2023

Abridged summarised consolidated financial results

for the year ended 31 March 2023

ACCELERATE
PROPERTY FUND

Key indicators

Indicator	2023	2022
Revenue (R'000) (continued operations) (excl. COVID-19 effects)	**895 774**	897 376
Remaining COVID-19 rental assistance granted (R'000)	**(15 348)**	(35 127)
Fair value adjustment on Investment Properties (R'000)	**(809 183)**	(428 722)
Basic gain/(loss) per share (R)	**(52,27)**	6,46
Diluted gain/(loss) per share (R)	**(52,27)**	6,42
Weighted average lease expiry (years)	**3,3**	3,9
Lease escalations	**7,6%**	7,0%
Vacancies by GLA	**16,4%**	21,2%
Vacancies by revenue	**7,1%**	9,1%
Interest cover ratio	**1,8x**	2,1x
Net asset value per share (R)	**4,13**	6,21
Loan-to-value	**44,8%**	42,8%
Distributable income (R'000)#	**56 840**	210 527
Final distribution per share (cents)*	**–**	21,98051

Net of once off tax deductible items of R110 million.

* *In order to further strengthen the financial position of the company and due to the liquidity requirements of capital spend on properties over the next 12 months the Accelerate board has elected not to declare a distribution.*

Vacancies reduced to 16,4% from 21,2% in 2022

Weighted average lease expiry 3,3 years

Cost-to-income ratio: 23,4% down from 25,8% in 2022

Financial performance and trading

We have seen an 18% year-on-year growth in trading densities at Fourways Mall from December 2021 (3 131 per m²) to December 2022 (3 699 per m²) as well as an 12% year-on-year increase in parking revenue. These trading figures exclude the benefit of any new leasing underway.

Eden Meander has seen continued double digit growth in trading densities and turnover figures year on year with an average trading density for the year ended 31 December 2022 of R2 522 per m² per month vs R2 215 per m² per month for the year ended 31 December 2021 (14% year on year growth). The seasonal trade continues to be strong in the George area with the trading density jumping to R4 752 per m² for December 2022 (December 2021: 4 215 per m²).

Cedar Square has also shown positive growth in trading with a 7,7% year-on-year growth in trading densities to 2 366 per m² per month. We have also seen a reduction on vacancies at Cedar to 4,8% with all retail space being occupied and only some upstairs office space remaining which is currently under negotiation.

Trading at some of the smaller centres such as the Buzz and Waterford has also improved to well above pre-COVID-19 levels with vacancies at both of these centres close to 0%.

Revenue from continued operations remained stable at R895 million with our cost to income ratio reducing from 25,8% to 23,4%. This resulted in a distributable income (net of once off tax deductible items of R110 million) of R56,8 million (FY2022 R210 million).

ACCELERATE PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 2005/015057/06)
JSE code: APF ISIN code: ZAE000185815
Bond company code: APFE
(REIT status approved): 378900D514788C447E4S
("Accelerate" or "the company" of "the Fund")

Focus on strengthening APF's financial position

APF's financial strategy in the financial period was to meet the following targets:

- Improving revenue streams of core assets
- Effective disposal of non-core buildings
- Managing and reducing finance costs
- Increasing tenor of debt
- Reducing administration costs
- Effective and efficient cash flow management.

Sale of non-core assets to re-invest in our core portfolio/reduce debt

The following non-core property disposals have been concluded by 31 March 2023:

Property	Amount
Cascades Shopping Centre	R16 500 000
Corporate Park	R17 000 000
32 Steeldale	R26 000 000
8 Charles Crescent	R55 200 000
Meschape	R32 000 000
Total	**R146 700 000**

None of the above disposals were deemed to be categorised transactions in terms of the Listings Requirements of the JSE.

Held for sale at 31 March 2023:

Property	Price	Timing of transfer
The Leaping Frog	R125 000 000	July 2023
Ford Fourways	R77 000 000	July 2023
Brooklyn Place	R25 400 000	July 2023
Cherry Lane	R65 000 000	August 2023
Total	**R292 400 000**	

Proactive treasury management

Areas of focus

Diversification of funding	Improving credit metrics and rating	Restructuring debt
Creating a more balanced pool of suitable funders to manage prudential exposure limits, encourage competitive pricing, build adequate liquidity buffers and enhance funding flexibility.	Disposal of non-core assets to enhance revenue with accretive spend on core assets, manage costs and a continued focus on appropriate LTV and ICR levels.	We engage with funders regarding our cost of funding and expiry profile to extend our debt expiry profile, reduce our overall cost of funding and manage our concentration of expiry risk.
Our funding base has been improved to include seven core relationship funders.	Funds from the sale of non-core assets to the value of R146 million in the financial period, with a further R292 million in the pipeline. The fund has applied for and received approval from its funders to temporarily reduce overall ICR covenant levels to 1,7x up to and including the 31st March 2023 reporting period. The Fund is in negotiation with funders to extend this covenant relief for a minimum further two periods due to the progress made through the reduction of debt and improvement of revenue streams being counteracted by the 425 basis points increase in interest rates since February 2022.	54% of the Funds debt is expiring up until 31 December 2023. The concentration of expiries is due to shorter term re-financing of debt during the COVID-19 pandemic. The bulk of the balance expiring is held by key relationship funders and is in the process of being termed out.

Treasury snapshot

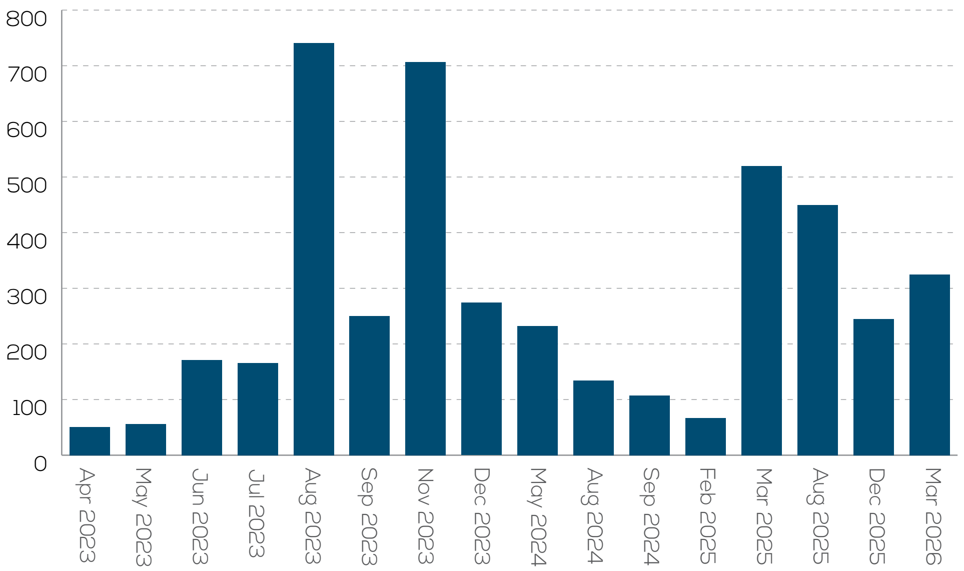
Total debt **R4,5 billion** **(March 2022: R4,5 billion)**	**Short-term portion of debt** **R2,4 billion** **(March 2022: R648 million)**	**Weighted average debt term** **1,3 years** **(March 2022: 1,6 years)**
Debt hedged **75,6%** **(March 2022: 70,8%)**	**Weighted average swap term** **2,0 years** **(March 2022: 2,3 years)**	**Blended interest rate** **9,7%** **(Sept 2022: 8,1%)**
Undrawn facilities **R218 million** **(2022: R223 million)**	**LTV#** **44,8%** **(Sept 2022: 42,8%)**	**ICR** **1,8x** **(March 2022: 2,1x)**

Takes into account vendor loan receivables.

