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Preparer:
Dimitri Kyriakides CA(SA)

Published:
23 June 2016

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITIES AND APPROVAL

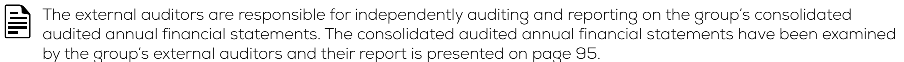
The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated audited annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated audited annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated audited annual financial statements.

The consolidated audited annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

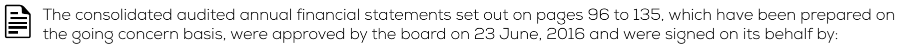
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated audited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

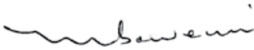
The directors have reviewed the group's cash flow forecast for the year to 31 March 2017 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.



The external auditors are responsible for independently auditing and reporting on the group's consolidated audited annual financial statements. The consolidated audited annual financial statements have been examined by the group's external auditors and their report is presented on page 95.



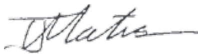
The consolidated audited annual financial statements set out on pages 96 to 135, which have been prepared on the going concern basis, were approved by the board on 23 June, 2016 and were signed on its behalf by:



TT Mboweni
Thursday, 23 June 2016

COMPANY SECRETARY'S CERTIFICATION

Declaration by the Company Secretary in respect of Section 88(2)(e) of the Companies Act
In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



J Matisonn
Ithemba Governance and Statutory Solutions (Pty) Ltd
Thursday, 23 June 2016

Building a better working world

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Accelerate Property Fund Limited

We have audited the consolidated financial statements of Accelerate Property Fund Limited, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 98 to 135.

Directors' responsibility

The company's directors are responsible for the preparation and fair presentation of these consolidated 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Accelerate Property Fund Limited as at 31 March 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 March 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

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 Accelerate Property Fund Limited for 3 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Rohan Mahendra Adhar Baboolal
Registered Auditor
Chartered Accountant (SA)
Johannesburg
South Africa
23 June 2016

DIRECTORS' REPORT

The directors take pleasure in submitting their report on the consolidated audited annual financial statements of Accelerate Property Fund Limited for the year ended 31 March 2016.

1. Review of financial results and activities

The consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The accounting policies have been applied consistently compared to the prior year.

The group recorded a net profit after tax for the year ended 31 March 2016 of R805 million. This represented an increase of 8,6% from the net profit after tax of the prior year ended 31 March 2015 of R741 million.

Group rental revenue increased by 18,6% from R748 million in the prior period to R887 million for the period ended 31 March 2016

Group cash flows from operating activities increased by 21,8% from R188 million in the prior period to R229 million for the year ended 31 March 2016.

2. Share capital

Authorised	2016 Number of shares	2015 Number of shares
Ordinary shares	**5 000 000 000**	5 000 000 000

Issued	2016 R'000	2015 R'000	2016 Number of shares	2015 Number of shares
Ordinary shares	**4 105 211**	3 422 723	**801 344 008**	691 423 255

Of the 801 344 007 Accelerate shares in issue at 31 March 2016, 529 770 316 shares are publicly held and 271 573 691 shares are held by Michael Georgiou through Fourways Precinct (Pty) Ltd and The Michael Family Trust, as well as other executive directors.

Major shareholders	Number of shares	% Holding
Fourways Precinct (Pty) Ltd	**230 452 924**	**28,76**
Michael Family Trust	**40 924 783**	**5,11**
Coronation Fund Managers	**144 634 165**	**18,05**
Government Employees Pension Fund	**60 614 555**	**7,57**
STANLIB	**58 786 686**	**7,34**
Nedbank Group	**33 636 900**	**4,20**
	569 050 013	**71,03**

Refer to note 15 of the consolidated audited annual financial statements for detail of the movement in authorised and issued share capital.

Directors' direct/indirect interest in the shares of the company as at 31 March 2016*

Michael Georgiou	40 924 783 shares	5,11%	Michael Family Trust
Michael Georgiou	230 452 924 shares	28,76%	Fourways Precinct (Pty) Ltd
Andrew Costa	81 587 shares	0,01%	Indirect holding
John Paterson	65 275 shares	0,01%	Direct holding
Dimitri Kyriakides	49 122 shares	0,01%	Direct holding
	271 573 691 shares	**33,90%**	

** There has been no change in the directors' shareholding from 31 March 2016 to the sign-off of this report by the board of directors on 23 June 2016.*

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Office	Designation
Mr Tito Titus Mboweni	Chairperson	Non-executive Independent
Dr Gert Cruywagen	Other	Non-executive Independent
Mr John Doidge	Other	Non-executive Independent
Mr Tim Fearnhead	Other	Non-executive Independent
Ms Kolosa Madikizela	Other	Non-executive Independent
Prof Francois Viruly	Other	Non-executive Independent
Mr Michael Georgiou	Chief Executive Officer	Executive
Mr Andrew Costa	Chief Operating Officer	Executive
Mr Dimitri Kyriakides	Chief Financial Officer	Executive
Mr John Paterson	Other	Executive

There have been no changes to the directorate for the year under review.

The service contracts with directors are for indefinite periods and encompass a reciprocal 60-day notice period.

4. Events after the reporting period

On 14 June 2016 the Portside transaction as announced on SENS 24 August 2015 was concluded by the transfer of floors 9 to 18 of the iconic Portside office building in the Cape Town CBD to Accelerate. The property with a GLA of 25 127 m^2 was acquired from Old Mutual Life Assurance Company at a cost of R755 million at an initial yield of 7,5%. This acquisition was fully debt funded by Rand Merchant Bank.

On 16 May 2016 Rietfontein Pavilion, a non core retail property, situated in Gauteng, was sold for R28 million. The sale of this property is in line with Accelerate's strategy to sell non core properties and reinvest in the core portfolio.

On 8 June 2016 Rock Cottage, a non core retail property, situated in Gauteng, was sold for R65 million. The sale of this property is in line with Accelerate's strategy to sell non core properties and reinvest in the core portfolio.

5. Distribution

The Board has declared a final cash distribution (number 5) for the year ended 31 March 2016 of 27,05 cents per ordinary share (2015: 25,21 cents per ordinary share), which together with the interim cash distribution of 26,62 cents per ordinary share (2015: 23,99 cents per ordinary share), produces a total cash distribution declared for the year of 53,67 cents per ordinary share (2015: 49,21 cents per ordinary share). The Group has distributed 100% of its distributable income.

Final cash distribution

The Board has declared a final cash distribution of 27,05 cents per ordinary share (2015: 25,21 cents per ordinary share) for the year ended 31 March 2016, to all ordinary shareholders recorded in the books of Accelerate at the close of business on Friday, 22 July 2016 and will be paid on Monday, 25 July 2016.

The final cash distribution timetable is structured as follows:

- Declaration date is Thursday, 23 June 2016
- The last day to trade in order to participate in the distribution is Tuesday, 19 July 2016
- The shares commence trading ex-distribution from the commencement of business on Wednesday, 20 July 2016
- The record date is Friday, 22 July 2016
- The distribution is to be paid on Monday, 25 July 2016

Share certificates will not be able to be rematerialised or dematerialised between Wednesday, 20 July 2016 and Friday, 22 July 2016, both days inclusive.

6. Auditors

Ernst & Young Inc. continued in office as auditors for the group for the year ended 31 March 2016.

