest free and are not subject to fixed repayment terms.

For further information in relation to related party entities, refer to note 10.

Related party relationships exist between the Company, its subsidiaries, directors, and key management of the group. Refer below for a list of all subsidiaries and structured entities consolidated.

Remuneration paid to directors is set out in note 3.

Details of the Emira Forfeitable Share Plan and Emira Matching Share Plan in which the directors participate are provided in note 22.

Details of directors' interest in the ordinary shares of the Group are provided in the Directors Report.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

25. Minimum contracted rental income

	Group		Company	
R'000	**2022**	2021	**2022**	2021
The Group has rental income receivable in terms of operating lease contracts:				
– Due within one year	**887 565**	914 944	**679 370**	663 126
– Due within two to five year	**1 595 039**	1 592 086	**1 221 388**	1 235 039
– Due beyond five years	**628 025**	319 747	**369 966**	306 622
Total	**3 110 628**	2 826 777	**2 270 724**	2 204 787

The weighted average length of leases is 2,7 years (2021: 2,6 years) and the average lease escalation is 6,7% (2021: 7,1%).

26. Commitments and contingencies

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Authorised capital expenditure*				
– Committed	**49 690**	34 033	**33 722**	29 004
– Contracted for	**19 504**	33 005	**15 749**	33 005

* Authorised capital expenditure relates to Emira's policy of continually reinvesting recycled capital into its core properties. In line with the Fund's environmental, social and governance strategy, projects focused on making Emira's properties more sustainable, specifically those that improve energy efficiency and water conservation.

Contingencies

The Fund has a contingent liability with Rand Merchant Bank of R4,6m (2021: R3,5m) primarily in respect of municipal guarantees provided.

The Fund has no further material contingent liabilities as at 30 June 2022.

27. Post year-end events

Declaration of dividend after reporting date

In line with IAS 10, Events after the reporting period, the declaration of the final dividend of 63,20 cents per share occurred after the end of the reporting period on 17 August 2022, resulting in a non-adjusting event that is not recognised in the financial statements.

Transcend

On 13 July 2022 Emira announced that it had informed the Transcend board of directors that it intends to make a general cash offer to acquire up to 100% of the entire issued share capital of Transcend, other than those shares already owned by Emira, amounting to a maximum of 97 252 832 Transcend shares ("the Offer" or "the Proposed Transaction").

The Offer is for a cash consideration of R5,38 per share on an ex-distribution basis ("Offer Price"). The Offer Price will be escalated by the distribution that is deemed to accrue to shareholders from the day after the last date to trade for the last distribution paid to Transcend shareholders prior to the date that offer becomes unconditional ("Offer Finalisation Date") until the Offer Finalisation Date.

Irrevocable support for the Offer has already been provided by the Public Sector Pension Investment Board and the Development Bank of Southern Africa, which hold 16,7% and 6,2 % respectively of the Transcend shares.

The Offer is a non-adjusting post balance sheet event. Based on the irrevocable support for the Offer provided to date, Emira will control Transcend from the Offer Finalisation Date and will be consolidated by Emira from that point.

Post year end, Emira acquired a further beneficial interest in Transcend of 7,288,780 ordinary shares, such that its total interest has increased to 45.13% of Transcend's issued share capital.

Truman's Market Place

Post year-end, a purchase and sale agreement was signed on 13 July 2022 for the disposal of Truman's Marketplace in Grandview, Missouri, for USD30,6m, of which Emira's share of the proceeds will be approximately USD5,5m and is a non-adjusting post balance sheet event. The decision to sell is a result of Emira and Rainier's views that achievable rentals and leasing interest at the centre has likely peaked, in light of anticipated growth in the surrounding nodes having been hampered by the pandemic.

Post the SENS announcement by Emira on 17 August 2022, the disposal of Truman's Market Place did not materialise and no further agreements have been entered into.

There have been no other significant events subsequent to the reporting date.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

28. Segment information

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the CEO of the Fund.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions.

The CEO considers the business based on the following operating segments:

Local South African investments

- Office – comprises directly held commercial properties
- Retail – comprises directly held shopping centres and the investment in Enyuka
- Industrial – comprises directly held industrial properties
- Residential – comprises directly held residential property and the investment in Transcend
- Corporate – comprises the South African administration activities of the Group

International investments

- International – comprises the indirect investments into grocery anchored power centres in the USA, as well as the related international administration activities.

The operating segments derive their revenue, either directly or indirectly, from rental income from lessees. All of the Group's income generating business activities and operating segments are reported within the above segments.

The local administration activities of the Group are reported under the "Corporate" operating segment, and the international administration activities are reported under the international segment.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

28. Segment information continued

R'000	Office	Retail	Industrial	Residential	Corporate	Local	Inter-national	Total
Sectoral segments – June 2022								
Revenue	390 204	708 895	328 533	29 317	–	1 456 950	–	1 456 950
Operating lease rental income and tenant recoveries	299 026	516 903	237 541	25 778	–	1 079 249	–	1 079 249
Recoveries of operating costs from tenants	102 537	204 065	84 930	3 539		395 070	–	395 070
Allowance for future rental escalations	(11 359)	(12 073)	6 063	–	–	(17 369)	–	(17 369)
Property expenses	(201 565)	(338 384)	(137 182)	(13 571)	–	(690 703)	–	(690 703)
Administration expenses	–	–	–		(83 739)	(83 739)	(9 345)	(93 084)
Operating profit	188 639	370 511	191 351	15 746	(83 739)	682 508	(9 345)	673 163
Net fair value adjustments	(50 026)	48 432	27 759	2 551	37 365	66 083	–	66 083
Investment properties	(50 026)	48 432	27 759	2 551	–	28 718	–	28 718
Derivative financial instruments relating to share appreciation rights scheme	–	–	–	–	(1 122)	(1 122)	–	(1 122)
Interest-rate derivatives	–	–	–	–	48 031	48 031	–	48 031
Listed property investments	–	–	–	–	(9 544)	(9 544)	–	(9 544)
Expected credit loss	–	–	–	–	(25 887)	(25 887)	–	(25 887)
Impairment of equity-accounted investments	–	–	–	–	(34 209)	(34 209)	–	(34 209)
Foreign exchange gain	–	–	–	–	–	–	115 602	115 602
Other income	–	–	–	–	4 855	4 855		4 855
Income from equity-accounted investments	–	120 056	–	78 908	–	198 965	327 512	526 477
Distributable	–	89 537	–	–	–	89 537	176 648	266 185
Non-distributable	–	30 519	–	78 908	–	109 427	150 864	260 292
Profit before finance costs	138 613	538 999	219 110	97 206	(101 614)	892 315	433 770	1 326 085
Net finance costs	–	–	–	–	(270 098)	(270 098)	(84 274)	(354 372)
Profit before income tax charge	138 613	538 999	219 110	97 206	(371 712)	622 217	349 496	971 713
Taxation	–	–	–	–	(1 692)	(1 692)	(38)	(1 730)
Profit for the period	138 613	538 999	219 110	97 206	(373 404)	620 525	349 457	969 983
Investment properties	2 925 470	4 868 889	1 809 542	206 500	–	9 810 402	–	9 810 402
Assets held for sale	23 350	638 616	–	–	–	661 966	–	661 966
Loans receivable	–	–	–	–	354 506	354 506	–	354 506
Other assets	–	–	–	585 167	206 709	791 876	2 452 814	3 244 690
Total assets	2 948 820	5 507 505	1 809 542	791 667	561 215	11 618 750	2 452 814	14 071 564
Interest-bearing borrowings	–	–	–	–	5 500 017	5 500 017	–	5 500 017
Other liabilities	–	–	–	–	700 551	700 551	4 664	705 215
Total liabilities	–	–	–	–	6 200 568	6 200 568	4 664	6 205 232

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

28. Segment information continued

R'000	Office	Retail	Industrial	Residential	Corporate	Local	International	Total
Sectoral segments – June 2021								
Revenue	431 204	693 263	323 808	28 049	–	1 476 324	–	1 476 324
Operating lease rental income and tenant recoveries	425 719	710 289	317 015	28 049	–	1 481 072	–	1 481 072
Allowance for future rental escalations	5 485	(17 026)	6 793	–		(4 748)	–	(4 748)
Property expenses	(199 653)	(315 540)	(135 065)	(11 724)	–	(661 982)	–	(661 982)
Administration expenses	–	–	–	–	(83 188)	(83 188)	(9 552)	(92 740)
Operating profit	231 551	377 723	188 743	16 325	(83 188)	731 154	(9 552)	721 602
Net fair value adjustments	(291 041)	(166 273)	(70 778)	(13 286)	393 151	(148 227)	–	(148 227)
Investment properties	(291 041)	(166 273)	(70 778)	(13 286)	–	(541 378)	–	(541 378)
Derivative financial instruments relating to share appreciation rights scheme	–	–	–	–	4 966	4 966	–	4 966
Interest-rate derivatives	–	–	–	–	411 472	411 472	–	411 472
Listed property investments	–	–	–	–	(23 287)	(23 287)	–	(23 287)
Expected credit loss	–	–	–	–	(29 048)	(29 048)	–	(29 048)
Foreign exchange loss	–	–	–	–	–	–	(143 389)	(143 389)
Other income	–	–	–	–	4 335	4 335		4 335
Income from equity-accounted investments	–	91 639	–	68 290	–	159 929	251 959	411 888
Distributable	–	83 692	–	6 455		90 147	125 474	215 621
Non-distributable	–	7 947	–	61 835		69 782	126 485	196 267
Profit before finance costs	(59 490)	303 089	117 965	71 329	285 250	718 143	99 018	817 161
Net finance costs	–	–	–	–	(282 523)	(282 523)	(74 984)	(357 507)
Profit before income tax charge	(59 490)	303 089	117 965	71 329	2 727	435 620	24 034	459 654
Taxation	–	–	–	–	12	12	4 721	4 733
Profit for the period	(59 490)	303 089	117 965	71 329	2 739	435 632	28 755	464 387
Investment properties	2 979 885	4 684 775	1 692 242	201 250	–	9 558 152	–	9 558 152
Investment properties held for sale	–	130 300	94 000	–	–	224 300	–	224 300
Loans receivable	–	–	–	–	357 132	357 132	–	357 132
Other assets	–	661 429	–	438 918	315 437	1 415 784	1 726 002	3 141 786
Total assets	2 979 885	5 476 504	1 786 242	640 168	672 569	11 555 368	1 726 002	13 281 370
Interest bearing borrowings	–	–	–	–	5 171 670	5 171 670	–	5 171 670
Other liabilities	–	–	–	–	752 845	752 845	5 325	758 170
Total liabilities	–	–	–	–	5 924 515	5 924 515	5 325	5 929 840

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

28. Segment information continued

R'000	Office	Retail	Industrial	Residential	Corporate	Local	Inter-national	Total
June 2022								
Revenue								
– Gauteng and Mpumalanga	**235 973**	**532 983**	**232 959**	**29 317**	**–**	**1 031 232**	**–**	**1 031 232**
– Western Cape	**116 407**	**59 063**	**61 505**	**–**	**–**	**236 975**	**–**	**236 975**
– KwaZulu-Natal	**37 824**	**76 811**	**34 070**		**–**	**148 705**	**–**	**148 705**
– Free State	**–**	**40 038**	**–**	**–**	**–**	**40 038**	**–**	**40 038**
	390 204	**708 895**	**328 534**	**29 317**	**–**	**1 456 950**	**–**	**1 456 950**
Investment properties								
– Gauteng and Mpumalanga	**1 830 380**	**3 830 600**	**1 277 525**	**206 500**	**–**	**7 145 005**	**–**	**7 145 005**
– Western Cape	**883 615**	**388 550**	**414 177**	**–**	**–**	**1 686 342**	**–**	**1 686 342**
– KwaZulu-Natal	**211 475**	**409 700**	**117 840**		**–**	**739 015**	**–**	**739 015**
– Free State		**240 039**		**–**	**–**	**240 039**	**–**	**240 039**
	2 925 470	**4 868 889**	**1 809 542**	**206 500**	**–**	**9 810 402**	**–**	**9 810 402**
June 2021								
Revenue								
– Gauteng and Mpumalanga	276 047	527 273	230 155	28 049	–	1 061 523	–	1 061 523
– Western Cape	116 894	53 394	55 573	–	–	225 861	–	225 861
– KwaZulu-Natal	38 263	70 570	38 079		–	146 913	–	146 913
– Free State	–	42 026	–	–	–	42 026	–	42 026
	431 205	693 263	323 807	28 049	–	1 476 324	–	1 476 324
Investment properties								
– Gauteng and Mpumalanga	1 880 425	3 821 921	1 246 140	201 250	–	7 149 736	–	7 149 736
– Western Cape	879 525	363 865	381 037	–	–	1 624 427	–	1 624 427
– KwaZulu-Natal	219 935	391 100	159 065		–	770 100	–	770 100
– Free State	–	238 189	–	–	–	238 189	–	238 189
	2 979 885	4 815 075	1 786 242	201 250	–	9 782 452	–	9 782 452

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

29. Measurement of fair value

Financial instruments

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

		2022				2021			
R'000	Note	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Group									
Financial assets measured at fair value									
Other financial assets	12	–	–	312	312	–	–	5 474	5 474
Derivative assets	20	–	68 097	–	68 097	–	122 703	–	122 703
Total		–	68 097	312	68 409	–	122 703	5 474	128 177
Financial assets measured at fair value									
Derivative liabilities	20	–	210 348	–	210 348	–	317 923	–	317 923
Total		–	210 348	–	210 348	–	317 923	–	317 923
Net fair value		–	(142 251)	312	(141 939)	–	(195 220)	5 474	(189 746)
Company									
Financial assets measured at fair value									
Other financial assets	12	–	–	312	312	–	–	5 474	5 474
Derivative assets	20	–	68 097	–	68 097	–	122 703	–	122 703
Total		–	68 097	312	68 409	–	122 703	5 474	128 177
Financial assets measured at fair value									
Derivative liabilities	20	–	210 348	–	210 348	–	317 923	–	317 923
Total		–	210 348	–	210 348	–	317 923	–	317 923
Net fair value		–	(142 251)	312	(141 939)	–	(195 220)	5 474	(189 746)

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

Derivative financial instruments

The fair values of the interest-rate swap contracts are determined using discounted cash flow projections based on estimates of future cash flows and the terms of the relevant swap agreements. Cash flows are projected using a zero coupon ZAR swap curve, and are discounted on an uncollateralised basis.

The fair values of the cross-currency interest-rate swap contracts are valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.

The USD forward exchange contracts are valued by discounting the forward rates applied at the period end to the open hedged positions.