Debt expiry profile

54% of APF's total debt expires between April 2023 and December 2023. This debt concentration is due to joint re-financing arrangements entered into between APF and the Fund's main funders during the COVID-19 pandemic. The bulk of the balance expiring is held by key relationship funders and is in the process of being termed out.

Debt expiry profile (Rm)

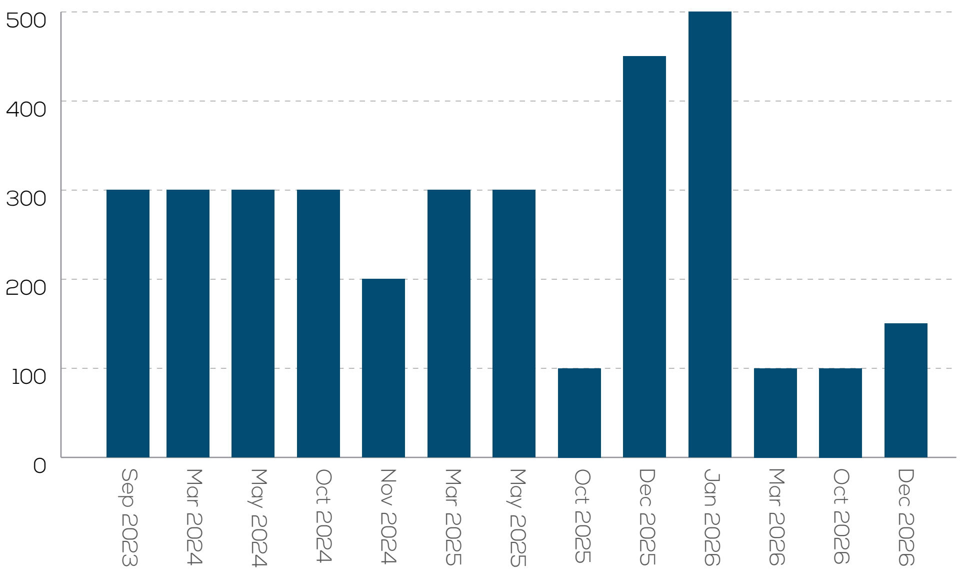


* *Re-financed post year end*

SWAP expiry profile

Our swap expiry profile is well-spread. Given the current view on interest rates, APF intends to maintain its current hedging levels and replace swaps as they expire.

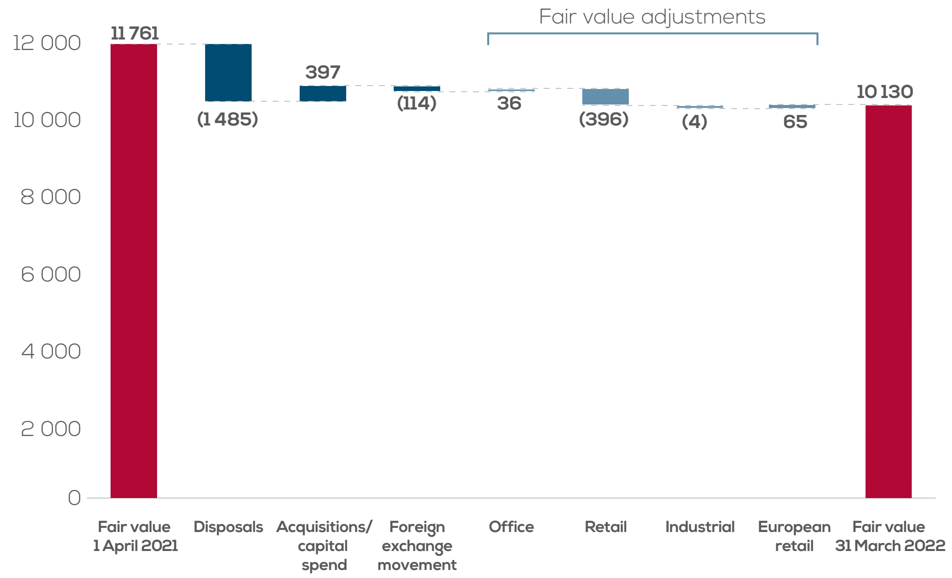
SWAP expiry profile (Rm)



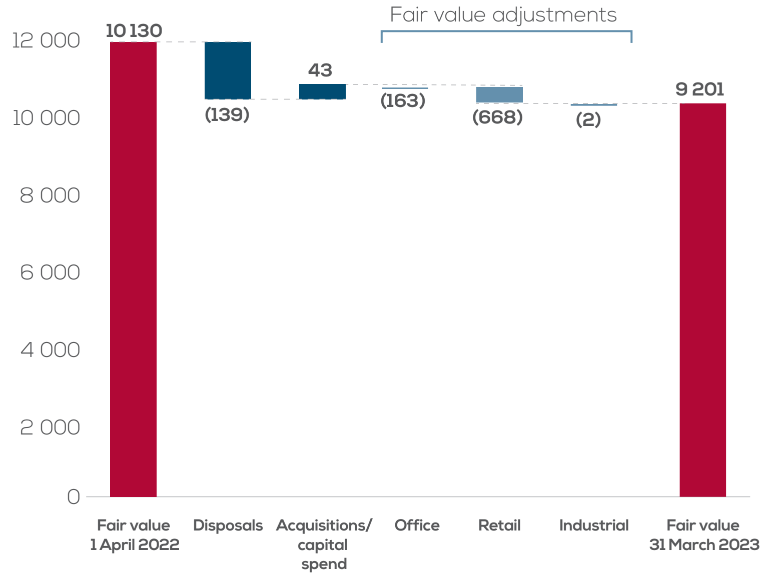
Prudent property valuations

Please see tables below for the breakdown of movement in property values.

Property valuation bridge 2022 (Rm)



Property valuation bridge 2023 (Rm)



Mr Pieter Grobler

Interim chief financial officer

19 July 2023

Consolidated statement of financial position

as at 31 March 2023

	Note(s)	2023 R'000	2022 R'000
Assets			
Non-current assets			
Property, plant and equipment		**272**	330
Right-of-use assets		**810**	1 059
Investment property		**8 909 411**	9 983 936
Derivatives	1	**36 682**	38 693
		8 947 175	10 024 018
Current assets			
Trade and other receivables		**1 011 337**	853 479
Derivatives		**52 855**	3 848
Cash and cash equivalents		**38 916**	47 868
		1 103 108	905 195
Non-current assets held for sale		**292 400**	147 000
Total assets		**10 342 683**	11 076 213
Equity and liabilities			
Equity			
Ordinary share capital		**5 186 274**	4 948 866
Other reserves		**(3 282)**	13 821
Retained income		**170 259**	985 285
		5 353 251	5 947 972
Liabilities			
Non-current liabilities			
Derivatives		**1 714**	763
Finance lease liabilities		**559**	758
Borrowings		**2 059 866**	3 926 441
		2 062 139	3 927 962
Current liabilities			
Trade and other payables		**509 248**	532 058
Derivatives		**1 506**	20 061
Finance lease liabilities		**372**	353
Borrowings		**2 416 167**	647 807
		2 927 293	1 200 279
Total liabilities		**4 989 432**	5 128 241
Total equity and liabilities		**10 342 683**	11 076 213