At the AGM, the shareholders will be requested to reappoint Ernst & Young Inc. as the independent external auditors of the group and to confirm Mr Rohan Baboolal as the designated lead audit partner for the 2016 financial year.

7. Secretary

The company secretary is Ms Joanne Matisonn – iThemba Governance and Statutory Solutions (Pty) Ltd.

Postal address
Monument Office Park, Block 5, Suite 102
79 Steenbok Avenue, Monument Park

Business address
Monument Office Park, Block 5, Suite 102
79 Steenbok Avenue, Monument Park

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 R'000	2015 R'000
Assets			
Non-current assets			
Property, plant and equipment	12	**519**	234
Investment property	10	**8 422 776**	6 803 437
Derivative financial assets	25	**73 086**	71 153
		8 496 381	6 874 824
Current assets			
Trade and other receivables	13	**197 908**	170 644
Current tax receivable	29	**9 269**	15
Cash and cash equivalents	14	**71 428**	58 817
		278 605	229 476
Non-current assets held for sale	28	**130 726**	28 420
Total assets		**8 905 712**	7 132 720
Equity and liabilities			
Equity			
Ordinary share capital	15	**4 105 211**	3 422 723
Other reserves		**20 045**	7 223
Retained income		**1 646 710**	1 174 197
		5 771 966	4 604 143
Liabilities			
Non-current liabilities			
Contingent compensation to vendor	22	**27 276**	46 236
Borrowings	16	**2 569 905**	2 155 158
		2 597 181	2 201 394
Current liabilities			
Trade and other payables	17	**114 209**	88 327
Borrowings	16	**422 356**	238 856
		536 565	327 183
Total liabilities		**3 133 746**	2 528 577
Total equity and liabilities		**8 905 712**	7 132 720

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 R'000	2015 R'000
Revenue, excluding straight-line rental revenue adjustment	2	**818 700**	699 696
Straight-line rental revenue adjustment	2	**68 059**	49 116
Revenue		**886 759**	748 812
Other income		**(142)**	465
Operating expenses	4	**(38 694)**	(36 317)
Property expenses	3	**(225 114)**	(205 750)
Operating profit		**622 809**	507 210
Finance income	6	**14 247**	12 743
Fair value adjustments	30	**383 746**	381 008
Gain on non-current assets held for sale or disposal groups		**–**	12 104
Finance costs	5	**(215 770)**	(172 016)
Profit before taxation		**805 032**	741 049
Taxation	7	**–**	–
Total comprehensive income attributable to equity holders		**805 032**	741 049
Earnings per share			
Per share information			
Basic earnings per share (including bulk ceded shares) (cents)*	9	**107,53**	112,49
Diluted earnings per share (including bulk ceded shares) (cents)*	9	**105,92**	111,25
Distributable earnings			
Profit after taxation attributable to equity holders		**805 032**	741 049
Less: straight-line rental revenue adjustment	2	**(68 059)**	(49 116)
Less: fair value adjustments	30	**(383 746)**	(381 008)
Less: capital profit sale of properties		**–**	(12 104)
Plus: distribution from reserves		**25 758**	4 200
Distributable earnings		**378 985**	303 021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

	Share capital R'000	Other reserves R'000	Retained income R'000	Total equity R'000
Balance at 1 April 2014	3 117 914	–	654 047	3 771 961
Total comprehensive income attributable to equity holders	–	–	741 049	741 049
Issue of shares	304 809	–	–	304 809
Distribution paid	–	–	(220 899)	(220 899)
Conditional share plan reserve (note 32)	–	3 023	–	3 023
Antecedent distribution reserve	–	4 200	–	4 200
Total contributions by and distributions to owners of company recognised directly in equity	304 809	7 223	(220 899)	91 133
Balance at 1 April 2015	**3 422 723**	**7 223**	**1 174 197**	**4 604 143**
Total comprehensive income attributable to equity holders	**–**	**–**	**805 032**	**805 032**
Issue of shares	**682 488**	**–**	**–**	**682 488**
Distribution paid	**–**	**(4 200)**	**(332 519)**	**(336 719)**
Conditional share plan reserve (note 32)	**–**	**3 098**	**–**	**3 098**
Antecedent distribution reserve	**–**	**13 924**	**–**	**13 924**
Total contributions by and distributions to owners of company recognised directly in equity	**682 488**	**12 822**	**(332 519)**	**362 791**
Balance at 31 March 2016	**4 105 211**	**20 045**	**1 646 710**	**5 771 966**
Notes	**15**			

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 R'000	2015 R'000
Cash flows from operating activities			
Cash generated from operations	18	**547 313**	395 970
Finance income		**14 247**	12 743
Tax received/(paid)		**–**	(15)
Distribution paid		**(332 519)**	(220 899)
Net cash from operating activities		**229 041**	187 799
Cash flows from investing activities			
Purchase of property, plant and equipment	12	**(385)**	(184)
Purchase of investment property	10	**(1 300 193)**	(244 080)
Contingent purchase		**(18 960)**	(163 548)
Proceeds from disposal of investment property		**28 420**	78 740
Net cash from investing activities		**(1 291 118)**	(329 072)
Cash flows from financing activities			
Proceeds on share issue	15	**682 488**	304 809
Long-term borrowings raised		**1 335 500**	740 998
Long-term borrowings repaid		**(737 253)**	(735 544)
Finance cost		**(215 770)**	(172 016)
Antecedent distribution		**9 723**	4 200
Net cash from financing activities		**1 074 688**	142 447
Total cash movement for the year		**12 611**	1 174
Cash at the beginning of the year		**58 817**	57 643
Total cash at end of the year	14	**71 428**	58 817

DISTRIBUTABLE EARNINGS RECONCILIATION

FOR THE YEAR ENDED 31 MARCH 2016

	2016 R'000	2015 R'000
Distributable earnings	**378 985**	303 020
Less: Interim distribution from profits	**175 255**	141 555
Final distribution	**203 730**	161 465
Shares qualifying for distribution		
Number of shares at year end	**801 344 008**	691 423 255
Less: Bulk ceded shares to Accelerate	**(51 070 184)**	(51 070 184)
Less: Ceded distribution with regard to Noor properties acquired	**(13 290 135)**	
Add: Shares issued after year end	**16 100 000**	
Shares qualifying for distribution	**753 083 689**	640 353 071
Distribution per share		
Final distribution per share (cents)	**27,05277**	25,21490
Interim distribution per share made (cents)	**26,61692**	23,99368
Total distribution per share for the year (cents)	**53,66969**	49,20858

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, and retail.

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

- Office segment: acquires, develops and leases offices;
- Industrial segment: acquires, develops and leases warehouses and factories; and
- Retail segment: acquires, develops and leases shopping malls, community centres as well as retail centres.

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.