Other financial assets

The fair value of other financial assets is measured in terms of Inani's and IHS Asset Management's net asset value at reporting date.

The following key factors were taken into account by Inani when measuring investment property at reporting date:

- Weighted average discount rate of 15,78% (2021: 15,88%); and
- Weighted average exit capitalisation rate of 10,79% (2021: 11,13%).

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

29. Measurement of fair value continued

Non-financial assets

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value as at 30 June 2022:

	Group		Company	
R'000	**2022 Level 3**	2021 Level 3	**2022 Level 3**	2021 Level 3
Assets				
Investment properties	**9 810 402**	9 558 152	**7 457 637**	7 204 697
Investment properties held for sale	**23 350**	224 300	**–**	162 000
Assets held for sale – investment in Enyuka Prop Holdings (Pty) Ltd	**638 616**	–	**601 282**	–

Fair value measurement of investment properties

The fair value of commercial buildings is estimated using a five-year discounted cashflow approach, which discounts the estimated rental income stream, net of projected operating costs, as well as an exit value, using a discount rate derived from market yields. The estimated rental stream takes into account current occupancy levels, estimates of future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions regarding vacancy levels, the discount rate and the reversionary capitalisation rate. The estimated fair value increases if the estimated rentals increase, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline. The overall valuations are sensitive to all four assumptions. Management considers the range of reasonable possible alternative assumptions to be greatest for reversionary capitalisation rates, rental values, and vacancy levels and that there is also an interrelationship between these inputs. The inputs used in the valuations of the Group and Company as at 30 June 2022 were the following:

- The range of the reversionary capitalisation rates applied to the portfolio are between 7,5% and 11,5% with the weighted average, by value, being 9,20% (June 2021: 9,27%).
- The range of discount rates applied were between 12,75% and 16,0% with the weighted average, by value, being 14,0% (June 2021: 14,15%).
- The market rentals applied play a significant role and these are assessed on a property-by-property basis, taking cognisance of location, quality, size and type as well as all the relevant and prevailing market conditions, which are then benchmarked against research and asset manager projections.
- The range of market rental escalations applied to the portfolio are between 5% and 7,5% with the weighted average, by value, being 6,5% (June 2021: 6,6%).
- The range of void periods applied to the portfolio are between 0 months and 11,4 months with the weighted average, by value, being 4,6 months (June 2021: 4,6 months).
- The range of permanent vacancy factors applied to the portfolio are between 0% and 10% with the weighted average, by value, being 3,06% (June 2021: 3,62%).

Changes in discount rates and reversionary capitalisation rates attributable to changes in market conditions can have a significant impact on property valuations. A 25 basis points increase in the discount rate will decrease the value of investment property by R168m (1,72%) and a 25 basis points decrease will increase the value of investment property by R174m (1,78%). A 25 basis points decrease in the reversionary capitalisation rate will increase the value of investment property by R173m (1,77%) and a 25 basis points increase will decrease the value of investment property by R163m (1,67%).

Discount rates were calculated by adding a risk premium to the risk-free rate. The risk-free rate was determined by the averaging the 10-year government bond yield average for the period and the combined average of the 5, 10 and 20-year government bond yields over the same period. Property specific and sector risk premiums were added to the average risk-free rate. These were tested for reasonability against published research reports from SAPOA as well as surveys and opinions from other industry bodies.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

29. Measurement of fair value continued

The valuation inputs vary, not only according to sector, but also in terms of grade and geographic location. Accordingly, the weighted average inputs of the Group, which are also representative of the Company, have been disaggregated as follows:

	JHB	PTA	CPT	KZN	Other	Total 2022	Total 2021
Exit capitalisation rates (%)							
Offices	9,71	9,25	9,65	9,72	–	**9,53**	9,60
Offices P-grade	9,00	9,25	–	–	–	**9,17**	9,07
Offices A-grade	10,64	–	9,65	9,72	–	**9,82**	9,96
Offices B-grade	10,50	–	–	–	–	**10,50**	10,90
Retail	9,26	8,04	9,43	9,76	9,11	**8,63**	8,80
Industrial	10,30	9,98	9,89	9,90	–	**10,15**	9,99
Total						**9,20**	9,27
Discount rates (%)							
Offices	14,68	14,44	14,22	13,99	–	**14,40**	14,44
Offices P-grade	14,25	14,44	–	–	–	**14,38**	14,08
Offices A-grade	15,50	–	14,22	13,99	–	**14,39**	14,71
Offices B-grade	14,79	–	–	–	–	**14,79**	15,40
Retail	13,91	13,04	13,90	13,69	14,11	**13,43**	13,73
Industrial	14,87	14,90	14,49	14,74	–	**14,78**	14,80
Total						**13,98**	14,15
Market rentals (%)							
Offices	154,84	183,84	162,18	151,73	–	**166,99**	168,30
Offices P-grade	190,00	183,84	–	–	–	**185,70**	188,82
Offices A-grade	110,00	–	162,18	151,73	–	**152,11**	152,45
Offices B-grade	113,26	–	–	–	–	**113,26**	110,00
Retail	129,48	155,86	145,76	161,90	138,75	**148,85**	145,81
Industrial	57,95	69,48	70,14	75,76	–	**62,86**	60,25
Total						**138,07**	137,50
Market rental escalation rates (%)							
Offices	7,1	6,8	6,9	7,0	–	**6,9**	6,5
Offices P-grade	7,3	6,8	–	–	–	**7,0**	6,0
Offices A-grade	7,1	–	6,9	7,0	–	**6,9**	7,1
Offices B-grade	6,3	–	–	–	–	**6,3**	7,5
Retail	5,9	6,3	6,2	6,8	6,4	**6,3**	6,5
Industrial	6,3	6,8	6,3	7,0	–	**6,4**	6,7
Total						**6,5**	6,6
Void period (months)							
Offices	6,2	8,9	5,1	1,3	–	**6,4**	6,9
Offices P-grade	6,0	8,9	–	–	–	**8,0**	7,8
Offices A-grade	7,3	–	5,1	1,3	–	**4,8**	6,0
Offices B-grade	5,1	–	–	–	–	**5,1**	5,8
Retail	3,5	5,3	4,3	4,4	4,3	**4,7**	4,1
Industrial	1,5	2,0	1,3	2,4	–	**1,6**	2,0
Total						**4,6**	4,6

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

29. Measurement of fair value continued

	JHB	PTA	CPT	KZN	Other	Total 2022	Total 2021
Perpetual vacancy (%)							
Offices	5,7	4,2	4,6	1,6	–	**4,6**	4,8
Offices P-grade	5,0	4,2	–	–	–	**4,5**	4,9
Offices A-grade	5,0	–	4,6	1,6		**4,2**	4,8
Offices B-grade	8,9	–	–	–	–	**8,9**	5,0
Retail	2,5	2,3	3,1	2,1	2,7	**2,4**	3,1
Industrial	2,2	3,2	2,3	2,4	–	**2,3**	3,0
Total						**3,1**	3,6

Further to the overall sensitivity analysis on discount rates and exit capitalisation rates, a sensitivity analysis has been performed on the top three properties (by value) for the retail, office and industrial portfolios, to show the effect on values when adjusting each of the key inputs. The results are as follows:

%	Offices	Retail	Industrial
Valuation impact if exit capitalisation rate is increased by 25bps	(1,6)	(2,1)	(1,4)
Valuation impact if exit capitalisation rate is decreased by 25bps	1,7	2,2	1,5
Valuation impact if discount rate is increased by 25bps	(1,7)	(1,9)	(1,7)
Valuation impact if discount rate is decreased by 25bps	1,8	2,0	1,7
Valuation impact if market rentals increase by 5%	3,8	4,0	5,1
Valuation impact if market rentals decrease by 5%	(3,6)	(4,5)	(4,5)
Valuation impact if rental escalation rates increase by 1%	1,7	2,0	1,8
Valuation impact if rental escalation rates decrease by 1%	(1,7)	(2,6)	(1,5)
Valuation impact if the permanent vacancy factor is increased by 2,5%	(2,1)	(3,2)	(1,7)
Valuation impact if the permanent vacancy factor is decreased by 2,5%	2,1	2,1	1,0

Fair values are estimated twice a year by Emira's internal registered valuer, whereafter they are reviewed by the executive directors and approved by the Board. One third of the portfolio is valued externally each year-end on a rolling basis. The external valuations performed as at 30 June 2022 were completed by the following valuers:

Valuer	Company	Qualifications
TLJ Behrens	Real Insight (Pty) Ltd	NDip (Prop Val), MIV (SA) professional associate valuer
JC Nagiah	Real Insight (Pty) Ltd	NDip Real Estate(Prop Val), candidate valuer
T Behrens	Real Insight (Pty) Ltd	NDip Real Estate(Prop Val), candidate valuer
R Scott Collins	Yield Enhancement Solutions	NDip Real Estate(Prop Val), professional valuer
Y Vahed	Premium Valuation Services	NDip Real Estate(Prop Val), MP Real Estate, MIV (SA), professional valuer

There have been no material changes to the assumptions applied by the registered valuers.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

29. Measurement of fair value continued

Fair value measurement of investment properties held for sale

The fair value of investment properties held for sale is based on the sale price agreed by the parties to the transaction where applicable or the fair value thereof.

Fair value measurement of Emira's investment in Enyuka Prop Holdings (Pty) Ltd

The fair value of the assets held for sale, was measured in terms of the concluded transaction, as announced on SENS on 18 May 2022, to dispose of Emira's shareholding and claims in Enyuka.

Emira will dispose of the Enyuka ordinary shares held by Emira (the "Enyuka Ordinary Shares") to Oneeighty Holdings Two (Pty) Ltd ("OEH2"), for an aggregate purchase consideration of R2,7m. In addition, Enyuka will repurchase the Enyuka A shares held by Emira (the "Enyuka A Shares") as well as the shareholder loan advanced by Emira to Enyuka (the "Emira Loan") (collectively the "Linked Units") for an aggregate consideration of R635,9m, being the value of the Linked Units as reflected in the financial statements of Enyuka as at 30 June 2021, plus any accrued and unpaid interest on the Emira Loan.

The transaction is still subject to the fulfilment, or waiver (as the case may be) of various conditions precedent, including the confirmation of finance from the buyer and approval from the Competition Commission.

Emira has impaired the carrying value of Enyuka by R34,2m to R638,6m, being the agreed disposal value, and reclassified it under "held-for-sale investments and loans in equity-accounted investments".

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's financial risk management objective is to manage the capital and financial risk exposure so that the Group continues as a going concern and minimises adverse effects of financial risks on returns.

The Group's activities expose it to a variety of financial risks: capital risk, market risk (including interest rate risk, foreign exchange risk and share price risk), credit risk and liquidity risk.

While risk management is the ultimate responsibility of the Board of directors, the Board has delegated this responsibility to the risk committee which is responsible for developing and monitoring the Group's risk management policies. The Board has also established a finance committee which is specifically responsible for monitoring Emira's funding policies as well as its interest rate and foreign exchange hedging policies.

The Group's financial instruments consist mainly of derivatives, financial assets, loans receivable, deposits with banks, accounts receivable and payable, interest-bearing debt, and loans to and from subsidiaries. The Group purchases or issues financial instruments to finance operations and to manage interest rate and foreign currency risks that may arise from time to time. The Group does not engage in the trading of financial assets for speculative purposes.

Exposure to interest rate, credit and liquidity risks occurs in the normal course of business.

Cash resources are monitored to meet working capital requirements and surplus cash is applied on an access basis against long-term interest-bearing liabilities.

A. Capital risk management

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

In order to maintain or adjust the capital structure, the Group and Company may return capital to shareholders, issue new shares to shareholders or sell assets to reduce debt.

The Group and Company monitors capital on the basis mandated by the Board. The Group's borrowings are limited to 50% of the carrying value of its income-producing assets. This ratio is calculated as total borrowings, less cash plus/(minus) the net derivative liability/(asset), divided by total income-producing assets as disclosed in the statement of financial position of the Group. Income producing assets include direct property investments, investments into listed property securities, investments into unlisted property securities and loans receivable.

During 2022, the Group's and Company's strategy, which was unchanged from 2021, was to maintain a loan to value ratio within its covenant limit and an A(ZA) credit rating. Global Credit Rating Company (Pty) Ltd affirmed a corporate long-term credit rating of A(ZA) and corporate short-term rating of A1(ZA). The Group's and Company's utilised borrowings capacity at 30 June 2022 can be summarised as follows:

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Total income producing assets	**13 763 900**	12 895 640	**9 195 065**	9 015 564
Investment properties	**9 733 835**	9 517 940	**7 419 860**	7 204 697
Investment properties held for sale	**23 350**	224 300	**–**	162 000
Investment and loans in equity-accounted investments	**3 647 626**	2 796 268	**1 186 449**	1 058 194
Loans receivable (net of expected credit loss)	**359 089**	357 132	**588 756**	590 673
Total borrowings net of cash	**5 575 492**	5 269 979	**5 431 099**	5 125 912
Interest-bearing debt – Non-current	**4 070 871**	4 450 878	**3 885 241**	4 265 369
Interest-bearing debt – Current	**1 429 146**	720 792	**1 425 289**	717 190
Net derivative liability	**142 250**	195 219	**142 250**	195 220
Cash and cash equivalents	**(66 776)**	(96 910)	**(21 681)**	(51 866)
Utilised capacity %	**40,5**	40,9	**59,1**	56,9

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

B. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's and Company's market risks arise from changes in foreign currency exchange rates, interest rates and change in share price. The Group and Company enters into interest-rate hedging agreements to mitigate the risk of rising interest rates as set out in note 20.

Foreign currency risk management

The Group's and Company's exposure to exchange rate fluctuations arose through its investment in CIL2 LLC, its' USA subsidiary which holds equity-accounted investments into USA retail properties. The investment in CIL2 is denominated in United States dollar (USD) and translated to the spot rate at each reporting date. Forward exchange contract derivatives are acquired to limit exposure to currency fluctuations with respect to future dividends and interest receivable from these investments. Exchange rate fluctuations are considered to be insignificant due to the Group and Company being fully hedged on its foreign exposure.

Emira has entered into cross-currency interest-rate swaps ("CCIRS"), in respect of the debt funding of its equity investments into the USA. Under the terms of the CCIRS, Emira pays USD fixed interest and receives ZAR floating interest. These cross-currency interest-rate swaps are effectively USD loans with a ZAR deposit. The Fund aims to synthetically convert at least 50% of the ZAR debt funding relating to its US investments into USD debt funding using CCIRS. By effectively matching a portion of the currency of the funding with that of the investment, a proportion of the capital related USD/ZAR currency risk movements, are eliminated.