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 March 2023

	Note(s)	2023 R'000	2022 R'000
Continuing operations			
Revenue, excluding straight-line rental revenue adjustment and COVID-19 rental relief		**895 774**	897 376
Straight-line rental revenue adjustment		**(23 950)**	50 249
COVID-19 rental relief		**(15 348)**	(35 127)
Revenue		**856 476**	912 498
Other income		**1 809**	6 854
Unrealised gains/(losses)	6	**7 660**	(21 262)
Expected credit loss		**20 967**	49 622
Property expenses		**(335 848)**	(319 404)
Operating expenses		**(68 502)**	(51 261)
Operating profit		**482 562**	577 047
Finance income calculated using the effective interest method		**68 148**	43 970
Finance costs		**(400 389)**	(391 526)
Fair value adjustments	5	**(744 584)**	73 585
Fourways Mall rebuilt fair value adjustment	5	**-**	(300 000)
(Loss)/profit before taxation		**(594 263)**	3 076
Taxation		**-**	(98)
(Loss)/profit from continuing operations		**(594 263)**	2 978
Discontinued operations			
(Loss)/profit from discontinued operations	7	**(7 079)**	57 630
(Loss)/profit for the year		**(601 342)**	60 608
Other comprehensive income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations		**(3 972)**	(98 144)
Total comprehensive loss		**(605 314)**	(37 536)
(Loss)/profit attributable to:			
Shareholders of the parent		**(601 342)**	61 984
Non-controlling interest		**-**	(1 376)
		(601 342)	60 608
(Loss)/profit attributable to:			
Owners of the parent:			
From continuing operations		**(594 263)**	2 978
From discontinued operations		**(7 079)**	59 006
		(601 342)	61 984
Total comprehensive (loss)/income attributable to:			
Shareholders of the parent		**(605 314)**	(44 891)
Non-controlling interest		**-**	7 355
		(605 314)	(37 536)
Total comprehensive (loss)/income attributable to:			
Owners of the parent:			
From continuing operations		**(598 235)**	2 978
From discontinued operations		**(7 079)**	(47 869)
		(605 314)	(44 891)
Earnings per share*			
Basic (loss)/gain per share (cents)		**(52,27)**	6,46
Diluted (loss)/gain per share (cents)		**(52,27)**	6,42

* *Basic earnings per share was restated as a result of the rights issue. Refer to earning per share note for more details.*

Consolidated statement of changes in equity

for the year ended 31 March 2023

	Share capital R'000	Foreign currency translation reserve R'000	Share incentive reserve R'000	Total reserves R'000	Retained income R'000	Total attributable to equity holders of the group/ company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2021	4 937 567	107 565	23 928	131 493	923 301	5 992 361	27 150	6 019 511
Profit for the year	–	–	–	–	61 984	61 984	(1 376)	60 608
Other comprehensive income	–	(106 875)	–	(106 875)	–	(106 875)	8 731	(98 144)
Total comprehensive loss for the year	–	(106 875)	–	(106 875)	61 984	(44 891)	7 355	(37 536)
Transfer between reserves	11 299	–	(11 299)	(11 299)	–	–	–	–
Conditional share plan reserve (note 30)	–	–	502	502	–	502	–	502
Acquisition of non-controlling interest in Accelerate Property Fund Europe B.V.	–	–	–	–	–	–	(34 505)	(34 505)
Total contributions by and distributions to owners of company recognised directly in equity	11 299	–	(10 797)	(10 797)	–	502	(34 505)	(34 003)
Balance at 01 April 2022	**4 948 866**	**690**	**13 131**	**13 821**	**985 285**	**5 947 972**	**–**	**5 947 972**
Loss for the year	**–**	**–**	**–**	**–**	**(601 342)**	**(601 342)**	**-**	**(601 342)**
Other comprehensive income	**–**	**(3 972)**	**–**	**(3 972)**	**–**	**(3 972)**	**-**	**(3 972)**
Total comprehensive loss for the year	**–**	**(3 972)**	**–**	**(3 972)**	**(601 342)**	**(605 314)**	**-**	**(605 314)**
Issue of shares (in terms of conditional share plan)	**17 131**	**–**	**(17 131)**	**(17 131)**	**–**	**–**	**–**	**–**
Conditional share plan reserve	**–**	**–**	**4 000**	**4 000**	**–**	**4 000**	**–**	**4 000**
Distribution paid - Cash	**–**	**–**	**-**	**-**	**(38 157)**	**(38 157)**		**(38 157)**
Issue of shares - Dividend reinvestment	**175 527**	**–**	**-**	**-**	**(175 527)**	**-**	**-**	**-**
Issue of shares - Rights Issue	**44 750**	**–**	**–**	**–**	**–**	**44 750**	**-**	**44 750**
Total contributions by and distributions to owners of company recognised directly in equity	**237 408**	**–**	**(13 131)**	**(13 131)**	**(213 684)**	**10 593**	**-**	**10 593**
Balance at 31 March 2023	**5 186 274**	**(3 282)**	**-**	**(3 282)**	**170 259**	**5 353 251**	**–**	**5 353 251**

Consolidated statement of cash flows

for the year ended 31 March 2023

	Note(s)	2023 R'000	2022 R'000
Cash flows from operating activities			
Cash generated from operations		**419 812**	508 672
Finance income received		**2 526**	3 469
Tax paid		**–**	(98)
Distribution paid		**(38 157)**	-
Net cash from operating activities		**384 181**	512 043
Cash flows from investing activities			
Purchase of property, plant and equipment		**(68)**	(350)
Purchase of investment property		**(34 344)**	(43 134)
Proceeds from disposal of investment property and assets held for sale		**146 700**	108 500
Proceeds from the disposal of discontinued operations		**-**	599 607
Net cash from investing activities		**112 288**	664 623
Cash flows from financing activities			
Proceeds on share issue		**44 750**	-
Borrowings raised		**810 000**	1 628 909
Borrowings repaid		**(917 648)**	(2 349 693)
Capital payment on lease liabilities		**(349)**	(5 025)
Purchase of non-controlling interest of Accelerate Property Fund Europe B.V.	10	**–**	(26 810)
Finance cost paid		**(442 719)**	(396 648)
Net cash from financing activities		**(505 966)**	(1 149 267)
Total cash movement for the year		**(9 497)**	27 399
Cash at the beginning of the year		**47 868**	25 462
Effect of exchange rate movement on cash balances		**545**	(4 993)
Total cash at end of the year		**38 916**	47 868

Segmental analysis

For investment property, discrete financial information is provided on a property-by-property basis to members of executive management, which collectively comprise the chief operating decision maker. The individual properties are aggregated into segments with similar economic characteristics such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial, retail and European retail.

Consequently, the company is considered to have four reportable operating segments, as follows:

- **Office segment:** acquires, develops and leases offices
- **Industrial segment:** acquires, develops and leases warehouses and factories
- **Retail segment:** acquires, develops and leases shopping malls, community centres as well as retail centres
- **European single tenant segment:** acquires, develops and leases single tenant space backed by long-term leases (discontinued).

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are not reported to the members of executive management on a segmented basis. There are no sales between segments.

Finance cost is not disclosed on a segmental basis as Accelerates funding is secured on an overall portfolio basis and not per segment.

APF does not have any major customers that contribute 10% or more to revenue.