For the year ended 31 March 2015	Office R'000	Industrial R'000	Retail R'000	Total R'000
Statement of comprehensive income 2015				
Revenue, excluding straight-line rental revenue adjustment	109 308	19 962	570 426	699 696
Straight-line rental adjustment	7 864	586	40 666	49 116
Property expenses	(37 380)	(4 128)	(164 242)	(205 750)
Segment operating profit	79 792	16 420	446 850	543 062
Fair value adjustments on investment property	64 698	20 889	355 978	441 565
Segment profit	144 490	37 309	802 828	984 627
Other operating expenses				(36 316)
Other income				12 569
Fair value gain on financial instruments				(60 557)
Finance income				12 742
Long-term debt interest				(172 016)
Profit before tax				741 049
For the year ended 31 March 2016				
Statement of comprehensive income 2016				
Revenue, excluding straight-line rental revenue adjustment	**173 262**	**36 108**	**609 330**	**818 700**
Straight-line rental adjustment	**35 655**	**2 217**	**30 187**	**68 059**
Property expenses	**(49 426)**	**(4 743)**	**(170 945)**	**(225 114)**
Segment operating profit	**159 491**	**33 582**	**468 572**	**661 645**
Fair value adjustments on investment property	**71 155**	**45 591**	**265 066**	**381 812**
Segment profit	**230 646**	**79 173**	**733 638**	**1 043 457**
Other operating expenses				**(38 694)**
Other expenses				**(142)**
Fair value gain on financial instruments				**1 934**
Finance income				**14 247**
Long-term debt interest				**(215 770)**
Profit before tax				**805 032**

Segmental analysis (continued)

For the year ended 31 March 2015	Office R'000	Industrial R'000	Retail R'000	Total R'000
Statement of financial position extracts at 31 March 2015				
Assets				
Investment property balance 1 April 2014	798 291	112 011	5 253 354	6 163 656
Acquisitions	–	149 388	–	149 388
Capitalised costs	50 475	–	44 217	94 692
Disposals/classified as held for sale	(28 420)	–	(66 560)	(94 980)
Investment property held for sale	28 420	–	–	28 420
Straight-line rental revenue adjustment	7 864	586	40 666	49 116
Fair value adjustments	64 698	20 889	355 978	441 565
Segment assets at 31 March 2015	921 328	282 874	5 627 655	6 831 857
Other assets not managed on a segmental basis				
Derivative financial instruments				71 153
Equipment				234
Current assets				229 476
Total assets				7 132 720
For the year ended 31 March 2016				
Statement of financial position extracts at 31 March 2016				
Assets				
Investment property balance 1 April 2015	**921 328**	**282 874**	**5 627 655**	**6 831 857**
Acquisitions	**850 000**	**295 221**	**–**	**1 145 221**
Capitalised costs	**92 559**	**12 093**	**50 321**	**154 973**
Disposals/classified as held for sale	**(28 420)**	**–**	**(130 726)**	**(159 146)**
Investment property held for sale	**–**	**–**	**130 726**	**130 726**
Straight-line rental revenue adjustment	**35 655**	**2 217**	**30 187**	**68 059**
Fair value adjustments	**71 155**	**45 591**	**265 066**	**381 812**
Segment assets at 31 March 2016	**1 942 277**	**637 996**	**5 973 229**	**8 553 502**
Other assets not managed on a segmental basis				
Derivative financial instruments				**73 086**
Equipment				**519**
Current assets				**278 605**
Total assets				**8 905 712**

For the year ended 31 March 2015	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	Limpopo R'000	Eastern Cape R'000	Mpumalanga R'000	Total R'000
Statement of comprehensive income 2015							
Revenue, excluding straight-line rental revenue adjustment	599 320	83 863	7 599	8 914	–	–	699 696
Straight-line rental adjustment	42 339	5 241	359	1 177	–	–	49 116
Property expenses	(180 686)	(22 434)	(1 559)	(1 071)	–	–	(205 750)
Segment operating profit	460 973	66 670	6 399	9 020	–	–	543 062
Fair value adjustments on investment property	391 100	45 393	6 547	(1 475)	–	–	441 565
Segment profit	852 073	112 063	12 946	7 545	–	–	984 627
Other operating expenses							(36 316)
Other income							12 569
Fair value gain on financial instruments							(60 557)
Finance income							12 742
Long-term debt interest							(172 016)
Profit before tax							741 049
For the year ended 31 March 2016							
Statement of comprehensive income 2016							
Revenue, excluding straight-line rental revenue adjustment	**693 565**	**98 556**	**8 981**	**13 866**	**2 550**	**1 181**	**818 700**
Straight-line rental adjustment	**53 951**	**5 752**	**3**	**6 435**	**1 126**	**792**	**68 059**
Property expenses	**(193 067)**	**(25 880)**	**(2 210)**	**(3 957)**	**–**	**–**	**(225 114)**
Segment operating profit	**554 450**	**78 428**	**6 774**	**16 344**	**3 676**	**1 973**	**661 645**
Fair value adjustments on investment property	**327 363**	**48 297**	**3 622**	**2 530**	**–**	**–**	**381 812**
Segment profit	**881 813**	**126 725**	**10 396**	**18 874**	**3 676**	**1 973**	**1 043 457**
Other operating expenses							**(38 694)**
Other income							**(142)**
Fair value gain on financial instruments							**1 934**
Finance income							**14 247**
Long-term debt interest							**(215 770)**
Profit before tax							**805 032**

Segmental analysis (continued)

For the year ended 31 March 2015	Gauteng R'000	Western Cape R'000	KwaZulu-Natal R'000	Limpopo R'000	Eastern Cape R'000	Mpumalanga R'000	Total R'000
Statement of financial position extracts at 31 March 2015							
Investment property balance 1 April 2014	5 499 394	609 856	53 586	820	–	–	6 163 656
Acquisitions	–	149 388	–	–	–	–	149 388
Capitalised costs	5 251	45 224	–	44 217	–	–	94 692
Disposals/classified as held for sale	(66 560)	(28 420)	–	–	–	–	(94 980)
Investment property held for sale	–	28 420	–	–	–	–	28 420
Straight-line rental revenue adjustment	42 339	5 241	359	1 176	–	–	49 116
Fair value adjustments	391 100	45 393	6 547	(1 475)	–	–	441 565
Investment property at 31 March 2015	5 871 524	855 102	60 492	44 739	–	–	6 831 857
Other assets not managed on a segmental basis							
Derivative financial instruments							71 153
Equipment							234
Current assets							229 476
Total assets							7 132 720
For the year ended 31 March 2016							
Statement of financial position extracts at 31 March 2016							
Investment property balance 1 April 2015	**5 871 524**	**855 102**	**60 492**	**44 739**	**–**	**–**	**6 831 857**
Acquisitions	**1 003 221**	**–**	**–**	**70 000**	**64 500**	**7 500**	**1 145 221**
Capitalised costs	**100 157**	**25 492**	**2 549**	**24 649**	**1 225**	**901**	**154 973**
Disposals/classified as held for sale	**(130 726)**	**(28 420)**	**–**	**–**	**–**	**–**	**(159 146)**
Investment property held for sale	**130 726**	**–**	**–**	**–**	**–**	**–**	**130 726**
Straight-line rental revenue adjustment	**53 951**	**5 752**	**3**	**6 435**	**1 126**	**792**	**68 059**
Fair value adjustments	**327 363**	**48 297**	**3 622**	**2 530**	**–**	**–**	**381 812**
Investment property at 31 March 2016	**7 356 216**	**906 223**	**66 666**	**148 353**	**66 851**	**9 193**	**8 553 502**
Other assets not managed on a segmental basis							
Derivative financial instruments							**73 086**
Equipment							**519**
Current assets							**278 605**
Total assets							**8 905 712**

ACCOUNTING POLICIES

1. Presentation of consolidated audited annual financial statements

The consolidated audited annual financial statements have been prepared in accordance with International Financial Reporting and the Companies Act 71 of 2008 as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The consolidated audited annual financial statements have been prepared on the historical cost basis, except for investment property and derivative financial instrument that have been measured at fair value. They are presented in South African Rands. All figures are rounded off to R'000 except where otherwise stated.