At 30 June 2022, the Fund had cross-currency interest-rate swaps of USD73,0m (2021: USD61,0m) in place against assets of USD148,6m (2021: USD118,9m). The cross-currency interest rate swaps have a weighted average duration to expiry of 3,6 years and mature between May 2023 and May 2026.

Interest rate risk management

The Group's and Company's exposure to interest rates on financial instruments at the date of the statement of financial position is set out in note 20.

Interest rates are constantly monitored and appropriate steps are taken to ensure that the Group's and Company's exposure to interest rate fluctuations is limited. Interest rates have been fixed for extended periods ranging from 2022 to 2027. The average rate of interest at 30 June 2022 (applicable to the fixed interest rate agreements) was 6,69% (2021: 6,72%). At 30 June 2022 27,1% (2021: 19,3%) of Emira's debt was subject to a variable or floating interest rate and was not covered by an interest-rate swap agreement. An increase in the base interest rates of 1% per annum would result in an increase in interest payable, in respect of the floating portion of Emira's debt, which would reduce net profit for the year by R1,8m (2021: R1,6m). A decrease in the base interest rate of 1% per annum would result in a decrease in interest payable, in respect of the floating portion of Emira's debt, which would increase net profit for the year by R1,8m (2021: R1,6m).

An increase in the base interest rates of 1% per annum would result in an decrease in interest payable, in respect of the Group's and Company's interest rate swaps, which would increase net profit for the year by R1,0m (2021: R0,9m). A decrease in the base interest rate of 1% per annum would result in a increase in interest payable, in respect of the Group's and Company's interest rate swaps, which would decrease net profit for the year by R1,0m (2021: R0,9m).

The Group and Company are aware of the interest rate benchmark reform and the impending transition from LIBOR to SONIA with any potential impact to the base rate detailed as per the sensitivities above.

Equity price risk

Emira does not have balance sheet exposure to equity price risk on its investment in Transcend Residential Property Fund Limited, as it is equity-accounted and therefore the carrying value is not subject to fluctuations in the share price.

C. Credit risk management

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from cash and cash equivalents, derivative assets, long-term loans granted and trade receivables. Credit risk is managed on a Group basis.

Cash and cash equivalents

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

Material bank balances are with FirstRand Bank Limited, ABSA Bank Limited, The Standard Bank of South Africa Limited and East West Bank, which have a Standard & Poor's ("S&P") credit rating of zaAA, zaAA, zaAAA and BBB+ respectively.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

Derivatives

The Group and Company mitigates its credit risk to counterparties under derivative contracts by using reputable banks or institutions with a high credit rating for over-the-counter derivatives. Material derivative assets are with FirstRand Bank Limited (S&P: zaAA), Absa Bank Limited (S&P: zaAA) and Nedbank Limited (S&P: zaAA).

Loans receivable carried at amortised cost

The Group has exposure to credit risk in respect of loans receivable that comprise of funding for vendor loans stemming from property disposals, mezzanine funding provided as part of Emira's investments, and the share ownership facilitation schemes for directors, employees and the BEE equity investment scheme. In assessing the credit risk, the financial position of the counterparties is considered prior to a loan being granted and is also evaluated on an ongoing basis together with any collateral provided by the counterparty.

The Group assesses on a forward-looking basis the expected credit losses associated with its loans receivable carried at amortised cost except for Company loans advanced to subsidiaries which are assessed on the underlying net asset value. Over the term of the loans, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers the payment history for each category of counterparty, and adjusts for forward-looking macroeconomic data. The Group uses three main parameters to measure ECL on loans receivable carried at amortised cost. These are the probability of default (PD), loss given default (LGD), and exposure at default (EAD) (i.e. PD X LGD X EAD = ECL).

Measures of PD and LGD are converted from Through The Cycle to Point In Time measures using Moody's Analytics' ImpairmentCalc tool. These are incorporated into their GCorr macroeconomic forecast set. Based on research conducted by Moody's Analytics they recommend the use of their Baseline, Stronger Near-Term Rebound (S1) ("Bullish"), and Moderate Recession (S3)("Bearish") forecast sets weighted 40%, 30%, 30% respectively for a forward looking adjustment for the purposes of IFRS 9. They consider both public and private South African company defaults in this research. The South African economy experienced a sharp decline in activity in 2020 with the Q4 2019 level of GDP only due to be re-attained between Q3 2022 and Q1 2026 across the 3 scenarios. GDP growth is forecast to range from -0,40% to -3,29% across the scenarios. GDP is not the only factor that determines the extent of the adjustment but is described here to illustrate the extent of impact on the general economy that is being taken into account. The methodology does consider the industry of the asset and includes in the calculations likely volatility of that industry to the average impact of the South African economy.

Where the counterparty is a property investment company or there is collateral of a bond over fixed property, the LGD is calculated taking into account the value of the property and the application of a haircut to take into account the recovery rates typically achieved by the South African banking industry for the relevant property class, by applying a 90% and 80% break-up value to retail and office properties respectively.

Exposures are mainly segmented by counterparty type to allow for risk differentiation. The probability of a customer defaulting, as well as the realised loss with defaulted accounts, has been determined using historical data or by reference to models built on relevant external data where applicable.

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Definition of category	Basis for recognition of expected credit loss provision
Performing	Loans whose credit risk is in line with original expectations	12 month ECL is applied
Underperforming	Loans for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if interest and/or principal payments are 30 days past due	Lifetime expected losses (stage 2)
Non-performing (credit-impaired)	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

As at 30 June 2022, Emira recognised expected credit losses for loans receivable carried at amortised cost as follows:

R'000	Stage of credit impairment	Gross carrying amount	ECL	Total
Group – 2022				
Loans to associates and joint ventures	**Stage 1**	**575 000**	**(932)**	**574 068**
Loans receivable	**Stage 1**	**24 846**	**(47)**	**24 799**
Loans receivable ^ #	**Stage 2**	**439 045**	**(104 756)**	**334 289**
Total		**1 038 891**	**(105 734)**	**933 156**
Group – 2021				
Loans to associates and joint ventures	Stage 1	596 296	(4 234)	592 063
Loans receivable	Stage 1	21 860	(222)	21 638
Loans receivable ^	Stage 2	406 816	(75 187)	331 629
Loans receivable *	Stage 3	4 070	(205)	3 865
Total		1 029 042	(79 848)	949 194
Company – 2022				
Loans to associates and joint ventures	**Stage 1**	**575 000**	**(932)**	**574 068**
Loans receivable	**Stage 1**	**25 121**	**(47)**	**25 074**
Loans receivable ^ # †	**Stage 2**	**668 438**	**(104 756)**	**563 682**
Loans to subsidiaries	**Stage 1**	**1 475 222**	**(3 766)**	**1 471 456**
Loans to subsidiaries **	**Stage 2**	**513 264**	**(264 622)**	**248 643**
Loans to subsidiaries ***	**Stage 3**	**14 900**	**(14 900)**	**–**
Total		**3 271 945**	**(389 023)**	**2 882 922**
Company – 2021				
Loans to associates and joint ventures	Stage 1	596 296	(4 234)	592 062
Loans receivable	Stage 1	255 405	(222)	255 183
Loans receivable ^	Stage 2	406 816	(75 187)	331 629
Loans receivable *	Stage 3	4 070	(205)	3 865
Loans to subsidiaries	Stage 1	1 751 034	(278 665)	1 472 369
Total		3 013 620	(358 513)	2 655 108

^ The underperforming loans receivable classified as stage 2 relate to the loans granted to Inani Prop Holdings (Pty) Ltd, RAB Properties (Pty) Ltd - Brooklyn Gardens for Group, as well as the ESA Trust Mezzanine loan and the BEE Scheme loans granted to Letsema and Tamela respectively for Company. For further details, please refer to note 14.

* The underperforming loans receivable classified as stage 3 (2020: stage 2) relate to the loans granted to Square Buttons Consulting (Pty) Ltd. The loan was settled in full on 19 October 2021. For further details, please refer to note 14.

** The credit risk of loans advanced to subsidiaries where the net investment has been impaired have been assessed as stage 2. For further information on the expected credit loss measurement, refer to note 10.

*** The credit risk of loan advanced to subsidiary, Strategic Real Estate Managers (Pty) Ltd has assessed as stage 3 due the negative net asset value of the company. For further information on the expected credit loss measurement, refer to note 10.

\# Emira's loan to Inani is junior to debt provided by RMB. Emira's loan is not due for repayment in the immediate future, but Inani is struggling to meet its debt servicing obligations to RMB. Inani has agreed to a 6 monthly target of property realisations to generate cash to repay debt and has to date met these targets. However, in current market conditions it may be challenging for Inani to continue to do so. The timing of realisations has a significant impact on the risk of non payment of Emira's loan. If properties can continue to be realised within the schedule required by RMB, the selling prices support the property valuations. Management have thus applied judgment and assumed a 25% PD and maintained the LGD assuming normal realisation of assets (not fire-sale).

† The credit risk of the ESA Trust Mezzanine loan and the BEE Scheme loans granted to Letsema and Tamela respectively and are measured in terms of the guarantees provided to Sanlam life Insurance Limited based on the collateral value of the shares of the share price at period end and appropriate margining to reflect the risk of possible declines in share price and risks inherent in the structure. For further detail please refer to note 18.

Trade receivables

Trade receivables consist of a large, widespread tenant base, diversified by sector and geography. The Group does not have any significant credit risk exposure to any single tenant counterparty.

Management has an established credit policy in terms of which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Tenants are required to supply refundable lease deposits and/or bank guarantees and/or suretyships by their principals. The Group monitors the financial position of its tenants and the performance of the underlying business on an ongoing basis.

The Group applies the IFRS 9 simplified approach in measuring expected credit losses (ECL) on rental debtors, which requires a lifetime loss allowance to be recognised. To measure the expected credit losses, rental debtors are grouped based on shared credit risk characteristics, split into common ageing buckets and estimated using a provision matrix. In calculating the ECL rate used in the provision matrix, historical loss experience as well as future credit loss expectations, using multiple macroeconomic scenarios, are taken into account. The expected credit losses exclude amounts owing that have been specifically provided due to management's assessments that they are credit impaired.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

Emira categorises its debtors into three broad categories – SMMEs, Retail Formal and Government. SMMEs represent small independent tenants, Retail Formal represent larger tenants ranging from mid size to very large, across all industries ,and Government represent all government linked tenants.

The progressive easing of COVID-19-related restrictions by the South African Government meant businesses generally traded more freely for most of the year. This meant that the Fund only granted R1,9m of rental concessions to tenants during 2022 compared to R33,6m in the prior year. Outstanding debtors, including VAT, for normal billings at 30 June 2022 decreased to R46,9m (June 2021: R64,9m) and estimated credit losses have been appropriately provisioned, with 79,7% of the balance owing provided for and the remainder largely covered by deposits. The credit quality of the Fund's tenants has noticeably improved since the onset of COVID-19. Tenants of higher credit quality have replaced those unfortunate businesses which failed during the pandemic. This is evidenced by the year-on-year reduction of outstanding debtors, as well as a significant improvement on bad debts of R9,9m for the year (2021: R36,5m).The remaining impact of COVID-19 and spread thereof has been factored into management's assessment of the loss allowance and Moody's analytics forecasts when calculating the expected credit loss.

On this basis, the impairment provision as at 30 June 2022 was determined as follows for trade receivables:

	Group		Company	
R'000	**2022**	2021	**2022**	2021
Trade receivables – gross	**46 942**	64 948	**35 432**	48 758
– Standard trade receivables	**45 027**	61 922	**33 517**	48 758
– Deferred rental	**1 915**	3 026	**1 915**	–
Less: Impairment provision	**(33 415)**	(37 792)	**(26 028)**	(27 186)
– Standard trade receivables	**(32 987)**	(35 212)	**(25 600)**	(39 846)
– Deferred rental	**(428)**	(2 581)	**(428)**	12 660
Trade receivables – net of expected credit loss	**13 527**	27 156	**9 403**	21 572

R'000	Weighted average loss rate %	30 days	60 days	90 days	Over 120 days	Total
Group – 2022						
Tenant category						
Government	**69,88**	**708**	**40**	**17**	**55**	**820**
– Gross		**988**	**379**	**245**	**1 110**	**2 722**
– Expected credit loss		**(279)**	**(339)**	**(228)**	**(1 056)**	**(1 902)**
Retail formal	**64,54**	**4 931**	**271**	**220**	**331**	**5 753**
– Gross		**7 339**	**1 509**	**439**	**6 939**	**16 226**
– Expected credit loss		**(2 407)**	**(1 238)**	**(219)**	**(6 608)**	**(10 473)**
SMME	**75,16**	**4 538**	**1 518**	**675**	**223**	**6 954**
– Gross		**5 483**	**3 492**	**2 674**	**16 345**	**27 994**
– Expected credit loss		**(946)**	**(1 974)**	**(1 998)**	**(16 122)**	**(21 041)**
Total		**10 177**	**1 829**	**913**	**608**	**13 527**
Group – 2021						
Tenant category						
Government	74,30	1 046	135	26	4	1 210
– Gross		1 418	303	282	2 706	4 709
– Expected credit loss		(372)	(167)	(256)	(2 703)	(3 499)
Retail formal	42,24	4 452	1 426	1 008	7 479	14 364
– Gross		6 518	2 322	1 574	14 457	24 870
– Expected credit loss		(2 066)	(896)	(566)	(6 977)	(10 506)
SMME	67,26	6 860	1 497	716	2 509	11 581
– Gross		9 511	4 226	3 978	17 654	35 369
– Expected credit loss		(2 651)	(2 730)	(3 262)	(15 145)	(23 788)
Total		12 357	3 057	1 750	9 992	27 156

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

R'000	Weighted average loss rate %	30 days	60 days	90 days	Over 120 days	Total
Company – 2022						
Tenant category						
Government	**86,70**	**73**	**40**	**17**	**55**	**185**
– Gross		**171**	**47**	**59**	**1 110**	**1 388**
– Expected credit loss		**(98)**	**(8)**	**(42)**	**(1 056)**	**(1 204)**
Retail formal	**67,82**	**3 966**	**259**	**140**	**331**	**4 696**
– Gross		**6 371**	**1 497**	**327**	**6 398**	**14 594**
– Expected credit loss		**(2 405)**	**(1 238)**	**(188)**	**(6 067)**	**(9 898)**
SMME	**76,75**	**3 403**	**489**	**412**	**217**	**4 522**
– Gross		**4 049**	**1 878**	**1 876**	**11 646**	**19 449**
– Expected credit loss		**(646)**	**(1 389)**	**(1 464)**	**(11 429)**	**(14 927)**
Total		**7 442**	**788**	**570**	**603**	**9 403**
Company – 2021						
Tenant category						
Government	86,72	253	121	26	4	404
– Gross		623	185	167	2 064	3 039
– Expected credit loss		(370)	(64)	(142)	(2 060)	(2 636)
Retail formal	42,64	3 540	1 398	1 002	7 754	13 694
– Gross		5 511	2 187	1 445	14 731	23 874
– Expected credit loss		(1 971)	(788)	(443)	(6 977)	(10 180)
SMME	65,78	4 559	850	415	1 650	7 474
– Gross		6 220	2 570	2 330	10 726	21 845
– Expected credit loss		(1 661)	(1 720)	(1 915)	(9 075)	(14 370)
Total		8 352	2 369	1 443	9 408	21 572

D. Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its financial commitments. The risk is minimised by holding cash balances, bank overdraft and by access loan facilities.