For the year ended 31 March 2023

	Continuing operations				Discontinued operations	
R'000	**Office**	**Industrial**	**Retail**	**Total - continuing operations**	**Retail - European**	**Total**
Statement of comprehensive income						
Revenue, excluding straight-line rental revenue adjustment	**248 289**	**5 513**	**641 972**	**895 774**	**–**	**895 774**
COVID-19 rental assistance	**(46)**	**–**	**(15 302)**	**(15 348)**	**–**	**(15 348)**
Straight-line rental adjustment	**(7 423)**	**–**	**(16 527)**	**(23 950)**	**–**	**(23 950)**
Property expenses	**(78 266)**	**(10 402)**	**(247 180)**	**(335 848)**	**–**	**(335 848)**
Expected credit loss	**7 553**	**3 911**	**21 502**	**32 966**	**–**	**32 966**
Segment operating profit	**170 107**	**(978)**	**384 465**	**553 594**	**–**	**553 594**
Fair value adjustments on investment property	**(154 922)**	**(9 627)**	**(644 634)**	**(809 183)**	**–**	**(809 183)**
Segment profit	**14 216**	**(3 381)**	**(266 424)**	**(255 589)**	**–**	**(255 589)**
Other operating expenses				**(68 502)**	**–**	**(68 502)**
Expected credit loss				**(11 999)**		**(11 999)**
Other income				**1 809**	**–**	**1 809**
Fair value gains on financial instruments				**64 599**	**–**	**64 599**
Unrealised gains				**7 660**	**–**	**7 660**
Liquidation expenses – Discontinued operations					**(7 079)**	**(7 079)**
Finance income				**68 148**	**–**	**68 148**
Finance cost				**(400 389)**	**–**	**(400 389)**
Taxation				**–**	**–**	**–**
Loss after tax				**(594 263)**	**(7 079)**	**(601 342)**

For the year ended 31 March 2022

	Continuing operations				Discontinued operations	
R'000	**Office**	**Industrial**	**Retail**	**Total – continuing operations**	**European – single tenant**	**Total**
Statement of comprehensive income						
Revenue, excluding straight-line rental revenue adjustment	245 567	23 356	628 453	897 376	95 904	993 280
COVID-19 rental assistance	2 985	682	(38 794)	(35 127)	–	(35 127)
Straight-line rental adjustment	1 352	(10 669)	59 566	50 249	–	50 249
Property expenses	(65 608)	(13 894)	(239 902)	(319 404)	(37 213)	(356 617)
Expected credit loss	(5 564)	(39)	55 225	49 622	–	49 622
Segment operating profit	178 732	(564)	464 548	642 716	58 691	701 407
Fair value adjustments on investment property	36 411	(3 763)	(96 486)	(63 838)	(64 884)	(128 722)
Fourways Mall rebuilt fair value adjustment	–	–	(300 000)	(300 000)	–	(300 000)
Segment profit	215 143	(4 327)	68 062	278 878	(6 193)	272 685
Other operating expenses				(51 261)	–	(51 261)
Other income				6 854	–	6 854
Fair value gain on financial instruments				137 423	–	137 423
Realisation of foreign currency translation reserve				–	82 348	82 348
Unrealised losses				(21 262)	–	(21 262)
Finance income				43 970	–	43 970
Finance cost				(391 526)	(18 525)	(410 051)
Taxation				(98)	–	(98)
Gain after tax				2 978	57 630	60 608

For the year ended 31 March 2023

	Office	**Industrial**	**Retail**	**Total**
Statement of financial position extracts at 31 March 2023				
Assets				
Investment property balance 1 April 2022	**2 797 386**	**147 035**	**7 186 515**	**10 130 936**
Capitalised costs	**6 746**	**296**	**43 666**	**50 708**
Disposals/classified as held for sale	**(25 400)**	**(113 200)**	**(300 500)**	**(439 100)**
Investment property held for sale	**25 400**	**–**	**267 000**	**292 400**
Straight-line rental revenue adjustment	**(7 423)**	**–**	**(16 527)**	**(23 950)**
Fair value adjustments	**(154 922)**	**(9 627)**	**(644 634)**	**(809 183)**
Segment assets at 31 March 2023	**2 641 787**	**24 504**	**6 535 520**	**9 201 811**
Other assets not managed on a segmental basis				
Derivative financial instruments				**89 537**
Right-of-use asset				**810**
Equipment				**272**
Current assets				**1 050 253**
Total assets				**10 342 683**

For the year ended 31 March 2022

	Office	Industrial	Retail	European – single tenant	Total
Statement of financial position extracts at 31 March 2022					
Assets					
Investment property balance 1 April 2021	2 769 971	253 467	7 182 960	1 555 098	11 761 496
Capitalised costs	6 152	–	340 475	–	346 627
Disposals/classified as held for sale	(16 500)	(92 000)	(147 000)	(1 376 313)	(1 631 813)
Investment property held for sale	–	–	147 000	–	147 000
Straight-line rental revenue adjustment	1 352	(10 669)	59 566	–	50 249
Foreign exchange losses	–	–	–	(113 901)	(113 901)
Fair value adjustments	36 411	(3 763)	(96 486)	(64 884)	(128 722)
Fourways Mall rebuilt fair value adjustment	–	–	(300 000)	–	(300 000)
Segment assets at 31 March 2022	2 797 386	147 035	7 186 515	–	10 130 936
Other assets not managed on a segmental basis					
Derivative financial instruments					42 541
Right-of-use asset					1 059
Equipment					330
Current assets					901 347
Total assets					11 076 213

For the year ended 31 March 2023

	South Africa	**Discontinued operations – Europe**	**Total**
Statement of comprehensive income 2023			
Revenue, excluding straight-line rental revenue adjustment	**895 774**	**–**	**895 774**
COVID-19 assistance	**(15 348)**	**–**	**(15 348)**
Straight-line rental adjustment	**(23 950)**		**(23 950)**
Property expenses	**(335 848)**	**–**	**(335 848)**
Expected credit loss	**20 967**	**–**	**20 967**
Segment operating profit	**541 595**	**–**	**541 595**
Fair value adjustments on investment property	**(809 183)**	**–**	**(809 183)**
Segment profit	**(267 588)**	**–**	**(267 588)**
Other operating expenses	**(68 502)**	**–**	**(68 502)**
Other income	**1 809**	**–**	**1 809**
Fair value gain on financial instruments	**64 599**	**–**	**64 599**
Unrealised gains	**7 660**	**–**	**7 660**
Liquidation expenses - discontinued operations	**–**	**(7 079)**	**(7 079)**
Finance income	**68 148**	**–**	**68 148**
Finance cost	**(400 389)**	**–**	**(400 389)**
Taxation	**–**	**–**	**–**
Profit before tax	**(594 263)**	**(7 079)**	**(601 342)**

For the year ended 31 March 2022

	South Africa	Austria	Slovakia	Total
Statement of comprehensive income 2022				
Revenue, excluding straight-line rental revenue adjustment	897 376	71 927	23 977	993 280
COVID-19 rental assistance	(35 127)	–	–	(35 127)
Straight-line rental adjustment	50 249	–	–	50 249
Property expenses	(319 404)	(28 797)	(8 416)	(356 617)
Expected credit loss	49 622	–	–	49 622
Segment operating profit	642 716	43 130	15 561	701 407
Fair value adjustments on investment property	(63 838)	(48 663)	(16 221)	(128 722)
Fourways Mall rebuilt fair value adjustment	(300 000)	–	–	(300 000)
Segment profit	278 878	(5 533)	(660)	272 685
Other operating expenses	(51 261)	–	–	(51 261)
Other income	6 854	–	–	6 854
Fair value gain on financial instruments	137 423	–	–	137 423
Unrealised losses	(21 262)	–	–	(21 262)
Realisation of foreign currency translation reserve		61 761	20 587	82 348
Finance income	43 970	–	–	43 970
Finance cost	(391 526)	(13 893)	(4 632)	(410 051)
Taxation	(98)	–	–	(98)
Profit after tax	2 978	42 335	15 295	60 608

For the year ended 31 March 2023

	South Africa
Statement of financial position extracts at 31 March 2023	
Investment property balance 1 April 2022	**10 130 936**
Capitalised costs	**50 708**
Disposals/classified as held for sale	**(439 100)**
Investment property held for sale	**292 400**
Straight-line rental revenue adjustment	**(23 950)**
Fair value adjustments	**(809 183)**
Investment property at 31 March 2023	**9 201 811**
Other assets not managed on a segmental basis	
Derivative financial instruments	**89 537**
Right-of-use asset	**810**
Equipment	**272**
Current assets	**1 050 253**
Total assets	**10 342 683**