1.1 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the new standards, amendments and interpretations that became effective during the 31 March 2016 reporting period. The nature and the impact of each new standard and amendment are described below. Other amendments to certain standards apply for the first time in 2016. However, they do not impact the annual financial statements of Accelerate.

Investment entities (amendments to IFRS 10, IFRS 12 and IAS 28)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments are effective for annual periods beginning on or after 1 January 2016. It is not expected that this amendment would be relevant to Accelerate, since none of the entities in Accelerate would qualify to be an investment entity under IFRS 10.

IAS 1 Disclosure Initiative – Amendments to IAS 1

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, the existing IAS 1 requirements.

The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements; and
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a pattern of economic benefits that are generated from operating a business (of which the assets is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. It is not expected that this amendment would affect Accelerate.

The following standards have changed but are not expected to have an effect on the financial statements of Accelerate:

- IFRS 14 Regulatory Deferral Accounts
- IAS 19 Defined Benefits Plans: Employee Contributions
- IAS 27 Equity Method in Separate Financial Statements
- IFRS 11 Accounting for Acquisitions on Interests in Joint Operations
- IAS 16 and IAS 41 Agriculture: Bearer Plants
- AIP: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: Change in Method of Disposal
- AIP: IFRS 7 Financial Instruments: Disclosures
- AIP: IAS 19 Employee Benefits: Discount Rate – regional market issue
- AIP: IAS 34 Interim Financial Reporting: Disclosure of information elsewhere in the interim financial report
- IFRS 10 and IAS 28: Sale or contribution of the assets between Investor and its Associate or Joint Venture.

1.2 Standards issued but not yet effective

Standards issued but not yet effective as of the date of issuance of Accelerate's financial statements are listed on the following page. This listing of standards and interpretations issued are those that Accelerate reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Accelerate intends to adopt these standards when they become effective.

1.2 Standards issued but not yet effective *(continued)*

IFRS 9 Financial Instruments: Classification and Measurement (effective 1 January 2018)

IFRS 9, as issued in 2010, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013. In November 2013, chapter 6 of IFRS 9 on hedge accounting was published. At the same time, chapter 7, containing the effective date and transition provisions, was amended to remove the mandatory effective date of IFRS 9. This was intended to provide sufficient time for preparers to make the transition to the new requirements. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. In subsequent phases, the IASB is addressing impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of Accelerate's financial assets, but will not have an impact on classification and measurements of financial liabilities. Accelerate will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 15 Revenue for Contract Customers (effective 1 January 2018)

IFRS 15 will be effective for annual periods beginning on or after 1 January 2018. IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers. It also provides a model for the recognition and measurement of disposal of certain non-financial assets including property, equipment and intangible assets. The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchanges for transferring goods or services to a customer. The impact of this standard is still being assessed by Accelerate.

IFRS 16 Leases (effective 1 January 2019)

IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lease will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The impact of this standard is still being assessed by Accelerate.

IAS 7 Disclosure Initiative – Amendments to IAS 7 (effective 1 January 2017)

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The impact of this standard is still being assessed by Accelerate.

The following standards will changed but are not expected to have an effect on the financial statements of Accelerate:

- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12 (effective 1 January 2017).

1.3 Significant judgements and sources of estimation uncertainty

In preparing the consolidated audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated audited annual financial statements. Significant judgements include:

Judgements and other estimates

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Valuation of property

The fair value of investment property is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS 13. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in the investment property notes 10 and 11.

Accruals

The accrual at year end for recoveries from tenants is based on average recoveries received from tenants during a financial period.

Accrual for municipal expenses is performed on a municipal account level and is based on the number of un-invoiced days at year end and the average municipal cost for a specific account during the financial period.

1.3 Significant judgements and sources of estimation uncertainty *(continued)*

The valuation of the share-based payments reserve

The group issues equity-settled share-based payments to certain employees in the group. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed as services are rendered over the vesting period, based on the group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

1.4 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Interest is also capitalised on the purchase cost of a property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

1.5 Investment property

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

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at the retirement or disposal of investment property. Any gains or losses are recognised in profit or loss in the year of retirement or disposal.

Fair value

Subsequent to initial measurement, investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises. There are no property interests held under operating leases which are recognised as investment property.

1.6 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

For the sale to be highly probable:

- The board must be committed to a plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Accounting policies (continued)

1.6 Non-current assets held for sale *(continued)*

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated while it is classified as held for sale, or while it is part of a disposal group classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position. On re-classification, investment property that is measured at fair value continues to be so measured.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in the arrangement.

Accelerate as lessor – operating leases

Operating lease income is recognised as an income on a straight-line basis over the lease term except for contingent rental payments, which are expensed when they arise.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.8 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Accelerate and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Accelerate has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in most of the revenue arrangements, it has pricing latitude, and is also exposed to inventory and credit risks. Recoveries of costs from lessees where Accelerate is merely acting as an agent and makes payments of these costs on behalf of lessees are offset against the relevant costs.

The specific recognition criteria described below must also be met before revenue is recognised.

Rental income

Accelerate is the lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the statement of comprehensive income when the right to receive them arises.

Service charges, management charges and other expenses recoverable from tenants

Income arising from expenses recovered from tenants is recognised in the period in which the compensation becomes receivable. Service and management charges and other such receipts are included in net rental income gross of the related costs, as the directors consider that Accelerate acts as principal in this respect.

1.9 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets and liabilities measured at fair value; and
- Financial assets and liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

When Accelerate has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of Accelerate's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Accelerate could be required to repay.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

1.9 Financial instruments *(continued)*

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Accelerate assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, Accelerate makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those wholly settled within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.11 Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The basis of the judgement is set out in note 10. Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

Investment property acquisitions which do not meet the definition of a business as defined in IFRS 3 are recognised and measured in accordance with IAS 40.

1.12 Rent and other receivables

Rent and other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are carried at amortised cost. A provision is made when there is objective evidence that Accelerate will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently recorded at amortised cost.

1.14 Bank overdrafts and borrowings

Bank overdrafts and borrowings are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

1.15 Tenant deposits

Tenant deposits liabilities are initially recognised at fair value and subsequently measured at amortised cost where the effects of discounting is material. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

1.16 Sale of completed property

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

1.17 Finance income

Finance income is recognised as it accrues using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Finance income is included in finance income in the statement of comprehensive income.

1.18 Taxes

Accelerate converted to a Real Estate Investment Trust (REIT) on listing. As a result, section 25BB of the Income Tax Act applies to qualifying REIT income and expenses. The legislation provides that capital gains on sale of investment properties are not taxable and previous building allowances claimed will be recouped at 28%. All rental income and dividends from property subsidiaries will be taxed at 28% and any qualifying distribution paid from these taxable profits will be deductible at 28%. Should the entities' assets be sold or the entity wound up, there could be a tax liability to the value of the recoupments previously claimed.