The Group monitors liquidity risk by regularly projecting cash flows.

The below table details the maturity of financial liabilities and is used by management to manage liquidity risks. The amounts disclosed in the below table are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within one year or less generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The fair value of the derivative financial instruments fluctuates in line with interest rate movements. This value will reduce to nil on expiry date.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

R'000	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
Group – year ended 30 June 2022					
Financial liabilities					
Interest-bearing debt	**7,4**	**2 331 332**	**4 693 408**	**–**	**7 024 740**
Other financial liabilities		**15 244**	**23 740**	**–**	**38 984**
Lease liability	**6,7**	**4 790**	**23 907**	**114 555**	**143 252**
Accounts payable		**355 610**	**–**	**–**	**355 610**
Derivative financial instruments		**27 663**	**38 378**	**–**	**66 041**
Interest-rate swap contracts		**42 162**	**51 195**	**–**	**93 357**
Foreign exchange option contracts		**14 175**	**45 654**	**–**	**59 829**
Cross-currency interest-rate swap contracts		**(28 674)**	**(58 471)**	**–**	**(87 146)**
Total financial liabilities		**2 734 639**	**4 779 433**	**114 555**	**7 628 627**
Group – year ended 30 June 2021					
Financial liabilities					
Interest-bearing debt	7,4	1 087 881	4 589 490	–	5 677 371
Other financial liabilities		17 367	28 291	–	45 658
Lease liability	7,4	3 169	14 341	50 694	68 204
Accounts payable		334 593	–	–	334 593
Derivative financial instruments		76 577	(2 891)	–	73 686
Interest rate swap contracts		81 700	28 468	–	110 167
Call option and forward contracts		6 122	–	–	6 122
Cross-currency interest-rate swap contracts		(11 244)	(31 358)	–	(42 603)
Total financial liabilities		1 519 587	4 629 231	50 694	6 199 511
Company – year ended 30 June 2022					
Financial liabilities					
Interest-bearing debt	**7,4**	**2 331 332**	**4 693 408**	**–**	**7 024 740**
Other financial liabilities*		**–**	**108 577**	**–**	**108 577**
Lease liability	**7,4**	**3 133**	**15 650**	**46 252**	**65 035**
Accounts payable		**259 792**	**–**	**–**	**259 792**
Derivative financial instruments		**27 663**	**38 378**	**–**	**66 041**
Interest-rate swap contracts		**42 162**	**51 195**	**–**	**93 357**
Foreign exchange option contracts		**14 175**	**45 654**	**–**	**59 829**
Cross-currency interest-rate swap contracts		**(28 674)**	**(58 471)**	**–**	**(87 146)**
Total financial liabilities		**2 621 920**	**4 856 013**	**46 252**	**7 524 185**
Company – year ended 30 June 2021					
Financial liabilities					
Interest-bearing debt	7,4	1 087 881	4 589 490	–	5 677 371
Other financial liabilities*		80 156	–	–	80 156
Lease liability	7,4	2 877	14 341	50 694	67 912
Accounts payable		248 041	–	–	248 041
Derivative financial instruments		76 577	(2 891)	–	73 686
Interest-rate swap contracts		81 700	28 468	–	110 167
Call option and forward contracts		6 122	–	–	6 122
Cross-currency interest-rate swap contracts		(11 244)	(31 358)	–	(42 603)
Total financial liabilities		1 495 532	4 600 940	50 694	6 147 166

* The Company's maximum exposure in respect of the financial guarantee contracts issued on behalf of the BEE Scheme SPV's and ESA Trust, assuming a share price collateral of nil is R185,6m (2021: R185,5m).

Cash and cash equivalents

It is the Group's policy to deposit short-term cash investments with FirstRand Bank Limited, which has been given an AA+ rating.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

Categories of financial assets and liabilities

R'000	Fair value	Amortised cost	Total
Group – year ended 30 June 2022			
Financial assets			
Other financial assets	312	–	312
Derivative financial instruments	68 097	–	68 097
Accounts receivable	–	94 468	94 468
Loans receivable	–	359 089	359 089
Cash and cash equivalents	–	66 776	66 776
Total financial assets	68 410	520 332	588 741
Financial liabilities			
Interest-bearing debt	–	5 500 017	5 500 017
Other financial liabilities	–	38 984	38 984
Lease liability	–	77 719	77 719
Derivative financial instruments	210 348	–	210 348
Accounts payable	–	355 610	355 610
Total financial liabilities	210 348	5 972 329	6 182 677
Group – year ended 30 June 2021			
Financial assets			
Other financial assets	5 474	–	5 474
Derivative financial instruments	122 703	–	122 703
Accounts receivable	–	118 278	118 278
Loans receivable	–	357 132	357 132
Cash and cash equivalents	–	96 910	96 910
Total financial assets	128 177	572 320	700 497
Financial liabilities			
Interest-bearing debt	–	5 171 671	5 171 671
Other financial liabilities	–	44 015	44 015
Lease liability	–	38 667	38 667
Derivative financial instruments	317 923	–	317 923
Accounts payable	–	334 593	334 593
Total financial liabilities	317 923	5 588 945	5 906 869

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

30. Financial risk management continued

R'000	Fair value	Amortised cost	Total
Company – year ended 30 June 2022			
Financial assets			
Other financial assets	312	–	312
Derivative financial instruments	68 097	–	68 097
Accounts receivable	–	80 467	80 467
Loans receivable	–	588 756	588 756
Cash and cash equivalents	–	21 681	21 681
Total financial assets	68 410	690 904	759 314
Financial liabilities			
Interest-bearing debt	–	5 310 530	5 310 530
Other financial liabilities	108 577	–	108 577
Lease liability	–	38 318	38 318
Derivative financial instruments	210 348	–	210 348
Accounts payable	–	259 792	259 792
Total financial liabilities	318 925	5 608 640	5 927 564
Company – year ended 30 June 2021			
Financial assets			
Other financial assets	5 474	–	5 474
Derivative financial instruments	122 703	–	122 703
Accounts receivable	–	89 462	89 462
Loans receivable	–	590 673	590 673
Cash and cash equivalents	–	51 866	51 866
Total financial assets	128 177	732 001	860 179
Financial liabilities			
Interest-bearing debt	–	4 982 559	4 982 559
Other financial liabilities	80 156	–	80 156
Lease liability	–	38 285	38 285
Derivative financial instruments	317 923	–	317 923
Accounts payable	–	248 041	248 041
Total financial liabilities	398 080	5 268 884	5 666 964

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

31.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the following:

Investment properties

The valuation of investment properties was determined principally using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of any existing lease contracts and by external evidence such as current market rentals for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. In light of the continued pressured and negative macro-economic conditions, as well as poor outlook, the Fund has maintained its discount rates and exit capitalisation and has also adjusted the majority of its valuation inputs (void periods, market rentals, rental growth rates and perpetual vacancy rates).

The portfolio's discount and exit capitalisation rates are within the most recent ranges published by SAPOA. Note 29, Measurements of Fair Value, provides a detailed analysis on the Fund's valuation inputs and metrics.

The future rental rates were estimated depending on the actual location, type and quality of the properties and taking into account market data and projections at the valuation date, as well as the length of vacant periods following the expiry of existing lease agreements.

For further detail and sensitivity analysis, refer to note 6 and note 29.

Accounts receivable

The Group applies the IFRS 9 simplified approach in measuring expected credit losses (ECL) on rental debtors, which requires a lifetime loss allowance. To measure the ECLs, a provision matrix is used, where the rental debtors are grouped based on shared credit risk characteristics and into common ageing buckets. The Fund's divisional structure reflects its exposure to different tenant groups and ECL rate is calculated for each group. The ECLs are calculated by using the provision matrix as well as taking into account amounts owing that have been specifically provided for due to management's assessments of their credit impairment.

For further detail, refer to note 13 and 30.

Derivative financial instruments

The fair values of the interest-rate swap and cap contracts are determined using discounted cash flow projections based on estimates of future cash flows and the terms of the relevant swap agreements. Cash flows are projected using a zero coupon ZAR swap curve, and are discounted on an uncollateralised basis.

The valuation of cross-currency interest-rate swaps was determined by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place. Future floating cash flows are determined using forward rates derived from the basis swap curve of the respective currencies as at 30 June 2022. The net cash flows were discounted using the basis swap curve of the respective currencies as at 30 June 2022.

The valuation of the USD forward exchange contracts was determined by discounting the forward rates applied at 30 June 2022 to the open hedged positions.

For further detail, refer to note 20, 29 and note 30.

31.2 Critical accounting judgements

Business combination versus asset acquisition

Management has assessed properties acquired during previous and current financial years and concluded that the assets acquired do not constitute a business as defined by IFRS 3 – Business Combinations due to the following:

- Processes or significant ancillary services were not acquired, and therefore integrated sets of activities were not identified, and
- The purchase price of the assets does not include an element of goodwill.

The acquisition of these properties was accounted for as the acquisition of assets and in line with IAS 40 – Investment Property.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Current and deferred tax

In accordance with the Group's status as a REIT, the distributions made in line with the Group's distribution policy meet the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"). In determining the tax obligation of the Group, the "qualifying distribution" is deducted from taxable profits. In addition, the Group is not liable for capital gains tax on the disposal of directly held properties.

No deferred tax liabilities were raised on the "Allowance for future rental escalations", "Unamortised upfront lease costs" and other balances as these will form part of the Group's "qualifying distribution" in the future and are not expected to attract any tax.

BEE transaction

The transaction Emira concluded in June 2017, in furtherance of its BEE strategy, with Tamela Holdings (Pty) Ltd ("Tamela") and Letsema Holdings (Pty) Ltd ("Letsema") is still in existence. Tamela Property Investments (Pty) Ltd ("Tamela SPV") and Luxanio Trading 157 (Pty) Ltd ("Letsema SPV"), both wholly owned subsidiaries of Tamela Holdings and Letsema Holdings respectively, hold 26 133 364 shares ("Subscription Shares") of the Company.

The original investment was funded by the BEE Parties as follows:

- R182,1m (50%) was funded by a vendor loan provided by Emira (the "Vendor Funding"). The Vendor Funding ran for an original period of five years and was extended on 22 June 2022 until 27 October 2027. The loan bears interest equal to the dividend payable on the vendor loan portion of the underlying shares. The Vendor Funding is secured by means of a reversionary cession and pledge over the Subscription Shares;
- R145,6m (40%) was funded by external third-party debt provided to the BEE Parties for an original period of five years, which loan was extended on 27 June 2022 until 30 June 2027; and
- R36,4m (10%) was funded by cash.

The Third Party Loan is secured by 100% of the Subscription Shares. The Lender has the ability to dispose of the Subscription Shares at any time if the market value thereof, based on the 5-day volume weighted average price ("VWAP"), is less than 1,6 times the Third Party Loan or if the closing price of Emira shares is less than 1,5 times the Third Party Loan (each a "Trigger Event").

At 30 June 2022 there was R180,2m (2021: R180,6m) outstanding on the Vendor Funding. The maximum number of shares that will be issued on the repayment of the Vendor Funding is 12 370 510 shares (2021: 12 370 510), as a series of forwards, to be exercised a fixed price of R13,94 per share. Emira's maximum exposure in the event that the third party funders dispose of the BEE Parties' interest in Emira would be the balance of the Vendor Funding repayable in relation to the shares issued in respect of the Vendor Funding.

Accounting treatment of the BEE Transaction

Initial recognition

For accounting purposes, the BEE Transaction consists of two elements, which are accounted for as follows:

1. The Cash Funded Specific Issue, being the subscription by the BEE Parties of 13 066 682 Subscription Shares for a cash consideration of approximately R182,1m.

   This element of the Subscription Shares was funded by the BEE Parties using a combination of their own cash reserves and third party funding. Consequently, at inception, the cash proceeds, net of transaction costs, increased share capital and the number of Emira Shares in issue.
2. The Vendor Funded Specific Issue, being the subscription by the BEE Parties for 13 066 682 Subscription Shares funded through the Vendor Funding provided by Emira, a portion of which was subsequently repaid.

   Based on management's judgement and application of the control principles contained in IFRS 10: Consolidated financial statements, management concluded at inception that the Group does not exercise control and consequently did not consolidate Letsema SPV and Tamela SPV.
   - Emira does not hold shares in Letsema SPV or Tamela SPV;
   - Tamela and Letsema have the decision power over Tamela SPV and Letsema SPV respectively and therefore control, with out any restrictions on them from Emira;
   - Emira has no decision-making powers over or involvement with the BEE parties;
   - Emira has neither substantive or protective rights that would result in Emira having power over decision making of Letsema SPV or Tamela SPV;
   - The BEE parties are responsible for obtaining and negotiating their own financing with third party funders. Emira was not involved during these discussions and has not provided any formal or informal guarantees in relation to the liabilities due to the third-party funders;
   - Emira has no step-in rights or call options relating to the BEE Transaction;
   - Emira will not provide any funding in addition to the Vendor Funding or liquidity to the BEE Parties and there is no intention to do so; and
   - Emira did not initially guarantee the amount owed by the BEE parties to third party funders nor did it intend to do so. The Third Party Loan is secured by 100% of the Subscription Shares. The Lender has the ability to dispose of the Subscription Shares at any time if the market value thereof, based on the 5-day volume weighted average price ("VWAP"), is less than 1,6 times the Third Party Loan or if the closing price of Emira shares is less than 1,5 times the Third Party Loan (each a "Trigger Event").

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Considering the factors outlined prior to the guarantee being issued, the economic substance of the Vendor Funded Specific Issue is the granting of a call option on Emira Shares which was accounted for as an equity settled share-based payment arrangement in the year ended 30 June 2017 in terms of IFRS 2: Share based payments. Consequently, the Subscription Shares issued to the BEE Parties in terms of the outstanding Vendor Funded Specific Issue were not treated as issued for accounting purposes, until the Vendor Funding is settled or the BEE SPVs are consolidated.