For the year ended 31 March 2022

	South Africa	Austria	Slovakia	Total
Statement of financial position extracts at 31 March 2022				
Investment property balance 1 April 2021	10 206 399	1 172 603	382 494	11 761 496
Capitalised costs	346 627	–	–	346 627
Disposals/classified as held for sale	(255 501)	(1 038 486)	(337 826)	(1 631 813)
Investment property held for sale	147 000	–	–	147 000
Straight-line rental revenue adjustment	50 249	–	–	50 249
Foreign exchange losses	–	(85 454)	(28 447)	(113 901)
Fair value adjustments	(63 838)	(48 663)	(16 221)	(128 722)
Fourways Mall rebuilt fair value adjustment	(300 000)			(300 000)
Investment property at 31 March 2022	10 130 936	–	–	10 130 936
Other assets not managed on a segmental basis				
Derivative financial instruments				42 541
Right-of-use asset				1 059
Equipment				330
Current assets				901 347
Total assets				11 076 213

Earnings per share

	2023 R'000 Total	2022 R'000 Total	2023 R'000 Continued Operations	2022 R'000 Continued Operations	2023 R'000 Discontinued Operations	2022 R'000 Discontinued Operations
Reconciliation of basic/diluted earnings (losses) to headline earnings						
Profit/(loss) for the year	**(601 314)**	61 984	**(594 262)**	2 798	**(7 079)**	57 630
Fair value adjustment excluding straight-lining	**809 183**	426 387	**809 183**	363 838	**–**	(62 548)
Realisation of foreign currency translation reserve	**–**	(82 348)	**–**	–	**–**	(82 348)
Headline profit/(loss) attributable to shareholders of the parent	**207 869**	406 023	**214 921**	366 636	**(7 079)**	(87 266)
Basic earnings/(loss) per share (cents)*	**(52,27)**	6,46	**(52,89)**	0,29	**(0,62)**	6,00
Diluted earnings/(loss) per share (cents)*	**(52,27)**	6,42	**(52,89)**	0,29	**(0,62)**	5,97
Headline earnings/(loss) per share (cents)	**18,07**	42,30	**17,45**	38,19	**(0,62)**	(9,09)
Diluted headline earnings/(loss) per share (cents)	**18,07**	42,05	**17,45**	38,10	**(0,62)**	(9,04)
Shares in issue at the end of the year	**1 295 868 398**	957 789 641	**1 295 868 398**	957 789 641	**1 295 868 398**	957 789 641
Weighted average number of shares in issue	**1 150 435 595**	959 930 007	**1 150 435 595**	959 930 007	**1 150 435 595**	959 930 007
Shares subject to the conditional share plan	**-**	5 746 154	**-**	5 746 154	**-**	5 746 154
Weighted average number of deferred shares	**-**	5 746 154	**-**	5 746 154	**-**	5 746 154
Total diluted weighted average number of shares in issue	**1 150 435 595**	957 789 641	**1 150 435 595**	957 789 641	**1 150 435 595**	957 789 641

* *The basic earnings per share, diluted earnings per share, headline earnings per share, diluted headline earnings per share and the weighted average number of shares have been restated as a result of the rights issue that occurred in the current period as required by IAS 33 Earnings Per Share, to show the impact of the rights issue on the earliest period presented in the financial statements.*

Notes to the financial statements

Corporate information

The summarised financial statements of Accelerate for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors passed on 30 June 2023. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE Limited (JSE). The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue, Fourways. The principal activities of Accelerate are acquisition, development and leasing of properties. The functional and presentation currency of Accelerate is South African rand. All figures are rounded off to R'000 except where otherwise stated.

Basis of preparation

These summarised financial statements for the year ended 31 March 2023 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), contain the minimum information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended, the JSE Listings Requirements and JSE Debt Listings Requirements.

The accounting policies applied in the preparation of these summarised financial statements are in terms of IFRS and are consistent with those applied in the annual financial statements, including the new and amended IFRS that became effective during the 31 March 2023 reporting period, none of which had a material impact on Accelerate's financial results.

These summarised financial statements have been prepared under the historical cost convention except for investment properties and derivatives which are measured at fair value.

The fair value of investment properties is determined by directors with reference to market-related information while other financial liabilities are valued with reference to market-related information and valuations as appropriate. At a minimum all investment properties are valued by independent external valuers on a three-year rolling cycle.

These summarised financial statements were prepared under the supervision of Mr Pieter Grobler (CA)SA in his capacity as interim chief financial officer.

1. Fair value measurement of investment properties

Levels of fair value measurement

The entire portfolio is valued by management at the end of each reporting period.

It is the policy of Accelerate to have every property valued by an external valuer on a three-year rotational basis as required by the JSE Listings Requirements. This means that each property Accelerate holds is externally valued at least every three years.

Each year the directors appoint an external valuer who is responsible for the external valuations of property for the annual financial statements. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. In addition, the directors are responsible for Accelerate's internal property valuations. Internal methods are aligned with those used by external valuers.

At each reporting date, the directors analyse the movements in each property's value. For this analysis, the directors review the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts (e.g. rent amounts in rental contracts), market reports (e.g. market rent and cap rates in property market reports) and other relevant documents. Each property is considered a separate asset class based on the unique nature, characteristics and risks of the property. The directors compare each property's change in fair value with relevant external sources (such as the investment property database or other relevant benchmarks) to determine whether the change is reasonable.

Valuation techniques

The fair values of investment properties are determined using either a discounted cash flow (DCF) method or income capitalisation method (cap rate). These two valuation methods are used across the different property portfolios of Accelerate.

DCF method

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and costs of ownership over the asset's life including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the cash inflows associated with the property. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net cash inflows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted at the appropriate rate.

Income capitalisation method

Under the cap rate method, a property's fair value is estimated based on the normalised and market-related net operating income generated by the property, which is divided by the capitalisation rate. The difference between gross and net rental income includes the same expense categories as those for the DCF method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease costs.

The external valuations were performed by Mills Fitchet and DJB Hoffman accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the locations and categories of the investment property being valued. The internal valuations were performed by the directors. The valuation models applied are in accordance with those recommended by the International Valuation Standards Committee and are consistent with the principles in IFRS 13.

Changes in valuation techniques

There were no changes in valuation techniques during the year.

Highest and best use

For all investment property that is measured at fair value, the current use of the property is considered the highest and best use.

Valuation techniques and inputs derive level 3 fair values

The table below presents the following for each class of the investment property:

- The fair value measurements at the end of the reporting period.
- A description of the valuation techniques applied.
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building.
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

Class of property	Fair value as at 31 March 2022 R'000	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
Office	2 797 386	Income capitalisation/ DCF Method	ERV	R182,50	8,40
			Rental growth pa	5,2%	
			Long-term vacancy rate	6,4%	
Industrial	147 035	Income capitalisation/ DCF Method	ERV	R57,00	10,40
			Rental growth pa	5,0%	
			Long-term vacancy rate	5,0%	
Retail	7 186 515	Income capitalisation/ DCF Method	ERV	R282,80	7,70
			Rental growth pa	4,7%	
			Long-term vacancy rate	3,5%	
Total	**10 130 936**				

Class of property	Fair value as at 31 March 2023 R'000	Valuation technique	Key unobservable inputs	Weighted average of key observable inputs	Weighted average equivalent yield
Office	**2 641 787**	**Income capitalisation/ DCF Method**	**ERV**	**R177,84**	**8,10**
			Rental growth pa	**5,0%**	
			Long-term vacancy rate	**2,2%**	
Industrial	**24 504**	**Income capitalisation/ DCF Method**	**ERV**	**R85,50**	**10,00**
			Rental growth pa	**5,0%**	
			Long-term vacancy rate	**5,0%**	
Retail	**6 535 520**	**Income capitalisation/ DCF Method**	**ERV**	**R230,13**	**7,60**
			Rental growth pa	**5,0%**	
			Long-term vacancy rate	**4,4%**	
Total	**9 201 811**				

Descriptions and definitions

The table on the previous page includes the following descriptions and definitions relating or valuation techniques and key unobservable inputs made in determining the fair values.