Accelerate is of the view that the provisions of IAS 12 Income Taxes regarding different tax rates for distributed and undistributed profits are intended to apply where the only significant factor determining the differential tax rate is the retention or distribution of profit. This view is applied given that this would reflect the economic reality of Accelerate as being tax neutral and would not result in deferred taxation being raised at each reporting date merely to be reversed after the end of the reporting date when distributions are declared to shareholders. This view is formulated based on guidance from the withdrawn ED/2009/2 as published by the International Accounting Standards Board (IASB). This view implies that the entity can choose to operate within one of two tax regimes, either a 'full tax' regime by not distributing rental income and dividends from property subsidiaries to shareholders or a 'no tax' regime by distributing rental income and dividends from property subsidiaries to shareholders, rather than that it operates in a single tax regime with a dual tax rate, depending on whether profits are retained or distributed. Accordingly, the measurement of deferred tax assets and liabilities takes into account expected future distribution. This results in no deferred tax being recognised by Accelerate on REIT assets and liabilities.

REIT legislation is currently being revised to clarify the legislation where difficulties have been noted in practice.

Current taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- A business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.18 Taxes *(continued)*

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Current income tax

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

Accelerate is registered as a REIT, and as such will only pay tax on profits not distributed to shareholders.

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

1.19 Derivative financial instruments – initial recognition and subsequent measurement

Accelerate uses interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

1.20 Share-based payments

Employees (including senior executives) of Accelerate receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves (share-based payment reserve), in equity over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Accelerate's best estimate of the options that will ultimately vest. The profit or loss expense represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market condition. These are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance service conditions are satisfied.

When the terms of the equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of the modification.

When the equity award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either Accelerate or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

1.21 Share capital

Ordinary shares are classified as equity.

1.22 Fair value measurements

Accelerate measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, fair values of financial instruments measured at amortised cost are disclosed in the financial statements when the carrying values are not determined to approximate fair value.

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.

Accelerate must be able to access the principal or the most advantageous market 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.

Accelerate uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole, 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; and
- 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 on a recurring basis, Accelerate determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. Accelerate uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The fair value of investment property is determined by using valuation techniques. Accelerate uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Techniques include discounted cash flows and cap rate methods.

The carrying value of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Accelerate for similar financial instruments. Accelerate's own non-performance risk is considered.

Accounting policies (continued)

1.23 Property, plant and equipment

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Office furniture	Straight line	5 years
Motor vehicles	Straight line	5 years
Computer equipment	Straight line	3 years

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

	2016 R'000	2015 R'000
2. Revenue		
Contracted rental	**609 160**	502 502
Casual parking	**18 012**	16 362
Rental guarantee	**11 563**	9 525
Development guarantee income	**1 452**	-
Other income	**1 003**	273
Revenue before recoveries	**641 190**	528 662
Recoveries (including rates, municipal costs, operations cost)	**177 510**	171 034
Revenue, excluding straight-line rental revenue adjustment	**818 700**	699 696
Straight-line rental revenue adjustment	**68 059**	49 116
Total revenue	**886 759**	748 812
3. Property expenses		
Cleaning	**10 250**	9 465
Insurance	**3 565**	2 935
Security	**25 714**	23 461
Repairs and maintenance	**13 568**	16 469
Electricity	**68 117**	65 838
Rates and taxes	**67 899**	54 736
Sewerage	**7 497**	5 852
Water	**7 792**	9 852
Other municipal expenses	**4 034**	3 312
Professional fees	**2 071**	502
Other property costs*	**14 607**	13 328
Property expenses	**225 114**	205 750
Less: recovered expenses	**(177 510)**	(171 034)
Net property expenses	**47 604**	34 716

** Note: Other property costs relate to miscellaneous property costs, such as consumables, legal fees, parking, pest control.*

	2016 R'000	2015 R'000
4. Operating expenses		
Management fees	**6 456**	7 242
Employee costs	**20 170**	13 615
Auditors' remuneration	**1 762**	1 312
Licences	**274**	270
Bank charges	**255**	225
Telephone and fax	**129**	75
Printing and stationery	**29**	87
Subscriptions	**234**	811
Professional fees	**4 181**	4 496
Bad debts	**4 385**	5 590
Tenant installation	**803**	2 529
Donations – S18A	**–**	50
Other expenses	**16**	15
Total operating expenses	**38 694**	36 317
5. Finance costs		
Non-current borrowings	**227 152**	182 457
Net receipt on interest rate swap	**(12 788)**	(10 558)
Other interest paid	**1 406**	117
Net finance cost	**215 770**	172 016

Finance cost on capital construction projects to the amount of R12,9 million was capitalised during the year ended 31 March 2016 at an average cost of debt of 8,18% per annum.

	2016 R'000	2015 R'000
6. Finance income		
Interest revenue		
Cash deposits	**5 750**	6 780
Interest received from banks	**1 558**	1 395
Interest due from tenants	**1 618**	1 296
Interest due from vendors	**5 321**	3 272
	14 247	12 743
7. Taxation		
Major components of the tax expense		
Current		
Local income tax – current period	**–**	–
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate		
Applicable tax rate (%)	**28,00**	28,00
Straight-line rental revenue adjustment (%)	**(2,35)**	(1,85)
Fair value adjustment (%)	**(13,43)**	(14,40)
Capital profits not taxable (as APF is a REIT) (%)	**–**	(0,45)
Deductible distribution expense (%)	**(12,22)**	(11,30)
	–	–
8. Distribution per share		
Final distribution for the year ended 31 March 2016		
Profit after taxation attributable to equity holders	**805 032**	741 049
Less: straight-line rental revenue adjustment	**(68 059)**	(49 116)
Less: fair value adjustment on investment property and derivative financial instruments	**(383 746)**	(381 008)
Less: capital profits sale of Willows shopping centre	**–**	(12 104)
Plus: distributions from reserves	**25 758**	4 200
Less: interim distribution from profits	**(175 255)**	(141 555)
Final distribution	**203 730**	161 466
Reconciliation of shares qualifying for final distribution		
Shares in issue at 31 March 2016	**801 344 008**	691 423 255
Less: shares ceded on purchase of bulk*	**(51 070 184)**	(51 070 184)
Less: ceded distribution shares with regard to Noor properties acquired	**(13 290 135)**	–
Add: shares issued after 31 March 2016	**16 100 000**	–
Shares qualifying for distribution	**753 083 689**	640 353 071
Year end distribution per share (cents)	**27,05**	25,21

** The vendors have ceded the distribution relating to 51 070 184 shares held by them to Accelerate. This is due to Accelerate acquiring the bulk development rights over various buildings in the greater Fourways area.*

Distribution per share is used as a measure for trading statement purposes by Accelerate Property Fund.

	2016 R'000	2015 R'000

9. Earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to ordinary equity holders of Accelerate by the weighted average number of ordinary shares outstanding during the year.

	2016 R'000	2015 R'000
Reconciliation of basic/diluted earnings to headline earnings		
Total comprehensive income attributable to equity holders	**805 032**	741 049
Fair value adjustment excluding straight-lining	**(383 746)**	(381 008)
Gains on non-current assets held for sale#	**–**	(12 104)
Headline profit attributable to shareholders	**421 286**	347 937
Basic earnings per share (cents)*	**107,53**	112,49
Diluted earnings per share (cents)*	**105,92**	111,25
Headline earnings per share (cents)	**56,27**	52,81
Diluted headline earnings per share (cents)	**55,43**	52,24
Shares in issue at the end of the year	**801 344 008**	691 423 255
Weighted average number of shares in issue	**748 651 001**	658 789 533
Shares subject to the deferred acquisition costs	**4 538 397**	6 849 747
Shares subject to the conditional share plan	**6 851 733**	447 872
Weighted average number of deferred shares	**11 390 130**	7 297 619
Total diluted weighted average number of shares in issue	**760 041 131**	666 087 152

** Basic earnings and diluted earnings are based on the same revenue figures but differ as a result of the use of the weighted average number of shares in issue for the year.*

 # The gain on non-current assets held for sale for the year ended 31 March 2015 of R12 104 000 was not added back to determine the headline profit in the audited financial statements for the year ended 31 March 2015. This has been corrected in the 31 March 2016 consolidated financial statements and has resulted in a 1,84 cents reduction in headline earnings per share and 1,81 cents per share reduction in diluted headline earnings per share for the year ended 31 March 2015 as reflected in the comparative figures in the note above.