Re-assessment of control

IFRS 10.B80-85 requires control to be assessed on a continuous basis when facts and circumstances indicate a change in one or more elements of control.

During the 2020 financial year Emira's share price reached a level that a Trigger Event occurred, largely due to the impact of the COVID-19 pandemic. Accordingly, the Lender became entitled to dispose of the Subscription Shares ("the Forced Disposal"), unless additional security was provided.

On 3 April 2020, as a result of the Trigger Event, Emira entered into a guarantee agreement ("Agreement") with the Lender. In terms of the Agreement, Emira irrevocably and unconditionally guaranteed as a separate, principal and independent obligation to and in favour of the Lender, the payment and performance of the obligations of the BEE Shareholders arising in connection with the Third Party Loan, for a maximum guaranteed amount of R145,7m (2021: R145,7m) for the BEE Shareholders.

The Guarantee and Emira's obligations thereunder will terminate automatically on the earlier of:

(a) The first date on which the market value of the Subscription Shares, based on the 30-day VWAP, compared to the outstanding amount of the Third Party Loan is greater than or equal to 2,00:1,00 (two to one) ("Asset Cover Ratio"), provided that the spot 30 day VWAP Asset Cover Ratio is also greater than or equal to 2,00:1,00 (two to one) as at such date; or

(b) the date on which the Third Party Loan has been discharged.

As a result of the Agreement entered into, Emira is deemed to control the BEE SPV entities due to its exposure to losses from providing credit support and the ability to use its power to affect the returns it receives. Accordingly, the BEE SPV entities were consolidated effective from 3 April 2020.

Upon consolidation of the BEE SPVs, the Subscription Shares issued to the BEE Parties in terms of the outstanding Vendor Funded Specific Issue were recognised as issued in Emira Group and Company and are treated as treasury shares for accounting purposes in Emira Group.

In the separate annual financial statements of Emira and due to the re-assessment that control is exercised over the BEE SPVs, the Vendor Funding of R172,4m was recognised at amortised cost together with the issued share capital of the Vendor Funding shares. The financial guarantee contracts were recognised and measured at the higher of the expected loss allowance and the amount initially recognised less cumulative amortisation, where appropriate. However, due to the increased risk that SPV entities will default on the contract, the calculation was based on the lifetime expected credit losses as the difference between the expected payments to reimburse Lender and the value of the value of the security at reporting date. Therefore a guarantee of R42,9m (2021: R31,8m) was recognised for both Tamela and Letsema respectively at reporting date based on the closing quoted market price of R9,01 (2021: R9,89) per share.

ESA Trust

The ESA Trust (the "Trust") is the designated vehicle which holds shares in terms of the share ownership plan for executive directors under the approved remuneration policy.

The beneficiaries of the Trust are the executive directors, namely: Geoff Jennett, Ulana Van Biljon and Greg Booyens.

On 27 June 2019 the Trust subscribed for 7 200 000 Emira shares at R13,8262 per share, for a total consideration of R99 548 640. The Trust funded the acquisition of as follows:

- 40% funded by external third-party debt from Sanlam of R39,8m.
- 50% funded by a vendor loan from Emira to the ESA Trust of R49,8m.
- 10% funded by an amortising loan of R10,0m from Emira to the ESA Trust in terms of which the ESA Trust beneficiaries stand personal surety.

The Emira shares held by the ESA Trust have been pledged to Sanlam. Sanlam has the ability to dispose of the Shares at any time if the market value thereof, based on the 5-day volume weighted average price ("VWAP"), is less than 1,6 times the Sanlam loan or if the closing price of Emira shares is less than 1,5 times the Sanlam loan (each a "Trust Trigger Event"). The Trust Vendor Loan is secured by a reversionary cession and pledge over the Shares.

The ESA Trust has been assessed as a controlled special purpose vehicle and consolidated into the Group annual financial statements. The Emira shares held by the Trust are classified as treasury shares upon consolidation. In the separate financial statements of ESA Trust, the investment in Emira is recognised at fair value based on the quoted market price at reporting date, together with the vendor loan, amortising loans and external interest bearing debt measured at amortised cost.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Judgement was required in terms of measuring the economic substance of the shares issued to the ESA Trust and the associated funding thereof. It was determined that a call option was granted to the ESA Trust beneficiaries by Emira and has been measured in terms of IFRS 2, Share-based Payments, as an equity-settled share-based payment arrangement.

On initial recognition, being 28 June 2019, the date on which the ESA Trust acquired the shares, a once-off IFRS 2 charge of R6,7m and corresponding share-based payment reserve was recognised in respect of the equity settled share-based payment arrangement.

The assumptions used in this model included:

- A spot price of R13,8262 per Emira share, being the Trust's subscription price;
- Volatility of 18,77% (based on historical trends in the Emira Share price);
- A risk-free rate of 7,04%; and
- An average dividend yield of 11,97% during the term of the option.

On 3 April 2020, as a result of the Trigger Event, Emira entered into a guarantee agreement ("Agreement") with the Lender. In terms of the Agreement, Emira irrevocably and unconditionally guaranteed as a separate, principal and independent obligation to and in favour of Sanlam, the payment and performance of the obligations of the ESA Trust arising in connection with the Third Party Loan, for a maximum guaranteed amount of the loan value at reporting date of R22,8m (2021: R16,7m).

The Guarantee and Emira's obligations thereunder will terminate automatically on the earlier of:

(a) The first date on which the market value of the Subscription Shares, based on the 30-day VWAP, compared to the outstanding amount of the Sanlam loan is greater than or equal to 2,00:1,00 (two to one) ("Asset Cover Ratio"), provided that the spot 30 day VWAP Asset Cover Ratio is also greater than or equal to 2,00:1,00 (two to one) as at such date; or
(b) The date on which the Sanlam loan has been discharged.

The Guarantee reinforced the assessment that Emira controls the ESA Trust.

Investment in associates, joint ventures and other financial assets

The Group has investments in which judgement is required to assess if significant influence is exercised, whereby Emira effectively owns 20,0% or more of the issued share capital of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

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

Enyuka Property Fund ("Enyuka")

Enyuka is the rural retail venture, between Emira and One Property Holdings ("One Prop"). Judgement has been applied in determining if Emira controls Enyuka through its 49,9% investment of which further details are provided below:

Terms of the transaction

On 2 September 2016, Emira entered into a shareholders' agreement with One Prop (collectively the "Parties") to form Enyuka Property Fund ("Enyuka"), whereby Emira holds 49,9% of the ordinary share capital and voting rights while One Prop holds 50,1%. Emira contributed its 15-asset rural retail portfolio valued at R575m to the new venture as a shareholder loan, while One Prop contributed cash of R50m in the form of a shareholder loan. The transaction became effective on 16 January 2017 when the final suspensive conditions were met.

The following key conditions of the shareholders' agreement at inception were imposed on One Prop as follows:

- Growth targets in respect of properties under management (being the cost of the initial portfolio plus cost of acquisitions) were set at R750m within 18 months of commencement and R900m within 36 months. Failure to achieve these targets provided Emira with an option to acquire One Prop's interest in Enyuka at fair value;
- A key man event on One Prop's two key persons, namely Chris van Reenen and Selwyn Smith. Per the shareholders agreement, if either of these individuals sold any of their shares in One Prop then Emira could call an exit event; and
- One Prop required Emira's consent for individual acquisitions of over R20m in value.

In addition to the shareholders agreement, at inception, Enyuka entered into an asset management agreement with Enyuka Asset Management JV, a structure co-owned 50% by Emira and 50% by One Prop. The asset management agreement requires unanimous approval of key decisions between Emira and One Prop.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Initial recognition

The following key factors of the funding structure and shareholders agreement were assessed as key elements that gave rise to the "de-facto" agency relationship between Emira and One Prop in terms of IFRS 10.B73:

- One Prop obtained their 50,1% equity interest with a smaller proportion of funding. The majority of the funding to the initial structure was provided by Emira (92%) hence Emira effectively funded a portion of One Prop's interest;
- The shares held by One Prop could not be sold or encumbered without Emira's prior approval;
- The shareholders of One Prop are Key Persons, as defined, and Emira had a call option over the shares held by One Prop if the Key Persons were no longer involved in the day-to-day management of the Company; and
- The restriction on asset purchases of R20m was so low that it was effectively a substantive right for Emira.

Therefore, at initial recognition, it was determined that One Prop was acting as an agent on behalf of Emira, Emira retained power over the Investee and therefore, One Prop does not control the Investee when exercising its decision-making authority.

Emira was deemed to control 100% of Enyuka despite it only holding 49,9% of the voting rights and One Prop's 50,1% equity interest was assessed as an in-substance equity share-based payment at initial recognition.

The scope of IFRS 2 includes transactions where the identifiable consideration received appears to be less than the fair value of the equity instruments granted or liability incurred. One Prop obtained 50,1% of Enyuka's ordinary equity at less than fair value as the majority of the value was funded by Emira. Emira only held 49,9% of the equity from a legal perspective, however if Enyuka was to liquidate at 30 June 2017 then 92% of the assets would essentially belong to Emira due to the disproportionate funding. As such, based on the initial shareholders agreement, it was determined that a share-based payment existed for the shares held by One Prop, which would vest upon certain performance conditions being met and the repayment of Emira's funding.

At inception, the deemed call option was valued using a Black Scholes model.

Re-assessment of control and deconsolidation

IFRS 10.B80-85 requires control to be assessed on a continuous basis when facts and circumstances indicate a change in one or more elements of control.

In July 2017, following comfort from Emira on One Prop's ability and intentions, the Parties agreed in principle to the following amendments to the shareholders agreement which were later ratified by Emira's board:

- The required growth targets for properties under management were removed, eliminating Emira's option to acquire One Prop's equity interest if these were not met;
- The key man event relating to Chris van Reenen and Selwyn Smith was removed, which eliminated the requirement for them to be employed by One Prop;
- An exit event was added which only triggers when any shareholder of One Prop disposes of more than 20% of their shareholding; and
- Acquisitions requiring Emira's consent were increased to R40m in value.

In August 2017, due to amendments made to the shareholders agreement, the control assessment was reassessed, and it was determined that Emira had lost control and rather joint control of Enyuka existed with One Prop. The following factors were considered in determining the change from control to joint control:

- The amendments removed the power that Emira previously held over Enyuka as well as its ability to influence the returns it achieves, both of which previously corroborated the assessment of control under the agency relationship;
- An asset management agreement was in place between Enyuka and Enyuka Asset Management JV;
- The asset management agreement requires unanimous consent from Emira and One Prop for decisions relating to the relevant activities of Enyuka; These are considered to be substantive rights, and as decisions regarding these requires the unanimous consent of Emira and One Prop, it prevents either Emira or One Prop from exercising unilateral control; and
  - The appointment and or removal of the asset manager;
  - Sale or transfer of substantial part of the business;
  - Amendments to the dividend policy;
  - Approval of any departure from the annual budget;
  - Acquisition or disposal of assets having a value of greater than R40m;
  - Designation of an event as an exit event.
- These are considered to be substantive rights, and as decisions regarding these requires the unanimous consent of Emira and One Prop, it prevents either Emira or One Prop from exercising unilateral control; and
- Should there be a dispute between the parties, the matter is submitted for adjudication by an independent party.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Judgement was applied in the re-assessment of control and it was determined that effective from July 2019 Emira no longer controlled Enyuka, but instead had joint control. The Enyuka joint arrangement was setup in a standalone company and was therefore considered to be a joint venture between One Prop and Emira rather than a joint operation. The investment in Enyuka was therefore equity-accounted as in investment in joint venture from 1 July 2018.

The loss of control of Enyuka resulted in the recognition of a loss on deconsolidation of R0,4m in Emira's consolidated Statement of Comprehensive Income for the year ended 30 June 2018. No consideration was received by Emira for the loss of control as no shares were sold. The investment in Enyuka was therefore equity-accounted as in investment in joint venture from 1 July 2018.

The control assessment of Enyuka was reconsidered for the year ended 30 June 2022 and it was assessed that there were no changes from the position at 30 June 2021.

The joint venture disclosures for Enyuka, which include the equity-accounted interests for the current year, are included in Note 11.

Transcend Residential Property Fund ("Transcend")

Transcend, which is listed on the Main Board of the JSE, was identified as an avenue through which Emira could enhance the diversification of the Fund into the residential rental market, given Transcend's expertise in specialised residential property assets and is a REIT focused on value-oriented, good-quality suburban units.

Emira held 40,69% (2021: 34,9%) of the shares and voting rights in Transcend, thereby exercising significant influence and has accounted for its investment in Transcend as an associate, in terms of IAS28, Investment in Associates and Joint Ventures.

On 13 July 2022 Emira announced that it had informed the Transcend board of directors that it intends to make a general cash offer to acquire up to 100% of the entire issued share capital of Transcend, other than those shares already owned by Emira, amounting to a maximum of 97 252 832 Transcend shares ("the Offer" or "the Proposed Transaction").

The Offer is for a cash consideration of R5,38 per share on an ex-distribution basis ("Offer Price"). The Offer Price will be escalated by the distribution that is deemed to accrue to shareholders from the day after the last date to trade for the last distribution paid to Transcend shareholders prior to the date that offer becomes unconditional ("Offer Finalisation Date") until the Offer Finalisation Date.

Irrevocable support for the Offer has already been provided by the Public Sector Pension Investment Board and the Development Bank of South Africa which hold 16,7% and 6,2% of the Transcend shares respectively. In light of the irrevocable undertaking, Emira applied judgement in determining as to whether it controls Transcend.

Assessment of control

IFRS 10 Consolidated Financial Statements defines 'control' as follows: "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".

As emphasised in IFRS 10.7, all three of the following elements must be present in order for an investor (in this instance, Emira) to have control over an investee (in this instance, Transcend):

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

Power over the investee

In terms of IFRS 10.10, An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns.

Thus, the determination as to whether Emira has power depends on the relevant activities of Transcend, the way decisions about those activities are made and the rights Emira and other parties have in relation to this decision-making. As per IFRS 10.B16: "Generally, when an investee has a range of operating and financing activities that significantly affect the investee's returns and when substantive decision-making with respect to these activities is required continuously, it will be voting or similar rights that give an investor power, either individually or in combination with other arrangements".

It was determined that Emira does not exercise power over Transcend as it does not have any contractual right to appoint the majority of the board. With a shareholding of 40,69% it does not have the ability, as a shareholder, to appoint the majority of the board.

Assessment of "de facto" control based on Emira's 40,69% shareholding

Per IFRS 10.B41: An investor with less than a majority of the voting rights has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. This is commonly referred to as de facto control.