Estimated rental value (ERV)

The gross rent per square meter per month at which space could be let in the market conditions prevailing at the date of valuation.

Rental growth

The estimated average increase in rent per annum based on both market estimations and contractual indexations.

Long-term vacancy rate

The ERV of the expected long-term average structural vacant space divided by ERV of the whole property. Long-term vacancy rate can also be determined based on the percentage of estimated vacant space divided by the total lettable area.

Equivalent yield

The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review, but with no further rental growth.

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy of the entity's portfolios of investment property are:

- ERV
- Long-term vacancy rate
- Equivalent yield

ERV

An increase or decrease in ERV is directly correlated to an increase or decrease in the estimated fair value. A 5% increase or decrease in the ERV would result in a 5% increase or decrease in the estimated fair value.

Long-term vacancy rate

Increases/decreases in the long-term vacancy rate would result in decreases/increases in the estimated fair value. The South African portfolio is currently 16,4% vacant.

Rental growth

The rental growth rate assumption used to value investment property is a direct input into the discount rate used in a discounted cash flow valuation. Thus, if the growth rate increases the discount rate also increases.

Equivalent yield

South African portfolio	**50 bps increase %**	**50 bps decrease %**
Equivalent yield – Impact on fair value		
31 March 2023		
Retail	**(6,1)**	**7,1**
Office	**(5,8)**	**6,6**
Industrial	**(4,8)**	**5,3**

South African portfolio	50 bps increase %	50 bps decrease %
Equivalent yield – Impact on fair value		
31 March 2022		
Retail	(6,1)	7,0
Office	(5,6)	6,3
Industrial	(4,6)	5,1

Property expenses

Property expenses included in valuations are done on a property-by-property basis taking into account location, property type and layout. Assumed increases of expenses are estimated on a line-by-line basis. The increase/decrease in property expenses would result in a decrease/increase in your estimated property value.

Additional sensitivity analysis

R'000	**Increase in fair value from a 6,5% decrease in property expense**	**(Decrease) in fair value from a 6,5% increase in property expenses**	**Increase in fair value from a 7,00% increase in rental income**	**(Decrease) in fair value from a 7,00% decrease in rental income**	**Increase in fair value from a 9,10% decrease in vacancy**	**(Decrease) in fair value from a 9,10% increase in vacancy**
31 March 2023						
Industrial	**705**	**(705)**	**2 474**	**(2 474)**	**3 216**	**(3 216)**
Office	**62 691**	**(62 691)**	**236 405**	**(236 405)**	**307 326**	**(307 326)**
Retail	**198 167**	**(198 167)**	**603 296**	**(603 296)**	**784 284**	**(784 284)**
	261 563	**(261 563)**	**842 175**	**(842 175)**	**1 094 826**	**(1 094 826)**

R'000	Increase in fair value from a 4,55% decrease in property expenses	(Decrease) fair value from a 4,55% increase in property expenses	Increase in fair value from a 6,20% increase in rental income	(Decrease) in fair value from a 6,20% decrease in rental income	Increase in fair value from a 7,20% decrease in vacancy	(Decrease) in fair value from a 7,20% increase in vacancy
31 March 2022						
Industrial	3 066	(5 601)	9 739	(12 274)	9 985	(16 656)
Office	20 276	(14 133)	117 631	(111 487)	26 310	(148 019)
Retail	205 159	(170 998)	671 087	(636 927)	364 166	(864 714)
	228 501	(190 732)	798 457	(760 688)	400 461	(1 029 389)

2. Fair value of financial assets and liabilities

Total financial assets and liabilities	Carried at fair value R'000	Amortised cost# R'000	Total
Financial assets 31 March 2023			
Derivatives*	**89 537**	**-**	**89 537**
Trade and other receivables	**-**	**1 011 026**	**1 011 026**
Cash and cash equivalents	**-**	**38 916**	**38 916**
	89 537	**1 049 942**	**1 139 479**
Financial liabilities 31 March 2023	**-**	**-**	**-**
Derivatives*	**(3 220)**	**-**	**(3 220)**
Long-term interest-bearing borrowings	**-**	**(2 059 866)**	**(2 059 866)**
Long-term lease liability	**-**	**(559)**	**(559)**
Trade and other payables	**-**	**(464 557)**	**(464 557)**
Current portion of long-term debt	**-**	**(2 416 167)**	**(2 416 167)**
Current portion of lease liability	**-**	**(372)**	**(372)**
	(3 220)	**(4 941 521)**	**(4 884 918)**
Financial assets 31 March 2022			
Derivatives*	42 541	–	42 541
Trade and other receivables	–	854 283	854 283
Cash and cash equivalents	–	47 868	47 868
	42 541	902 151	944 692
Financial liabilities 31 March 2022			
Derivatives*	(20 824)	–	(20 824)
Long-term interest-bearing borrowings	–	(3 926 441)	(3 926 441)
Long-term lease liability	–	(758)	(758)
Trade and other payables	–	(486 331)	(486 331)
Current portion of long-term debt	–	(647 807)	(647 807)
Current portion of lease liability	–	(353)	(353)
	(20 824)	(5 061 690)	(5 082 514)

* *The values of the derivative financial asset and liabilities are shown at fair value are based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) - level 2. The fair value is determined as the net discounted cash flows to be received from the swaps in place at 31 March 2022.*

\# *The carrying value of financial assets and liabilities carried at amortised cost is considered to approximate the fair value of those financial assets and liabilities. There have been no significant changes in valuation techniques or transfers between fair value hierarchy levels.*

3. Directors and key personnel remuneration

	2023 R'000	2022 R'000
Short-term remuneration		
Executive directors		
MN Georgiou (resigned 7 November 2022)	**1 769**	2 575
A Costa (resigned 31 March 2022)	**4 651**	4 923
D Kyriakides (retired 31 March 2023)	**3 438**	3 673
DJ Wandrag	**3 800**	5 800
Non-executive directors		
TT Mboweni	**1 452**	274
TJF Fearnhead	**208**	668
JF van der Merwe	**887**	530
Dr K Madikizela	**595**	471
Ass. Prof FM Viruly (resigned 8 October 2021)	**–**	225
MN Georgiou (appointed 7 November 2022)	**218**	–
A Mawela	**605**	466
JWA Templeton	**525**	75
Prescribed officers*		
PA Grobler	**2 862**	2 223
AM Schneider	**3 358**	518

* *PA Grobler and AM Schneider form part of the executive committee and meet the definition of a 'prescribed officer' in terms of the Companies Act. PA Grobler was appointed Debt Officer on 30 October 2020 and the chief audit executive on 25 November 2020 and AM Schneider was appointed chief investment officer on 1 January 2022.*

Directors' direct/indirect interest in the shares of the company as at 31 March 2023

MN Georgiou#	**390 407 518**	**shares**	**29,13%**	**Indirect holding**
A Costa	**10 433 763**	**shares**	**0,78%**	**Direct holding**
D Kyriakides	**1 343 127**	**shares**	**0,10%**	**Direct holding**
DJ Wandrag	**12 061 307**	**shares**	**0,90%**	**Indirect holding**
	414 245 715		**30,91%**	

Directors' direct/indirect interest in the shares of the company as at 31 March 2022

MN Georgiou#	295 427 161	shares	30,84%	Indirect holding
A Costa	6 171 184	shares	0,64%	Direct holding
D Kyriakides	928 772	shares	0,10%	Direct holding
DJ Wandrag	500 000	shares	0,05%	Indirect holding
	303 027 117		31,63%	

\# *Pledged as security to his funders of Fourways Mall.*

There have been no changes to the directors' interest between the end of the financial year and date of approval of the annual financial statements.