10. Investment property

	Opening balance R'000	Additions R'000	Additions resulting from capitalised subsequent expenditure R'000	Classified as held for sale R'000	Straight-line rental revenue adjustment R'000	Fair value adjustments R'000	Total R'000
Reconciliation of investment property – 2016							
Investment property	**6 803 437**	**1 145 221**	**154 972**	**(130 726)**	**68 059**	**381 813**	**8 422 776**
Reconciliation of investment property – 2015							
Investment property*	6 096 790	149 388	94 692	(28 420)	49 422	441 565	6 803 437

** The entire portfolio of investment property is pledged as security for borrowings.*

	2016 R'000	2015 R'000
Investment property summary*		
Investment property	**7 972 904**	6 312 450
Investment property held for sale (refer note 28)	**130 726**	28 420
Fair value gain on investment property (unrealised)	**412 245**	438 438
Fair value gain on investment property (unrealised) held for sale	**(30 432)**	3 127
Straight-line rental revenue adjustment	**68 059**	49 422
	8 553 502	6 831 857

** Classified in accordance with the fair value hierarchy. There were no transfers between levels during the period.*

	Office R'000	Industrial R'000	Retail R'000	Total R'000
10. Investment property *(continued)*				
Balance as at 31 March 2015	**892 907**	**282 874**	**5 627 656**	**6 803 437**
Acquisitions/improvements	**942 559**	**307 314**	**50 321**	**1 300 194**
Subtotal	**1 835 466**	**590 188**	**5 677 977**	**8 103 631**
Disposals/classified as held for sale	**–**	**–**	**(130 726)**	**(130 726)**
Straight-line rental revenue adjustment	**35 655**	**2 217**	**30 187**	**68 059**
Fair value gain on investment properties	**71 155**	**45 591**	**265 066**	**381 812**
Balance at 31 March 2016	**1 942 276**	**637 996**	**5 842 504**	**8 422 776**
Balance as at 31 March 2014	798 290	112 011	5 186 490	6 096 791
Acquisitions	50 475	149 388	44 217	244 080
Subtotal	848 765	261 399	5 230 707	6 340 871
Disposals/classified as held for sale	(28 420)	–	–	(28 420)
Straight-line rental revenue adjustment	7 864	586	40 971	49 421
Fair value gain on investment properties	64 698	20 889	355 978	441 565
Balance at 31 March 2015	892 907	282 874	5 627 656	6 803 437

11. Fair value measurement of investment properties

Levels of fair value measurements

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 independently valued at least every three years. The remaining investment properties held at the end of each reporting period are valued by Accelerate's directors.

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. Valuers are normally rotated every three years. In addition, the directors are responsible for Accelerate's internal property valuations. Valuations for interim reporting purposes are performed internally by the directors. 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 verify 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, 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.

The directors have presented the valuation results to Accelerate's independent auditors. This includes a discussion of the major assumptions used in the valuations, with an emphasis on property with fair value changes outside of the relevant thresholds.

Valuation techniques

The fair values of investment properties are determined using either a discounted cash flow (DCF) method or income capitalisation method (cap rate).

11. Fair value measurement of investment properties *(continued)*

Discounted cash flow method

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, 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.

Income capitalisation method

Under the cap rate method a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) 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 up costs. Under the cap rate method, over and under-rent situations are separately capitalised/(discounted).

The external valuations were performed by Mills Fitchet & David Hoffman and Partners CC, both 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.

As at 31 March 2016, the portfolio had the following vacancy rates, calculated based on vacant area to total GLA along with the following estimates of when actual vacancy will equal the long-term rate:

Class of property	Fair value at 31 March 2016 (excluding straight-lining reserve)	Current vacancies	Long-term vacancies	Estimated period of convergence
Office	**1 865 934**	0% – 46,9%	5% – 15%	2,5 years
Industrial	**639 878**	0%	2% – 5%	n/a
Retail	**5 886 694**	0% – 53%	5% – 10%	2 years
	8 392 506			

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 overleaf 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; and
- Quantitative information about the significant unobservable inputs used in the fair value measurement.

11. Fair value measurement of investment properties *(continued)*

Class of property	Fair value as at 31 March 2016 (excluding straight-lining reserve)	Valuation technique	Key unobservable inputs	Ranges
Office	**1 865 934**	Income capitalisation	• ERV • Rental growth p.a. • Long-term vacancy rate	• R42,42 – R209,36 • 7,71% • 5% – 15%
Industrial	**639 878**	Income capitalisation	• ERV • Rental growth p.a. • Long-term vacancy rate	• R31,16 – R127,82 • 8,75% • 2% – 5%
Retail	**5 755 968**	Income capitalisation	• ERV • Rental growth p.a. • Long-term vacancy rate	• R44,74 – R203,11 • 8,05% • 5% – 10%
Retail (held for sale)	**130 726**	Income capitalisation	• ERV • Rental growth p.a. • Long-term vacancy rate	• R54,06 - R83,07 • 8,05% • 5% – 10%
	8 392 506			

Descriptions and definitions

The table above 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 rent at which space could be let in the market conditions prevailing at the date of valuation.

Rental growth

The estimated average increase in rent 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.

Discount rate

Rate used to discount the net cash flows generated from rental activities during the period of analysis (estimated up to 10 years).

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;
- Rental growth;
- Long-term vacancy rate; and
- Discount rate/yield.

Significant increases/(decreases) in the ERV (per sqm p.a.) and rental growth p.a. in isolation would result in a significantly higher/(lower) fair value measurement. Significant increases/(decreases) in the long-term vacancy rate and discount rate (and exit or yield) in isolation would result in a significantly lower/(higher) fair value measurement. Generally, a change in the assumption made for the ERV (per sqm p.a.) is accompanied by:

- A similar change in the rent growth p.a. and discount rate (and exit yield); and
- An opposite change in the long-term vacancy rate.

Across the portfolio of properties held, it was determined that if the equivalent yield applied per property increases/(decreases) by 50 basis points, the overall value of the portfolio will decrease by 6,2% if the equivalent yield is increased, and increase by 7,1% if the equivalent yield is decreased.