Notes to the consolidated and separate financial statements

For the year ended 30 June 2022 continued

31. Critical accounting estimates and judgements continued

Per IFRS 10.B42: When assessing whether an investor's voting rights are sufficient to give it power, an investor considers all facts and circumstances, including:

a) the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b) potential voting rights held by the investor, other vote holders or other parties
c) rights arising from other contractual arrangements; and
d) any additional facts and circumstances that indicate the investor has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Based on Emira's 40,69% shareholding as of 30 June 2022, Emira would have the practical ability to cast the majority of the votes at a shareholders' meeting only if up to 81,38% of all voting rights were in attendance. Above that, Emira would not have the power. Furthermore, there are only 17 single shareholders, and if the holders of the 9 largest shareholdings are in attendance, Emira would not have the power to cast the majority of the votes.

Shareholding in Transcend is not widely dispersed, and it cannot be concluded that the holders of the 9 largest shareholdings would not be in attendance. Considering the factors above, Emira does not have de facto control of Transcend as of 30 June 2022.

Assessment of "de facto" control as a result of the irrevocable undertaking

The irrevocable undertakings received from shareholders in respect of Emira's general offer, effectively gives Emira an additional 16,67% potential voting rights in Transcend, which when added to Emira's holding of 40,69% would give Emira power over Transcend. The substantive rights and conditions of the irrevocable undertaking were considered in the assessment of control.

Per IFRS 10.B47: "Potential voting rights are rights to obtain voting rights of an investee, such as those arising from convertible instruments or options, including forward contracts. Those potential voting rights are considered only if the rights are substantive."

One of the terms and conditions in the irrevocable undertakings is the Competition Commission's approval, of Emira's acquisition of the shares in Transcend, which is not a formality. Thus Emira cannot give effect to the irrevocable undertakings prior to the Competition Commission's approval. Furthermore, since the approval is not a formality, Emira cannot be guaranteed that it will be able to exercise the additional 16,67% voting rights when decisions about Transcend's relevant activities need to be made. Thus, the potential voting rights arising from the irrevocable undertaking are not substantive as of 30 June 2022, and accordingly do not give Emira power over Transcend as of that date.

This view is consistent with determining the date on which control passes when accounting for a business combination which is subject to the Competition Commission's approval. The date of acquisition, which is the date that control passes to the acquirer, cannot be before the date of the Competition Commission's approval.

For further detail, refer to note 11.

Inani Property Fund ("Inani")

In line with its portfolio rebalancing programme, Emira concluded an agreement on 5 October 2018 for the disposal of a R1,8 billion 25 office asset portfolio to Inani. The consideration was financed by Inani through a combination of senior debt (R1,38 billion) and equity (R105,9m) of which Emira holds 20%, together with a mezzanine loan provided by Emira of R398,4m (2021: R366,2m).

The Company has assessed that no significant influence is exercised over Inani. The investment in Inani has been classified as a financial asset through profit and loss. The following factors were assessed in determining if significant influence is exercised:

- Emira has no representation on Inani's board nor the right to appoint a director;
- Inani is managed through an asset management joint venture between Zungu Investments Company (Pty) Ltd ("Zico") and One Eighty Asset Management Two (Pty) Ltd ("One"), in which Emira has no involvement nor influence. The joint venture is responsible for all Inani's policy making decisions.
- There is no interchange of management personnel; and
- Emira has not provided any security for the debt owed by Inani to third parties.

For further detail, refer to note 12.

CIL2 LLC ("CIL2") and foreign associates

Emira has a number of US investments which have been classified as associates and are equity-accounted in terms of IAS28, Investment in Associates and Joint Ventures. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

The investor's share of the associates profit or loss is determined in accordance with each investee's operating income and capital profit distribution rules, allocated to each investor based on each of their respective participation rights. Where the associate's profit or loss includes fair value gains or losses on items such as investment property, management has estimated what portion of the fair value gains or losses recognised at reporting date are to be realised through use versus disposing of the asset (capital transaction). Based on the Group's investment strategy, and in the absence of any evidence to the contrary, management has estimated that it will hold each asset for a period of 10 years in measuring its share of future operating income to be realised through use.

Supplementary information

Distribution statement

R'000	Notes	Group 2022	Group 2021
Profit for the year attributable to Emira shareholders		**968 583**	467 285
Adjusted for:			
Change in fair value of properties (net of NCI)		**(190 375)**	445 393
– Change in fair value of investment properties		**(28 718)**	541 378
– Change in fair value on investment property of associate		**(162 295)**	(93 087)
– Non-distributable portion of non-controlling interest		**638**	(2 898)
Gain on bargain purchase		**(35 568)**	–
Impairment of investment in associate		**34 209**	–
Headline earnings		**776 848**	912 678
Adjusted for:			
Allowance for future rental escalations	1	**17 369**	4 748
Amortised upfront lease costs	2	**181**	262
IFRS 16 Leasehold liability adjustments	3	**261**	(903)
Interest on lease liability		**4 594**	2 911
Rental paid on lease liability		**(4 333)**	(3 813)
Charge/(credit) in respect of leave pay provision and share appreciation rights scheme	4	**(491)**	(88)
Unrealised surplus on revaluation of interest-rate swaps	5	**(48 031)**	(411 470)
Revaluation of share appreciation rights scheme derivative financial instruments	6	**1 122**	(4 966)
Unrealised loss on financial assets at fair value through profit and loss	7	**9 544**	23 287
Unrealised foreign exchange (profit)/loss	8	**(111 320)**	133 321
Non-distributable income from equity accounted investments	9	**(62 428)**	(103 180)
Dividend received/accrued from Transcend	10	**32 742**	31 333
IFRS 9 expected credit loss	11	**25 887**	29 048
Taxation on capital profit		**–**	2 467
Distributable portion of non-controlling interest		**–**	(423)
Net ESA Trust adjustments	12	**6 891**	6 934
Net BEE Scheme adjustments	13	**25 340**	26 046
		673 915	649 093
Distributable income adjustments:			
Deferred rental net of expected credit loss	14	**2 495**	49 075
Expected credit loss movement of deferred rentals	14	**(2 152)**	(17 499)
Distributable income from the equity accounted US investments not distributed	15	**(21 972)**	(29 431)
Interest due from Inani accrued but not received	16	**(32 201)**	(27 179)
Capitalised interest limitation		**–**	(3 936)
Non-vesting treasury share dividends		**421**	–
Dividend received/accrued from Transcend – antecedent element	10, 17	**5 603**	–
Distribution payable to shareholders		**626 109**	620 124
Dividend per share			
Interim (cents)		**56,59**	52,00
Final (cents)		**63,20**	66,65
Total (cents)		**119,79**	118,65

* The adjustments made to profit for the year to derive the distribution payable have not been audited.

Notes

1. The allowance for future rental escalations of R17,4m (2021: R4,8m) recognised in the statement of comprehensive income is added back on the basis that it is unrealised.
2. R0,2m (2021: R0,3m) of lease commission expense amortisation has been recognised within property expenses in the statement of comprehensive income for the year. The lease commission amortisation has been added back for distribution calculation purposes – this portion of lease commission amortisation relates to leases signed before 1 July 2015. Lease commission expenses incurred before 1 July 2015 were taken into account in full for purposes of calculating distributable earnings in the year incurred hence the amortisation thereof is added back for distribution calculation purposes. The Fund's policy for the calculation of distributable earnings changed from 1 July 2015. The distribution calculation now follows the accounting hence no adjustment is made for commissions paid on leases concluded from 1 July 2015 onwards.

Supplementary information

Distribution statement continued

3. The IFRS 16, Leases, interest expense incurred on the lease liability is added back and the land lease payments incurred are factored into the distribution calculation to reflect the realised portion of the operating leases.
4. A net negative charge of R0,5m (2021: R0,1m) was recognised within administration expenses in the statement of comprehensive income for both the provision of leave pay and the IFRS 2 charge on share appreciation rights granted to employees. These charges are added back on the basis that they are unrealised.
5. The gain of R48,0m (2021: R411,5m) on the revaluation of interest rate derivative contracts is the mark to market adjustment for the year recognised in the statement of comprehensive income and is added back on the basis that it is unrealised.
6. The gain on the revaluation of the share appreciation rights hedging derivative contracts is the mark to market adjustment for the year recognised in the statement of comprehensive income and is added back on the basis that it is unrealised. The share appreciation right scheme has been discontinued and will not impact distributable income in future periods.
7. The R9,6m (2021: R23,3m) fair value loss consists of R23,3m revaluation of the investment in Inani and IHS Asset Management recognised in the statement of comprehensive income. The fair value movement is added back on the basis that the gain is both unrealised and is of a capital nature.
8. A net foreign exchange gain of R115,6m (2021: R143,4m loss) in respect of the Group's investments in the US was recognised in the statement of comprehensive income for the year. The unrealised portion, being a gain of R111,3m (2021: R133,3m loss), is added back in the calculation of distributable earnings.
9. Total income from equity-accounted investments of R526,5m (2021: R411,9m) in respect of Emira's investments into Enyuka, Transcend and the US was recognised in the statement of comprehensive income. The non-distributable portion of R62,4m (2021: R103,2m), which is calculated in line with Emira's distributable earnings calculation, has been added back in the calculation of distributable earnings.
10. Dividends from Transcend of R32,8m (2021: R31,3m) have been included in the distribution statement. The dividend received for the six-months ended 31 December 2021 of R20,0m (2021: R19,8m) was credited to equity accounted investments on the balance sheet. The dividend for the six-months ended 30 June 2022 of R18,3m (2021: R11,5m) was declared on 15 August 2022 and has been accrued for distribution purposes only. Also included are those dividends received on the additional tranches of Transcend shares Emira acquired during the year. This is however only the portion due from the date of each investment to the end of the respective dividend period. The antecedent portion of each, being the amount from the start of the relevant dividend period to the date of each investment, totalled R5,6m and has been included as a cash flow adjustment.
11. Expected credit losses on loans receivable of R25,9m (2021: R29,0m) accounted for in terms of IFRS 9 in the statement of comprehensive income are added back on the basis that these losses are unrealised.
12. The ESA Trust (the "Trust") is a special purpose investment vehicle that holds Emira shares, set up for the benefit of Emira's executive directors. Emira is deemed to control the Trust, hence it is consolidated, and any third-party finance costs are included in Emira's consolidated interest paid. Profits generated by the Trust are for the benefit of the beneficiaries. Emira has guaranteed the Trust's third-party debt obligations hence any net losses would ultimately be for Emira's account. The purpose of this adjustment is to adjust Emira's distributable income such that the effect of any items related to the Trust, consolidated into Emira, are limited to a net amount of zero, after factoring in the dividends received by the Trust and all its interest obligations. Included in Emira's "Interest paid and amortised borrowing costs" is a R2,8m (2021: R2,7m) interest charge in respect of the ESA Trust's interest obligations to its third-party lender.
13. The BEE Scheme is comprised of the restricted special purpose investment vehicles that hold Emira shares, set up for the benefit of the BEE parties which participated in Emira's June 2017 black empowerment equity issuance ("BEE Scheme"). Emira was deemed to control the parties with effect from April 2020, hence they were consolidated, and any third-party finance costs are included in Emira's consolidated interest paid. Profits generated by the BEE Scheme are for the benefit of the underlying investors. Emira has guaranteed the BEE Scheme's third-party debt obligations hence any net losses would ultimately be for Emira's account. The purpose of this adjustment is to adjust distributable income such that the effect of any items related to the BEE Scheme are limited to a net amount of zero, after factoring in the dividends received by the BEE Scheme and all its interest obligations. Included in Emira's "Interest paid and amortised borrowing costs" is a R10,3m (2021: R10,0) interest charge, in respect of the BEE Scheme's interest obligations to its third-party lender.
14. As in the prior year, distributable earnings has been adjusted to exclude the deferred rentals, net of estimated credit losses provided for, resulting in a net adjustment of R0,3m (2021: -R31,6million). The Fund will include any collection of these deferrals in the calculation of future dividends, in the period when the collections take place.
15. The distributable income from Emira's equity-accounted US investments has been reduced by R22,0m (2021: R29,4m). Where necessary, Emira and its US partners have retained a portion of cash collections across the underlying investment companies to fund general capital expenditure as well as letting costs, including lease commissions and tenant installations. Consequently, and where applicable, lower cash dividends were declared by some of the underlying property-owning entities during the year. Further, two of the underlying investments have continued to not declare any dividends in the year, retaining 100% of all net cash collected, as their funders continue to require them to increase cash reserves until occupancies are restored to pre-COVID-19 levels.
16. In terms of its loan agreement, Inani has elected not to pay interest, citing lower cash reserves as well as senior lender debt obligations. Given the uncertainty on the collection and timing of this interest, Emira has adjusted distributable earnings by R32,2m (2021: R27,2m).
17. The antecedent dividend of R5,6m is the portion of the dividend on the additional tranches of Transcend shares acquired that is deemed to have been earned prior to the date the additional investments were made.

Supplementary information

Shareholders' profile and JSE information at 30 June 2022

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	1 539	39,59	273 633	0,05
1 001 – 10 000	1 448	37,25	6 448 051	1,23
10 001 – 100 000	680	17,49	20 945 730	4,01
100 001 – 1 000 000	176	4,53	52 911 823	10,12
Over 1 000 000 shares	44	1,13	442 088 010	84,58
Total	3 887	100,00	522 667 247	100,00
Distribution of shareholders				
Assurance companies	23	0,59	6 534 635	1,25
Close corporations	42	1,08	2 094 676	0,40
Collective investment schemes	145	3,73	64 447 472	12,33
Custodians	34	0,87	17 164 737	3,28
Foundations and charitable funds	36	0,93	2 442 123	0,47
Hedge funds	5	0,13	155 479	0,03
Insurance companies	4	0,10	236 928	0,05
Investment partnerships	8	0,21	209 471	0,04
Managed funds	7	0,18	188 349	0,04
Medical aid funds	10	0,26	1 445 286	0,28
Organs of state	5	0,13	56 490 133	10,81
Private companies	105	2,70	305 165 183	58,39
Public companies	2	0,05	1 108 521	0,21
Public entities	1	0,03	101 349	0,02
Retail shareholders	2 983	76,74	15 392 521	2,94
Retirement benefit funds	166	4,27	31 385 591	6,00
Scrip lending	6	0,15	3 200 635	0,61
Stockbrokers and nominees	11	0,28	1 268 266	0,24
Trusts	293	7,54	13 635 889	2,61
Unclaimed scrip	1	0,03	3	0,00
Total	3 887	100,00	522 667 247	100,00
Shareholder type				
Non-public shareholders	15	0,39	280 261 789	53,62
Directors and Associates	9	0,23	17 720 497	3,39
Major Shareholder >10% (I Group)	6	0,15	262 541 292	50,23
Public shareholders	3 872	99,61	242 405 458	46,38
Total	3 887	100,00	522 667 247	100,00

	Number of shares	% of issued capital
Fund managers with a holding greater than 5% of the issued shares		
Public Investment Corporation	53 376 448	10,21
Total	53 376 448	10,21
Beneficial shareholders with a holding greater than 5% of the issued shares		
I Group Financial Holdings (Pty) Ltd	262 541 292	50,23
Government Employees Pension Fund*	50 561 491	9,67
Total	313 102 783	59,90

* The Government Employees Pension Fund is managed by the Public Investment Corporation (PIC) and is included in the PIC 10,21% in the fund managers section above.