	Year ended 31 March 2023	Year ended 31 March 2022
Share options vested during the year (number of shares)		
MN Georgiou	**1 769 231**	1 095 023
A Costa	**1 769 231**	1 095 023
D Kyriakides	**1 307 692**	579 186
PA Grobler	**269 231**	141 403
	5 115 385	2 910 635

4. Related parties

Relationships

Mr MN Georgiou through the Michael Family Trust owns 100% of Fourways Precinct Proprietary Limited and Azrapart Proprietary Limited. Mr MN Georgiou owns 100% of Accelerate Property Management Company Proprietary Limited.

	2023 R'000	2022 R'000
Related party balances		
Loan accounts receivable		
Fourways Precinct Proprietary Limited	**12 305**	11 201
The Michael Family Trust	**119 370**	108 761
Vacancy guarantee receivable		
Fourways Precinct Proprietary Limited	**13 478**	12 297
Development guarantee receivable		
Fourways Precinct Proprietary Limited	**183 629**	167 548
Fourways headlease receivable		
Fourways Precinct Proprietary Limited	**237 916**	135 471
Accelerate Property Management tenant receivable		
Accelerate Property Management Company Proprietary Limited	**876**	806
Fourways Mall managing agent	**3 900**	–
Fourways Mall rebuilt matter payable		
Azrapart Proprietary Limited	**(300 000)**	(300 000)
Related party transactions		
Interest charged on outstanding amounts		
Fourways Precinct Proprietary Limited	**29 089**	27 854
The Michael Family Trust	**10 471**	10 019
Accelerate Property Management fees paid		
Fourways Precinct Proprietary Limited	**–**	(2 795)
Accelerate Property Management Company Proprietary Limited	**(3 543)**	(5 700)
Letting commission		
Fourways Precinct Proprietary Limited	**–**	(4 682)
Fourways headlease		
Fourways Precinct Proprietary Limited	**71 260**	79 868
Expense recovery		
Accelerate Property Management Company Proprietary Limited	**69**	353
Fourways Mall rebuilt matter		
Azrapart Proprietary Limited	**–**	(300 000)

– No fixed repayment terms have been put in place, interest on balances is charged at market related interest rates.

The following factors are considered when assessing the recoverability of related party balances due to the fund:

- Historical receipts and reduction of the related party balances outstanding;
- The nature and timing of current and potential future related party transactions;
- The financial ability of the related parties to settle their obligations on the future considering their cash flow, net asset value and security provided.
- The actual or expected operating results of the borrower;
- Significant changes in external market factors.

The balances will be recovered in cash or through the purchase of the assets from the related party as approved by the Accelerate board.

The below acquisitions were approved by the Accelerate board and are subject to shareholder approval. These acquisitions are all made from entities controlled by Mr MN Georgiou the co-owner of Fourways Mall and non-independent non-executive director of Accelerate. All the below transactions will be financed through the offset of amounts receivable by Accelerate at 31 March 2023 from entities controlled by Mr MN Georgiou.

Transaction	Rational for transaction
Acquisition of additional 1 414 parking bays at Fourways Mall for R235 188 129	Positioning Accelerate for future developments
Acquisition of additional 9 325,5m² of additional bulk at Fourways Mall for R60 354 252	Positioning Accelerate for future developments
Acquisition of 1 911m² of additional GLA at Fourways Mall for R60 000 000	Positioning Accelerate for future developments
Acquisition of the business of Accelerate Property Management Company for R47 900 000	– Aligning management staff with Accelerate objectives – Adequately incentivising management staff – Increased control for Accelerate over the property management function
Acquisition of 50% of the Fourways Mall property management function for R40 600 000	Improving the property management function of Fourways Mall

The final implementation of all the individual components of the above acquisition is subject to Accelerate not breaching its financial covenants.

5. Fair value adjustments

	2023 R'000	2022 R'000
Investment property (fair value model)	**(809 183)**	(63 838)
Gains on derivatives at fair value through profit and loss	**64 599**	137 423
	(744 584)	73 585
Fourways Mall rebuilt fair value adjustment	**-**	(300 000)
	(744 584)	(226 415)

6. Unrealised losses

	2023 R'000	2022 R'000
Net foreign exchange loss	**7 660**	(21 262)

7. Discontinued operations

	2023 R'000	2022 R'000
Revenue, excluding COVID-19 rental relief		95 904
COVID-19 rental relief		–
Revenue		95 904
Realisation of foreign currency translation reserve		82 348
Property expenses		(37 213)
Liquidation expenses	**(7 079)**	–
Operating profit	**(7 079)**	141 039
Finance costs		(18 525)
Fair value adjustments		(64 884)
Profit/(loss) before taxation	**(7 079)**	57 630
Taxation		–
Profit/(loss) for the year from continuing operations	**(7 079)**	57 630

On 18 November 2021, Accelerate publicly announced the decision by the board to dispose of the European property portfolio (APFE). The disposal of which full terms were announced on 22 November 2021 was line with the company's stated intention to prioritise the reduction of its overall level of gearing, as measured by the company's loan to value (LTV) ratio. The net proceeds from the disposal was used to reduce a portion of Accelerate's South African debt. The business of APFE represented the entirety of the Europe operating segment. With APFE being classified as discontinued operations, the Europe segment is no longer presented in the segment note. The effective date of the sale of the European property portfolio was 8 February 2022.

With the sale of APFE, the total consideration received was R792 million, after the takeover of the Erste bank loan and lease liability. The portion of actual cash received by APFE was R634 million less sales commission of R23 million. The portion of cash and cash equivalents included in the sale was R13 million.

The net cash flows incurred by Accelerate Property Fund Europe are, as follows:

	2023 R'000	2022 R'000
Operating	**2 275**	51 085
Investing	**–**	1 442 476
Financing	**–**	(864 086)
	2 275	629 475

8. Capital commitments

The primary objective of Accelerate's capital management is to ensure that it remains within its quantitative banking covenants and maintain a strong credit rating. No changes were made in the objectives, policies or processes during the years ending 31 March 2023 and 31 March 2022. Accelerate monitors capital primarily using a loan-to-value ratio, which is calculated as the amount of outstanding debt divided by the valuation of the investment property portfolio. Banking covenants vary according to each loan agreement, but typically require that the loan-to-value ratio does not exceed 50%. During the period, Accelerate did not breach any of its loan covenants and is satisfied with its current loan to value of 44,8%. Accelerate did not default on any other of its obligations under its loan agreements.

The board of directors monitors the level of distributions to shareholders and ensures compliance with the Income Tax Act and the JSE Listings Requirements. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.

The interest cover ratio is 1,8x (2022: 2,1x) with the covenant at 1,7x (2022: 2,0x). The relaxed covenant level was granted to APF by its funders in the financial period and discussions are currently underway to extent these levels. For another two reporting periods. The improvement of LTV and ICR ratios is key to ensure that Accelerates current credit rating is maintained/improved,

9. Subsequent events

Investment property sales post year-end

The sales of Ford Fourways was concluded on 22 June 2023. Refer to note 4 for further details.

Debt refinances post year end

The following debt facilities at 31 March 2023 have been refinanced post year end.

The expiry dates of the below facilities were extended as the overall comprehensive refinance process is still underway.