12. Property, plant and equipment

	2016 Cost or revaluation R'000	2016 Accumulated depreciation R'000	2016 Carrying value R'000	2015 Cost or revaluation R'000	2015 Accumulated depreciation R'000	2015 Carrying value R'000
Furniture and fixtures	**92**	**(34)**	**58**	92	(19)	73
Motor vehicles	**379**	**(23)**	**356**	–	–	–
IT equipment	**190**	**(85)**	**105**	184	(23)	161
Total	**661**	**(142)**	**519**	276	(42)	234

	Opening balance R'000	Additions R'000	Depreciation R'000	Total R'000
Reconciliation of property, plant and equipment – 2016				
Furniture and fixtures	**73**	**–**	**(15)**	**58**
Motor vehicles	**–**	**379**	**(23)**	**356**
IT equipment	**161**	**6**	**(62)**	**105**
	234	**385**	**(100)**	**519**
Reconciliation of property, plant and equipment – 2015				
Furniture and fixtures	92	–	(19)	73
IT equipment	–	184	(23)	161
	92	184	(42)	234

13. Trade and other receivables

	2016 R'000	2015 R'000
Debtors#	**32 932**	22 809
Selling entity debtors	**94 657**	90 401
Prepaid expenses	**1 791**	1 894
Municipal	**11 301**	9 184
Deposit: Property acquisition	**31 214**	–
Sundry Debtors	**1 280**	–
Accrued recoveries	**25 733**	47 356
Less: provision for bad debts (Refer note 4)	**(1 000)**	(1 000)
	197 908	170 644

Carrying value approximates the fair value of trade and other receivables.

 # Tenant debtor balances past due but not yet impaired are as follows:

	30 Days R'000	60 Days R'000	90 Days R'000	120 Days R'000	Total R'000
31 March 2016	**1 352**	**897**	**826**	**2 660**	**5 735**
31 March 2015	733	486	447	1 441	3 107

Movement in bad debts provision:

	2016 R'000	2015 R'000
Opening balance	**1 000**	1 000
Provision created	**4 385**	5 590
Bad debts written off	**(4 385)**	(5 590)
Closing balance	**1 000**	1 000

	2016 R'000	2015 R'000
14. Cash and cash equivalents		
Cash held on call account	**71 428**	58 817
Surplus cash is placed on call account at an interest rate of 6,55%		
15. Ordinary share capital		
Authorised		
Ordinary shares of no par value	**5 000 000 000**	5 000 000 000
Reconciliation of number of shares issued:		
Reported as at 1 April	**691 423 255**	638 916 916
Issue of shares – ordinary shares at an average of R6,18 per share	**109 920 753**	52 506 339
Total number of shares in issue at year end	**801 344 008**	691 423 255
Issued		
Ordinary share capital of no par value (R'000)	**4 105 211**	3 422 723

The unissued authorised ordinary shares of no par value in the company are under the control and authority of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the company's MOI and the Listings Requirements of the JSE, provided that

- Such authority to allot and issue new shares is limited to vendor settlements only;
- The number of shares that may be issued (under general authority), in aggregate in any one financial year, is limited to 10% of the total number of shares in issue at the beginning of each financial year, any other issuances require specific authority; and
- The maximum discount permitted, in respect of vendor settlement, will be 5% of the average trade price of the shares in question, measured over the 30 business days prior to the date of each issue of new shares or the 30 business days prior to the date the directors resolve to issue such new shares.

	2016 R'000	2015 R'000
16. Borrowings		
Total value of loans secured by investment property		
RMB	**898 748**	1 055 138
Domestic medium-term note programme	**1 001 000**	701 000
Investec	**484 013**	637 876
Standard Bank	**608 500**	–
Less: portion repayable within the next 12 months – at nominal value	**(422 356)**	(238 856)
Total non-current financial liabilities	**2 569 905**	2 155 158

Reconciliation of debt movements

	2016 R'000	2015 R'000
Opening balance	**2 394 014**	2 388 560
Debt raised	**1 335 500**	740 998
Debt repayment	**(737 253)**	(735 544)
	2 992 261	2 394 014

Carrying value approximates the fair value of borrowings. Interest payments are made as they fall due and capital repayments are only made as per the maturity dates below. Interest rates on these loans are market related and at arm's length with third party lenders.

16. Borrowings *(continued)*

	Tranch	Weighting	Debt amount R'000	Maturity date	Rate
16.1 Details of secured loans at 31 March 2016					
RMB	C – Current	13%	119 428	December 2016	Jibar + 165 bps
	D	40%	358 282	December 2017	Jibar + 185 bps
	E	43%	381 036	December 2018	Jibar + 195 bps
	K	4 %	40 000	September 2017	Jibar + 190 bps
Investec	C – Current	25%	119 428	December 2016	Jibar + 166 bps
	D	18%	87 500	December 2017	Jibar + 166 bps
	E	57%	277 087	December 2018	Jibar + 175 bps
Standard Bank	A	41%	250 000	May 2018	Jibar + 170 bps
	B	29%	175 000	May 2020	Jibar + 190 bps
	E – Current	30%	183 500	May 2016	Prime - 163 bps
DMTN Programme	A	26%	264 000	September 2017	Jibar + 170 bps
	B	28%	285 000	September 2019	Jibar + 230 bps
	C	46%	452 000	August 2018	Jibar + 175 bps
Total long-term borrowings – secured			**2 992 261**		

Details of swaps importing on long-term debt

	National R'000	Maturity	Base rate	Spread amount R'000	Net swap receipt for the year R'000
RMB	1 800 000	March 2019	6,00%	n/a	13 190
RMB	300 000	March 2017	7,14%		–
Standard Bank	250 000	February 2018	7,86%		(196)
Standard Bank	250 000	February 2018	7,92%		(206)
	2 600 000				**12 788**

	Tranche	Weighting	Debt amount R'000	Debt maturity date	Rate
16.2 Details of secured loans at 31 March 2015					
RMB	B – current	11,00%	119 428	December 2015	Jibar + 153 bps
	C	11,00%	119 428	December 2016	Jibar + 165 bps
	D	34,00%	358 284	December 2017	Jibar + 185 bps
	E	39,00%	417 998	December 2018	Jibar + 195 bps
	K	5,00%	40 034	September 2017	Jibar + 190 bps
Investec	B – current	19,00%	119 428	December 2015	Jibar + 158 bps
	C	19,00%	119 428	December 2016	Jibar + 166 bps
	D	13,00%	87 500	December 2017	Jibar + 166 bps
	E	49,00%	311 522	December 2018	Jibar + 175 bps
DMTN Programme	A	59,00%	416 000	September 2017	Jibar + 170 bps
	B	41,00%	285 000	September 2017	Jibar + 230 bps
Total long-term borrowings – secured			**2 394 050**		

16. Borrowings *(continued)*

16.2 Details of secured loans at 31 March 2015 *(continued)*

The long-term borrowings shown in the table on the previous page are subject to the standard restrictions over bonded properties.

Details of swap impact on long-term debt	Swap	Notional amount R'000	Maturity	Base rate	Spread	Net swap receipt for the year R'000
RMB	1, 2, 3, 4	2 000 000	March 2019	5,50%	n/a	10 558

Accelerate intends to refinance the current portion of the maturing debt, by the issue into the market of a secured, as well as an unsecured domestic medium-term note (DMTN) bond issue.

	2016 R'000	2015 R'000
17. Trade and other payables		
Trade payables	**29 358**	10 690
Debtors in credit	**14 850**	22 301
VAT	**14 188**	2 670
Tenant deposits	**20 861**	15 633
Accrued expenses	**34 952**	37 033
	114 209	88 327

Trade and other payables are settled within 30 days of invoice date. Carrying value approximated the fair value of trade and other payables due to the short-term nature of payables.