Supplementary information

Shareholders' profile and JSE information at 30 June 2022 continued

Directors' beneficial holdings

The directors' holdings in shares of the Company as at 30 June 2022, were:

Number of shares	2022				2021			
	Beneficial direct	**Beneficial indirect**	**Held by associates**	**Total**	Beneficial direct	Beneficial indirect	Held by associates	Total
Executive directors								
Geoff Jennett	**269 894**	**3 168 000**	**–**	**3 437 894**	143 285	3 240 000	–	3 383 285
Ulana van Biljon	**149 501**	**2 016 000**	**–**	**2 165 501**	39 900	2 016 000	–	2 055 900
Greg Booyens	**121 442**	**2 016 000**	**–**	**2 137 442**	36 479	2 016 000	–	2 052 479
Non-executive directors								
Vusi Mahlangu	**–**	**4 127 765**		**4 127 765**	–	4 127 765		4 127 765
Michael Aitken	**–**	**–**	**233 222**	**233 222**	–	–	283 222	283 222
Derek Thomas	**–**	**5 618 673**	**–**	**5 618 673**	–	5 618 673	–	5 618 673
Nocawe Makiwane	**–**	**–**	**–**	**–**	–	–	–	–
James Templeton	**–**	**–**	**–**	**–**	–	–	–	–
Total	**540 837**	**16 946 438**	**233 222**	**17 720 497**	219 664	17 018 438	283 222	17 521 324

There has been no other change in the interests of directors in the stated capital of the Company since the end of the financial year date of this report.

Supplementary information

Direct portfolio summary

Sectoral profile

	Office	Urban Retail	Industrial	Residential	Total
% of GLA	20,2	37,2	41,0	1,6	100,0
Weighted average lease escalation (%)	6,8	6,3	6,9	N/A	6,7
Lease expiry profile (% of revenue)					
Vacancy (30/06/2022)	0,0	0,0	0,0	N/A	0,0
Vacated (30/06/2022)	0,0	0,0	0,0	N/A	0,0
Expiries rolled over	0,5	1,2	1,8	N/A	3,5
Year 1 (FY23)	7,0	8,9	5,9	N/A	21,8
Year 2 (FY24)	4,4	14,2	5,7	N/A	24,3
Year 3 (FY25)	7,0	8,1	5,7	N/A	20,8
Year 4+ (FY26+)	8,3	17,3	4,0	N/A	29,6
	27,2	49,7	23,1	N/A	100,0
Lease expiry profile (% of GLA)					
Vacancy (30/06/2022)	3,1	1,1	1,1	N/A	5,3
Vacated (30/06/2022)	0,0	0,0	0,0	N/A	0,0
Expiries rolled over	0,4	1,1	3,1	N/A	4,6
Year 1 (FY23)	5,0	5,2	10,3	N/A	20,5
Year 2 (FY24)	2,7	9,5	9,4	N/A	21,6
Year 3 (FY25)	4,2	5,5	10,2	N/A	19,9
Year 4+ (FY26+)	5,2	15,4	7,5	N/A	28,1
	20,6	37,8	41,6	N/A	100,0
Vacancy profile (% of GLA)	15,0	2,8	2,7	N/A	5,3

Geographical profile

	Gauteng and Mpumalanga	Western Cape	KwaZulu-Natal	Free State	Total
% of GLA	73,0	16,4	7,9	2,7	100,0

Tenant profile

	Grade A	Grade B	Grade C	Total
% of GLA	61,9	15,7	22,4	100,0
% of gross rental	65,4	15,9	18,7	100,0

"A" grade: Large national tenants, large listed tenants, government and major franchisees. These include, inter alia: Makro, Pick n Pay, King Price Insurance Company, Clicks, Shoprite, Checkers, Pepkor Holding Limited, Woolworths, Mr Price Group, Absa Bank, Bidvest Data, Food Lovers Market, Standard Bank, Virgin Active, Truworths, Department of Public Works, The Crazy Store, Cash Crusaders.

"B" grade: National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia: Jam Clothing, Westpack, Van Schaik Bookstore, Capsicum Culinary Studio, The Pool Team, Kingsmead Shoes, Studio 88, Lovisa Accessories, The Local Choice Pharmacy, Webbers, DN Freight, Gozone Water, Tiger Wheel & Tyre, MICA, Bargain Books, Tile Africa Cash And Carry.

"C" grade: Other tenants, comprises of all other tenants that do not fall into the above categories.

Supplementary information

Property listing as at 30 June 2022

Office

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
100 on Armstrong#	100 Armstrong Avenue, Forest Park, La Lucia Ridge, Durban	KwaZulu-Natal	CEG Accounting	2 871	169,22
2 Frosterley Park*	2 Frosterley Crescent, La Lucia Ridge, Umhlanga Rocks, Durban	KwaZulu-Natal	Outworx Contact Centre	2 312	197,10
80 Strand Street (50%)	80 Strand Street, Cape Town	Western Cape	We Work, Traficc	6 407	144,81
9 Long	21 Riebeek Street, Cape Town	Western Cape	Department Of Public Works, National Debt Advisors	9 528	137,86
Albury Park ^	Magalieszicht Avenue, Dunkeld West, Sandton	Gauteng	Network Space	8 212	100,44
Boundary Terraces	1 Mariendahl Lane, Newlands, Cape Town	Western Cape	Professional Provident Society Investments, World Wide Fund For Nature (WWF), Savings and Investment Association	8 020	213,16
Chiappini House	26 Chiappini Street, Cape Town	Western Cape	Thrifty Car Rental, Wodchella International	1 024	188,01
East Coast Radio House#	314/7 Umhlanga Rocks Drive, Umhlanga Rocks, Durban	KwaZulu-Natal	Outworx Contact Centre, Kagiso Media	5 351	124,96
Epsom Downs Office Park#	13 Sloane Street, Bryanston, Sandton	Gauteng	Red Brick Consulting, Hemocue	9 491	109,54
Gateview	3 Sugar Close, Umhlanga, Durban	KwaZulu-Natal	Real Promotions, Avbob Mutual Assurance Society	2 801	140,77
Hamilton House#	30 Chiappini Street, Cape Town	Western Cape	Switchless, Kids Living, H&M Hennes and Mauritz	3 247	160,36
Hyde Park Lane	Cnr Jan Smuts Avenue and William Nicol Drive, Hyde Park, Sandton	Gauteng	Standard Bank, Transaction Capital Recoveries, Truffle Asset Management	15 070	130,39
Knightsbridge Office Park	33 Sloane Street, Bryanston Ext 4	Gauteng	WSP Group Africa, KFC, Gold One Management Services, Verifone Africa, Ventureweb, Odyssey Capital, Emira Property Fund, Morish Cuisine, Shop2shop, Kidrotex	16 148	222,01
Lone Creek#	21 Mac Mac Road and Howick Close, Waterfall Park, Midrand	Gauteng	Cement and Concrete SA	5 533	125,58
Menlyn Corporate Park	Cnr Corobay Avenue and Garsfontein Road, Menlyn, Pretoria	Gauteng	King Price Insurance Company, South African Local Government Association, BVI Consulting Engineers, Feenstra Group	26 887	219,38
Newlands Terraces	8 Boundary Road, Newlands, Cape Town	Western Cape	Taquanta Asset Managers, Intembeko Investment Administrators	4 531	195,37
Podium at Menlyn	43 Ingersol Road, Lynnwood Glen, Pretoria	Gauteng	Big Time Strategic Consultants, Old Mutual Life Assurance, Numolux Group	8 962	148,86
Summit Place – Buildings A, C, D, E (50%)	Cnr of Garsfontein Road and N1 Freeway, Menlyn Pretoria	Gauteng	Assupol Life, SNG Grant Thornton, Planet Fitness, BDO South Africa, Aselsan Elektronik, Advtech Resourcing, Summit Grill and Skybar	12 738	215,08

* Single tenant, therefore the weighted average gross rental across Emira's office sector has been used – R177,05/m². ^ Held-for-sale – Albury Park buildings 5 and 8 only.
\# Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Supplementary information

Property listing as at 30 June 2022 continued

Office

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
The View – Tygervalley	43 Old Oak Road, Bellville, Cape Town	Western Cape	Intercare, Clicks	6 448	217,05
Waterside Place#	Waterside Place, South Gate Tyger Waterfront, Carl Cronje Drive, Bellville, Cape Town	Western Cape	AECOM, Tribugenix	4 840	162,52
Subtotal Office				**160 420**	**177,05**

Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Urban retail

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
Ben Fleur Shopping Centre	Da Vinci Street, Emalahleni	Mpumalanga	Checkers, Woolworths, Spur, Pick n Pay Clothing	10 294	165,34
Boskruin Shopping Centre#	Cnr of President Fouche and Hawken Avenue, Bromhof, Johannesburg	Gauteng	Woolworths	6 929	191,47
Gateway Centre#	1319 Pretoria Street, Hatfield, Pretoria	Gauteng	Hatfield Liquor	1 792	205,92
Granada Square#	16 Chartwell Drive, Umhlanga Rocks, Durban	KwaZulu-Natal	Woolworths, Capsicum Culinary Studio	7 226	200,84
Kramerville Corner#	16 Desmond Street, Eastgate, Kramerville, Sandton	Gauteng	Griffiths and Griffiths, Daskasas, Bravo Group Manufacturing, House and Haven, Glowbal Flooring, Casa Italia Interiors, Design Plus Interiors, First Quantum Minerals SA, U&G Fabrics, Icanda Leather Furniture, Holistic Technologies	18 252	121,77
Makro*	15 Hanover Street, Selby, Johannesburg	Gauteng	Makro	18 956	151,04
Market Square#	Beacon Way, Plettenberg Bay	Western Cape	Pick n Pay, Woolworths, Clicks, Pick n Pay Clothing, Jack's Paint, Mr Price, Ackermans	14 848	143,12
Mitchells Plain (50%)	Town Centre Mitchells Plain	Western Cape	Shoprite, Jet, Victory Outreach International Church of Cape Town	9 796	118,81
Park Boulevard	11 Brownsdrift Road, Riverside, Durban North	KwaZulu-Natal	Spar, KTM	5 357	131,76
Parklands Health Centre	11 Village Walk, Cnr Link and Park Road, Table View, Cape Town	Western Cape	Intercare	2 487	213,41
Quagga Centre#	Cnr Court and Quagga Streets, Pretoria West	Gauteng	Shoprite Checkers, Pick n Pay, Woolworths, Absa Bank, Mr Price, Clicks, Bradlows and Sleep Masters, Ezintle School of Dance, Ackermans, Jet, Pep, Jam Clothing, Foschini, Mattress and Couch Concept, Pick n Pay Clothing	29 390	138,49
Randridge Mall	Cnr John Vorster Drive and Kayburne Road, Randpark Ridge	Gauteng	Pick n Pay, Woolworths, Dis-Chem, Health-Worx Medical Centre, Firstrand Bank, Mr Price Apparel, Pick n Pay Clothing, Ackermans	22 267	156,66

* Single tenant, therefore the weighted average gross rental across Emira's urban retail sector has been used – R151,04/m². ^ Held-for-sale – Albury Park buildings 5 and 8 only.
# Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Supplementary information

Property listing as at 30 June 2022 continued

Urban retail

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
Southern Sentrum #	Benade Drive, Fichardt Park, Bloemfontein	Free State	Pick n Pay, Shell, Clicks	21 392	122,57
Springfield Retail Centre #	2 Ilala Avenue, Springfield Park, Durban	KwaZulu-Natal	Food Lovers Market, West Pack, HiFi Corp, Coricraft, Baby City, Ted's Home Store, Outdoor Warehouse, Toyzone, Su Casa, The Bed Shop, Tapestry Home Brands	17 290	146,55
Summit Place – Building G1 (50%)	Cnr Garsfontein Road and N1 Freeway, Menlyn Pretoria	Gauteng	Jaguar Land Rover	2 484	186,80
The Tramshed	288 Van der Walt Street, Pretoria	Gauteng	Pick n Pay, Virgin Active, City of Tshwane, Department of Justice and Constitutional, Intercare, Fashion Fusion	12 859	109,35
Wonderpark	Cnr Old Brits Road and Heinrich Avenue, Karenpark, Pretoria	Gauteng	Pick n Pay Hypermarket, Game Stores, Checkers, Woolworths, Edgars, Virgin Active, Caltex, Builders Express, Buco, Ster Kinekor, Truworths, Mr Price Apparel, West Pack Lifestyle, Dis-Chem, Ackermans, HiFi Corporation, OBC Meat & Chicken, Standard Bank, Jet, Foschini, Mr Price Home, Toys R Us, The Hub, Tiger Wheel & Tyre, Parrots, Rochester, Mr Price Sport, Pep, Identity, ABSA Bank	90 907	170,86
Subtotal Urban Retail				**292 527**	**151,04**

^ Held-for-sale – Albury Park buildings 5 and 8 only. # Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Industrial

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
1 Medical Road *	1 Medical Road, Randjiespark Ext 41, Midrand	Gauteng	iMvula Healthcare Logistics	3 489	62,44
1 Monte Carlo Road *	1 Monte Carlo Road, Mahogany Ridge, Pinetown	KwaZulu-Natal	Kalideck	5 551	62,44
14-16 Boston Circle *	14-16 Boston Circle, Airport Industria, Cape Town	Western Cape	Bidvest Data	7 533	62,44
20 Anvil Road *	20 Anvil Road, Isando, Kempton Park	Gauteng	The Beverage Company	12 250	62,44
Admiral House	151 Lechwe Street, Corporate Park South, Randjiespark Ext 7, Midrand	Gauteng	NUR Manufacturers, Zone Offroad Products	4 460	64,46
Aeroport (12/14 Winnipeg Avenue)	12-14 Winnipeg Avenue, Aeroport, Kempton Park	Gauteng	AT SA Compressors	1 640	62,30
Aeroport (34/36 Director Road)	34-36 Director Road, Aeroport, Spartan, Kempton Park	Gauteng	Renttech South Africa, Bearing Man	1 715	65,54
Aeroport (96 Loper Road) *	96 Loper Avenue, Spartan Ext 2, Kempton Park	Gauteng	Tenova South Africa	3 966	62,44
Aeroport (98 Loper Road) * #	98 Loper Avenue, Spartan Ext 2, Kempton Park	Gauteng	DN Freight	1 672	62,44