	Nominal amount R'000	Margin - linked to 3-month Jibar	Expiry date before renewal	New expiry date
RMB	**55 861**	**3M Jibar + 300 bps**	**2023/05/01**	**2023/07/31**
Investec	**153 395**	**3M Jibar + 300 bps**	**2023/06/12**	**2023/09/12**

10. Cash generated from operations

	2023 R'000	2022 R'000
Profit/(loss) before taxation	**(594 263)**	3 076
Loss from discontinued operations	**(7 079)**	(24 718)
Loss before taxation	**(601 342)**	(21 642)
Adjustments for:		
Depreciation and lease amortisation	**8 219**	8 409
Debt fee amortisation	**9 670**	11 288
Depreciation IFRS 16	**249**	187
Depreciation IFRS 16 discontinued operations	**-**	3 543
Interest income	**(68 148)**	(43 970)
Finance costs	**400 388**	391 525
Finance costs discontinued operations	**-**	18 525
Fair value losses/(gains)	**744 584**	(73 585)
Unrealised gains	**(7 660)**	21 262
Movements in provisions	**14 792**	-
Fair value losses discontinued operations	**-**	64 884
Share Incentive Scheme Expense	**-**	502
Straight-line rental revenue adjustment	**23 950**	50 249
Fourways Mall rebuilt fair value adjustment	**-**	300 000
Changes in working capital:		
Trade and other receivables	**(84 432)**	(249 536)
Trade and other payables	**(20 459)**	27 031
	419 812	508 672

Going concern

The preparation of consolidated financial statements in accordance with IFRS requires that the consolidated financial statements be prepared on the underlying assumption that the Group is a going concern. The directors have assessed the Group's ability to continue as a going concern.

The assessment includes solvency and liquidity tests which included inter alia a forecast of debt covenants such as the loan-to-value (LTV) and interest cover ratios (ICR) and a forecasted cash flow for the next 12 months.

The Group had a strong LTV of 44,8% in comparison to 42,8% in the prior financial year. This ratio is well below the covenants set by the debt funders of 50%. The Group had an ICR of 1.8 times in comparison to 2.1 in the prior financial year. The Group's ICR is above the covenant set by the debt funders of 1.7 times.

The Group reported a net loss of R601 million for the 2023 reporting period. This loss is mainly attributed to the negative fair value adjustments on its investment property. After adjusting for the negative fair value adjustment of R745 million the group had a profit of R144 million. The forecasted cash flow had a positive cash generation from its operations during the period forecasted as well as the settlement of interest as and when it falls due. All interest due and payable during the financial year ended 31 March 2023 was settled. The Group had a positive net asset value of R5,35 billion as at 31 March 2023 (2022: R5,95 billion).

Liquidity plan

The Group's current liabilities of R2,9 billion (2022: R1,2 billion), exceeded its current assets of R1,1 billion (2022: R905 million) and non-current assets held for sale of R292 million (2022: R147 million) by R1,5 billion (2022: R148 million) at 31 March 2023. This is mainly due to the debt expiry profile of the Group's funding.

Some of the key assumptions and judgements applied by management in the forecasted cash flow and liquidity are:

- Continued support from the Group's funders including the refinancing of debt as it reaches expiry date. As of July 2023 the Group:
  - Has refinanced debt at expired dates post year end to the value of R209 million as per note 32, this equates to 9% of the current portion of debt;
  - Is in advanced negotiations with funders to refinance debt as they reach expiry, currently 53% of the current portion of debt is considered in advance negotiations; and
  - Has obtained extension of the current relaxed LTV (50%) and ICR (1,7x) covenant levels for another two reporting periods to and including 31 March 2024.
- Has access to liquidity including undrawn debt facilities of R218 million (2022: R223 million) at 31 March 2023;
- Will generate proceeds from non-core property disposals including non-current assets held for sale at 31 March 2023 to the value of R292 million, reducing the debt level and interest payable; and
- To reduce vacancies at core properties the Group has appointed a new head of leasing to implement a detailed leasing plan and improved trading environment and optimal tenant mix.

Recoverability of the related party receivable

The recoverability of the related party receivable through the asset acquisitions and cash settlement were approved by the Accelerate board and are subject to shareholder approval. The Group is expected to realise a minimum of R100 million in cash through the conclusion of the contemplated settlement.

- The recoverability of related party receivables (refer note 28), is to be recovered;
  - Partly in cash; and
  - Partly through the acquisition of assets from the related party.

Management constantly monitors cash flows and liquidity with oversight from the board. The board of directors have therefore concluded that the group has adequate liquidity to continue operating for the foreseeable future and that it is appropriate to apply the going concern basis in the preparation of the consolidated financial statements.

Distribution analysis

Distribution per share	**2023 R'000**	2022 R'000
Final distribution for the year ended 31 March 2023		
(Loss)/profit attributable to equity holders of the parent	**(601 342)**	61 984
Add/(less): straight-line rental revenue adjustment	**23 950**	(50 249)
Add/(less): Fair value adjustments on investment property and derivative financial instruments	**744 583**	(11 035)
Less: Realisation of foreign currency translation reserve	**-**	(82 348)
(Less)/add: Unrealised losses	**(7 660)**	21 262
Add: Fourways Mall rebuilt fair value adjustment	**-**	300 000
Other deductible items not distributed	**(102 691)**	(29 087)
Distributable income	**56 840**	210 527
Less: Capital retention	**(56 840)**	-
Income distributed	**-**	210 527
Shares qualifying for distribution	**1 295 868 398**	957 789 641
Final distribution (cents)	**–**	21,98051

Auditor's review

This abridged summarised report is extracted from audited information, but is not itself audited. The auditors, Ernst & Young Inc have issued their unmodified opinion on the audited consolidated financial statements for the year ended 31 March 2023 and a copy of the audit opinion, together with the underlying audited consolidated financial statements are available for inspection at the company's registered address.

Directors' responsibility statement

The directors of Accelerate assume full responsibility for the preparation of the abridged summarised financial statements and have been correctly extracted from the underlying annual financial statements.

Annual general meeting

The company's annual general meeting (AGM) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Friday, 1 September 2023 at 10h00. Further details on the company's AGM will be included in Accelerate's notice of AGM and integrated annual report to be posted to shareholders on or before Monday, 31 July 2023. A PDF of the integrated annual report and notice of AGM will be available to download at www.acceleratepf.co.za on the same day of distribution.

On behalf of the board

Mr TT Mboweni
(Chairman)

Mr Abri Schneider
(Joint – chief executive officer)

Mr Dawid Wandrag
(Joint – chief executive officer)

Mr Pieter Grobler
(Interim – chief financial officer)

19 July 2023

Corporate information

Accelerate Property Fund Ltd

(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF
ISIN: ZAE000185815
Bond company code: APF
(Approved as a REIT by the JSE)

Nature of business and principal activities

Buying, letting, managing, developing and selling of properties

Registered office and business address

Cedar Square Shopping Centre
Management Office, 1st Floor,
Corner Willow Avenue and Cedar Road,
Fourways 2055, South Africa
Tel: +27 (0)10 001 0790
Web: www.acceleratepf.co.za

Directors

TT Mboweni
MN Georgiou
K Madikizela
AM Mawela
AM Schneider
JWA Templeton
JF van der Merwe
DJ Wandrag

Contact details

Joint CEO: Abri Schneider
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Joint CEO: Dawid Wandrag
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Interim CFO and Debt Officer: Pieter Grobler
Email: pieter@acceleratepf.co.za

Company secretary

Margi Pinto
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Email: proxy@computershare.co.za
Fax: +27 (0)11 688 2238

Equity sponsor

The Standard Bank of South Africa Ltd
(Registration number 1962/000738/06)
30 Baker Street, Rosebank 2196, South Africa
PO Box 61344, Marshalltown 2107, South Africa
Tel: +27 (0)11 721 6125

Debt sponsor

Rand Merchant Bank, a division of FirstRand Bank Ltd
(Registration number 1929/001225/06)
1 Merchant Place, Corner Rivonia Road and
Fredman Drive, Sandton 2196, South Africa
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Tel: +27 (0)11 282 8000

Auditors

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Chartered Accountants (SA)
Registered Auditors
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Johannesburg, 2196, South Africa
Tel: +27 (0)11 772 3000

Internal auditors

LateganMashego Audit and Advisory (Pty) Ltd
(Registration number 2001/107847/07)
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