* Single tenant, weighted average for the industrial sector – R62,44/m².
# Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Supplementary information

Property listing as at 30 June 2022 continued

Industrial

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg. gross rent/m²†
Cambridge Park #	22 Witkoppen Road, Paulshof	Gauteng	ITec, Puma, Zulzi OnDemand, Takealot	11 985	75,15
CEVA Midrand *	Cnr 16th and Douglas Roads, Randjiespark, Midrand	Gauteng	Ceva Animal Health	2 781	62,44
Corporate Park (82 Lechwe) #	82 Lechwe Street, Sage Corporate Park, Randjiespark Ext 70, Midrand	Gauteng	National Security and Fire, Maxxis Tyres South Africa, Pikitup, Grano Foods	6 523	61,71
Denver Warehouse * #	Cnr Mimetes Rd and Kruger St, Denver, Johannesburg	Gauteng	Foodserv Solutions	9 752	62,44
Evapco * #	Cnr Quality and Barlow Streets, Isando, Johannesburg	Gauteng	Evapco SA	5 715	62,44
Freeway Park	Cnr Berkley and Upper Camp Roads, Ndabeni, Maitland, Cape Town	Western Cape	Torga Optical	7 839	96,18
Gateway Landing	70 Banghoek Crescent, N4 Gateway Industrial Park, Pretoria	Gauteng	Grit Procurement Solutions, Storage King	9 371	58,22
Greenfields	1451 Chris Hani Road, Redhill, Durban	KwaZulu-Natal	Rietriver Mechanical, Unlimited Building Supplies SA, Wholesale Motor Glass, Greenwest Investments, Nyakatho Plumbing and Hardware Supplies, KNA Logistics	9 398	88,07
HBP Commercial unit *	36 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	Gauteng	Sperosens	2 429	62,44
HBP Industrial units	95 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	Gauteng	Play Town, Productive Systems, Ceramic World, Stiles	7 292	64,53
Industrial Village Jet Park #	Cnr Kelly and Estee Ackerman Roads, Jet Park	Gauteng	Seals Galore, BT Industries, Manuel Adelino De Atouguia, Bundu Power, Wits Health Consortium,GIF Products, Golf Car Battery Supplies, Union-Swiss	11 613	54,65
Industrial Village Kya Sands	Cnr Elsecar and Barnie Streets, Kya Sands Ext 2	Gauteng	Redline Logistics Project Management, Label-IT Packaging, Gozone Water, MemAqua Solutions, Orange Arrow Trading, Satiana Trading, Maxicool Refrigeration, Abrimix, T&R Design, Ecozyme Eco Friendly Cleaning Chemicals, Control Installations and Repair Centre, Voyager Computers, African Bank	16 659	48,68
Industrial Village Rustivia	6 Rover Street, Elandsfontein, Germiston	Gauteng	Mzansi Rolls and Label, Turbofluid, Stanley Basson Stanley Logistics, Ekasie Couriers	9 851	45,92
Kyalami Business Park (RS Components)	20 Indianapolis Crescent, Kyalami Park, Midrand	Gauteng	RS Components SA, Driverite	3 856	69,68
Midline Business Park	Cnr Richards Drive and Le Roux Road, Midrand	Gauteng	Coated Fabric, Flintgroup, Igus, Libo Auto	11 870	57,96
Midrand (918 Morkels Close)	918 Morkels Close, Halfway House, Midrand	Gauteng	TCS John Huxley Africa, The Mattress Warehouse	2 449	83,17
Mitek South Africa * #	754 16th Road, Randjiespark, Midrand	Gauteng	Mitek Industries	6 604	62,44

* Single tenant, weighted average for the industrial sector – R62,44/m².
# Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Supplementary information

Property listing as at 30 June 2022 continued

Industrial

Property	Location	Province	Major tenants (GLA >500m²)	GLA (m²)	Weighted avg, gross rent/m²†
Morgan Creek* #	38 Mahogany Road, Mahogany Ridge, Pinetown	KwaZulu-Natal	Simba	4 283	62,44
Northpoint Industrial Park #	Capricorn Way, Brackenfell South	Western Cape	Auto and Truck Tyres, Sanspar Engineering, Emmay Commodities, Rapple Logistics, Pepkor Speciality, Van Schaik Book Store, Storage King, Transit Freight Forwarding	16 415	68,77
One Highveld #	5 Bellingham Street, Centurion, Pretoria	Gauteng	AtPhoto Professional Imaging, Property Construction Consult	6 347	77,98
RTT Acsa Park & RTT Continental*	Cnr Springbok and Jones Streets, Bardene, Jet Park	Gauteng	RTT Group	59 594	62,44
Steelpark Industrial Park	Symphony Park, Modderdam road, Bellville-South, Cape Town	Western Cape	Easylife Kitchens, Screamer Electronic Services, Macsteel Trading, Aerios, Trelleborg South Africa, Moonlight Fashion	9 362	54,17
Technohub #	Roan Crescent, Corporate Park North, Midrand	Gauteng	Kawari Wholesalers, Firmenich Production, Vodacom	15 273	74,55
The Studios Atlas Gardens	Atlas Gardens, Potsmandam Road, Durbanville, Cape Town	Western Cape	Hardware Initiative, Flexo Line Products, Zapop, JT Online, Livance Cape	9 298	67,54
Trellidor*	10 Hoist Street, Montague Gardens, Cape Town	Western Cape	Trellidor Innovations	7 794	62,44
V-Tech*	Cnr Douglas Road and Old Pretoria Road, Randjiespark, Midrand	Gauteng	V-Tech	2 533	62,44
Wadeville Industrial Village	6 Crocker Road, Wadeville, Germiston	Gauteng	Entech Consulting, GZ Industries, Indentisea Distributors, Demaco Engineering, Klinger, Commercial Repairs and Components, Lazwi Engineering, A and H Installations, Plastix Engineering, ALD Distributors, Sakhile Ezweni Group	13 384	47,18
Subtotal Industrial				**322 547**	**63,57**

* Single tenant, weighted average for the industrial sector – R62,44/m².
# Independently valued at 30 June 2022. † Excluding vacancies, parking, storerooms, kiosks and ATMs.

Residential

Property	Location	Province	No. of units	GLA (m²)
The Bolton #	Cnr Baker Street and Sturdee Avenue, Rosebank	Gauteng	281	11 815

Vacant land

Property	Location	Province
1 West Land	West Street, Centurion	Gauteng
Quagga Land	Cnr Court and Quagga Streets, Pretoria West	Gauteng

Total investment properties	**787 309**

Supplementary information

REIT ratios

SA REIT funds from operations (SA REIT FFO)

R'000	**Year ended 30 Jun 2022**	Year ended 30 Jun 2021
Profit for the year attributable to Emira shareholders	**968 583**	467 286
Adjusted for:		
Accounting specific adjustments:	**(106 200)**	531 652
Fair value adjustments to:	**(180 838)**	466 523
Investment Property	**(191 013)**	448 291
Debt and equity instruments held at fair value through profit or loss	**10 175**	18 232
Gain on bargain purchase	**(35 568)**	–
Asset impairments (excluding goodwill) and reversals of impairment	**60 095**	29 048
Straight lining operating lease adjustment	**17 369**	4 748
Adjustments to dividends received from equity interest held	**32 742**	31 333
Foreign exchange and hedging items:	**(159 351)**	(278 149)
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	**(48 031)**	(411 470)
Foreign exchange gains or losses relating to capital items – realised and unrealised	**(111 320)**	133 321
Other adjustments:	**(61 790)**	(104 034)
Taxation impact of the above adjustments	**–**	2 467
Adjustments made for equity-accounted entities	**(62 428)**	(103 180)
Non-controlling interest in respect of the above adjustments	**638**	(3 321)
SA REIT FFO	**641 242**	616 755
Number of shares outstanding at the end of period (net of treasury shares)	**483 007 458**	484 204 005
SA REIT FFO per share (cents)	**132,76**	127,37
Interim SA REIT FFO per share (cents)	**64,95**	66,08
Final SA REIT FFO per share (cents)	**67,81**	61,29
Company specific adjustments to SA REIT FFO	**(15 133)**	3 371
Deferred rental net of expected credit loss	**2 495**	49 075
Expected credit loss movement of deferred rentals	**(2 152)**	(17 499)
Amortised upfront lease costs	**181**	262
IFRS 16 Leasehold liability adjustments	**261**	(903)
Distributable income from the equity-accounted US investments not distributed	**(21 972)**	(29 431)
Interest due from Inani accrued but not received	**(32 201)**	(27 179)
Capitalised interest limitation	**–**	(3 936)
Non-vesting treasury share dividends	**421**	–
Accrual of listed security income – antecedent element	**5 603**	–
Net ESA Trust adjustments	**6 891**	6 934
Net BEE Scheme adjustments	**25 340**	26 046
Distributable earnings	**626 109**	620 125
Number of shares in issue	**522 667 247**	522 667 247
Distributable income per share (cents)	**119,79**	118,65
Interim (cents)	**56,59**	52,00
Final (cents)	**63,20**	66,65

Supplementary information

REIT ratios continued

SA REIT net asset value (SA REIT NAV)

R'000	Year ended 30 Jun 2022	Year ended 30 Jun 2021
Reported net asset value attributable to the parent	**7 866 332**	7 351 530
Adjustments:		
Dividend to be declared	**(330 326)**	(348 358)
Fair value of certain derivative financial instruments	**(22 868)**	76 682
	7 513 138	7 079 855
Shares outstanding		
Number of shares outstanding at the end of period (net of treasury shares)	**483 007 458**	484 204 005
Effect of dilutive instruments	**5 975 656**	4 495 418
Dilutive number of shares in issue	**488 983 114**	488 699 423
SA REIT NAV per share (Cents)	**1 536,48**	1 448,71

SA REIT cost-to-income ratio

Expenses		
Operating expenses per IFRS income statement (includes municipal expenses)	**690 703**	661 982
Administrative expenses per IFRS income statement	**93 084**	92 740
Excluding depreciation expense in relation to property, plant and equipment of an administrative nature	**(792)**	(875)
Operating costs	**782 995**	753 847
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 079 248**	1 093 991
Utility and operating recoveries per IFRS income statement	**395 070**	387 080
Gross rental income	**1 474 319**	1 481 071
SA REIT cost-to-income ratio (%)	**53,11**	50,90

SA REIT administrative cost-to-income ratio

Expenses		
Administrative expenses per IFRS income statement	**93 084**	92 740
Other	**–**	–
Administrative costs	**93 084**	92 740
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 079 248**	1 093 991
Utility and operating recoveries per IFRS income statement	**395 070**	387 080
Gross rental income	**1 474 319**	1 481 071
SA REIT administrative cost-to-income ratio (%)	**6,31**	6,26

SA REIT GLA vacancy rate

Gross lettable area of vacant space	**41 046**	51 925
Gross lettable area of total property portfolio	**775 495**	809 729
SA REIT GLA vacancy rate (%)	**5,3**	6,4

Supplementary information

REIT ratios continued

SA REIT cost of debt

%	ZAR	USD
Jun 2022		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	**8,50**	**–**
Fixed interest rate borrowings		
Weighted average fixed rate	**–**	**–**
Pre-adjusted weighted average cost of debt	**8,50**	**–**
Adjustments:		
Impact of interest rate derivatives	**1,12**	**–**
Impact of cross currency interest rate swaps	**(1,19)**	**2,44**
Amortised transaction costs imputed in the effective interest rate	**0,13**	**–**
All-in weighted average cost of debt	**8,55**	**2,44**
Jun 2021		
Variable interest rate borrowings		
Floating reference rate plus weighted average margin	6,65	–
Fixed interest rate borrowings		
Weighted average fixed rate	–	–
Pre-adjusted weighted average cost of debt	6,65	–
Adjustments:		
Impact of interest rate derivatives	2,33	–
Impact of cross currency interest rate swaps	(0,74)	2,45
Amortised transaction costs imputed in the effective interest rate	0,08	–
All-in weighted average cost of debt	8,32	2,45

SA REIT loan to value

R'000	**Year ended 30 Jun 2022**	Year ended 30 Jun 2021
Gross debt	**5 500 017**	5 171 671
Less:		
Cash and cash equivalents	**(66 776)**	(96 910)
Add/less:		
Derivative financial instruments liability/(asset)	**142 250**	195 220
Net debt	**5 575 492**	5 269 980
Total assets – per statement of financial position	**14 071 564**	13 281 370
Less:		
Cash and cash equivalents	**(66 776)**	(96 910)
Derivative financial assets	**(68 097)**	(122 703)
Goodwill and intangible assets	**(1 445)**	(2 152)
Trade and other receivables	**(94 468)**	(118 278)
Carrying amount of property related assets	**13 840 779**	12 941 326
SA REIT loan to value ratio (SA REIT LTV) (%)	**40,3**	40,7

Administration

Auditor

Ernst & Young Inc.
102 Rivonia Road
Sandton, 2196
Private Bag X14, Sandton, 2146

Property managers

Broll Property Group (Pty) Ltd
61 Katherine Street
Sandown Ext. 54
Sandton
PO Box 1455, Saxonwold, 2132

Feenstra Group (Pty) Ltd
Menlyn Corporate Park
Third floor
Block C
Cnr Garsfontein Road and Corobay Street
Waterkloof Glen Ext 11
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PO Box 401, Menlyn, 0063

Bankers

FirstRand Bank Limited T/A First National Bank
Sandton Outlet
Wierda Valley, 2196
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Attorneys

Rowan Attorneys
4 Biermann Avenue
Rosebank, 2196
PO Box 1997, Rivonia, 2128

White & Case LLP
First Floor, Katherine Towers
1 Park Lane, Wierda Valley
Sandton, Johannesburg, 2196

Savage Jooste & Adams Attorneys
5, 10th Street
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Pretoria, 0081
PO Box 745, Pretoria, 0001

Debt sponsor

Rand Merchant Bank, a division of FirstRand Bank Limited
1 Merchant Place
Fredman Drive Sandton, 2196
PO Box 786273, Sandton, 2146

Equity sponsor

Questco Corporate Advisory
Ground Floor, Block C
Investment Place
10th Road
Hyde Park, 2196

Transfer secretaries

Computershare Investor Services (Pty) Ltd
15 Biermann Avenue
Rosebank, 2196
Private Bag X9000, Saxonwold, 2132

Registered address

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33 Sloane Street
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