	2016 R'000	2015 R'000
18. Cash generated from operations*		
Profit before taxation	**805 032**	741 049
Adjustments for:		
Depreciation and amortisation	**544**	–
Profit on disposal of non-current asset	**–**	(12 104)
Interest received – investment	**(14 247)**	(12 743)
Finance costs	**215 770**	172 016
Fair value adjustments	**(383 746)**	(381 008)
Share incentive expense	**3 098**	3 023
Straight-line rental revenue adjustment	**(68 059)**	(49 116)
Other non-cash items	**(443)**	(38)
Changes in working capital:		
Trade and other receivables	**(27 264)**	(51 593)
Trade and other payables	**25 882**	(13 516)
Taxation receivable	**(9 254)**	–
	547 313	395 970

	2016 R'000	2015 R'000
19. Capital commitments		
Authorised capital expenditure		
Not yet contracted for and authorised by directors	**65 044**	60 503

This committed expenditure relates to property and will be financed by available bank facilities, retained profits, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

* *In the current financial period distribution paid was reclassified from financing activities to operating activities. The adjustment was made to correctly reflect the nature of the business where distributions are considered to be part of the operations of Accelerate Property Fund Limited.*

	2016 R'000	2015 R'000
20. Minimum contracted rental income		
Minimum contracted rental income		
Accelerate leases a number of retail, office and industrial properties under operating leases, which typically run for a period of one to five years.		
Contractual amounts due in terms of operating lease agreements	–	–
Within one year	**656 521**	529 550
Between one and five years	**1 786 982**	1 469 840
More than five years	**579 513**	314 606
	3 023 016	2 313 996

21. Related parties

Relationships

M Georgiou (100% shareholder of Fourways Precinct (Pty) Ltd through The Michael Family Trust and 100% shareholder of Accelerate Property Management company (Pty) Ltd) and A Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd, both directors' full remuneration is paid by Accelerate. Please refer to the executive directors' remuneration note, note 31 for further details.

	2016 R'000	2015 R'000
Related party balances		
Loan accounts*		
Fourways Precinct (Pty) Ltd	–	51 216
The Michael Family Trust	**50 040**	–
Contingent purchase		
Fourways Precinct (Pty) Ltd	**(27 276)**	(46 236)
Vacancy guarantee		
Fourways Precinct (Pty) Ltd (included in trade receivables)	–	11 549
The Michael Family Trust	**11 563**	–
Development guarantee		
The Michael Family Trust	**6 887**	–
Related party transactions		
Interest charged on outstanding amounts		
Interest owed by Fourways Precinct (Pty) Ltd	–	1 967
The Michael Family Trust	**2 711**	–
Accelerate Property Management fees paid		
Fourways Precinct (Pty) Ltd	**(3 647)**	(3 885)
Accelerate Property Management Company (Pty) Ltd (APMC)	**(2 766)**	(2 648)
Related party balances bear interest at market related interest rates.		

* *In the current financial period it was identified that the loan accounts were not disclosed as a related party balance in this note in the prior year. This was however correctly included in the trade and other receivables balance in the statement of financial position in 2015. The related party disclosure has been corrected in the current year financial statements.*

22. Contingent compensation to vendor

As part of the sale and purchase agreement of properties acquired at listing by Accelerate, an amount of contingent purchase consideration has been agreed with the vendor in accordance with the conditional deferred payment agreement. In accordance with this agreement, Accelerate will provide the vendor with additional purchase consideration for any lettable vacant space excluded from the purchase consideration which is let within the first three years from listing. As at the acquisition date, the fair value of the contingent purchase consideration was estimated at R209 784 554. During the year ended 31 March 2015 a portion of the vacant lettable space has been let in compliance with the conditions laid down in the agreement. As a result of this an amount R163 548 205 in shares was issued in terms of the contingent purchase consideration. The remaining contingent purchase consideration at 31 March 2016 is R27 275 766 due to additional vacant space to the value of 18 960 029 being let during the year ended 31 March 2016. This was settled to the vendor by reducing the amounts payable to Accelerate by the vendor by R18 960 029.

A reconciliation of the movement of the contingent purchase consideration liability is provided below:

	2016 R'000	2015 R'000
Contingent purchase consideration		
Opening balance	**46 236**	209 784
Reduction due to vacancies filled	**(18 960)**	(163 548)
	27 276	46 236

The contingent purchase consideration is a mechanism used to shift the risk of vacant space from purchaser (Accelerate) to the various selling entities. The manner in which additional shares are issued to Fourways Precinct is unlikely to have a dilutive effect on yield.

23. Net asset value

	2016	2015
Shares in issue at the end of the year	**801 344 008**	691 423 255
Net asset value (R'000)	**5 771 966**	4 604 143
Net asset value per share (R)	**7,20**	6,65

24. Finance risk management

	Carried at fair value R'000	Amortised cost# R'000	Total R'000
Total financial assets			
Financial assets 31 March 2016			
Derivative financial assets*	73 086	–	73 086
Trade and other receivables	–	197 908	197 908
Cash and cash equivalents	–	71 428	71 428
	73 086	269 336	342 422
Financial liabilities 31 March 2016			
Long-term interest-bearing borrowings	–	(2 569 905)	(2 569 905)
Trade and other payables	–	(114 209)	(114 209)
Current portion of long-term debt	–	(422 356)	(422 356)
	–	(3 106 470)	(3 106 470)

** The values of the derivative financial asset 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 (refer to note 29 for further details). The fair value is determined as the net discounted cash flows to be received from the swaps in place at 31 March 2016.*

 # 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.

	Carried at fair value R'000	Amortised cost# R'000	Total R'000
24. Finance risk management *(continued)*			
Financial assets 31 March 2015			
Derivative financial assets*	71 153	–	71 153
Trade and other receivables	–	170 644	170 644
Cash and cash equivalents	–	58 817	58 817
	71 153	229 461	300 614
Financial liabilities 31 March 2015			
Long-term interest-bearing borrowings	–	(2 155 158)	(2 155 158)
Trade and other payables	–	(88 327)	(88 327)
Current portion of long-term debt	–	(238 856)	(238 856)
	–	(2 482 341)	(2 482 341)

Other financial risk management considerations

Accelerate's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of Accelerate's loans and borrowings is to finance the acquisition and development of Accelerate's property portfolio. Accelerate has rent and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

Accelerate is exposed to market risk (including interest rate risk and real estate risk), credit risk and liquidity risk.

The board has overall responsibility for the establishment and oversight of Accelerate's risk management framework. As such, Accelerate's senior management is supported by the audit and risk committee that advises on financial risks and the appropriate financial risk governance framework for Accelerate. The audit and risk committee provides assurance to Accelerate's senior management that Accelerate's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies for risk. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

Accelerate's risk management policies are established to identify and analyse the risks faced by Accelerate, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Accelerate's activities. The board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by Accelerate that are affected by market risk are the derivative interest rate hedging financial instruments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate or that the fair values of financial instruments will fluctuate because of changes in market interest rates. Accelerate's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations as well as derivative financial instruments with floating interest rates.

To manage its interest rate risk, Accelerate enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to hedge underlying debt obligations. At 31 March 2016, after taking into account the effect of interest rate swaps, 86,9% of Accelerate's borrowings are hedged.

The analysis overleaf describes reasonably possible movements in interest rates with all other variables held constant, showing the impact on profit before tax and equity. It should be noted that the impact of movement in the variable is not necessarily linear.

24. Finance risk management *(continued)*

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates of the debt and derivatives are all constant and using the hedge designations in place at the reporting date:

- The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on finance income less finance expense for one year, based on the floating rate financial liabilities held at the reporting date, including the effect of hedging instruments; and
- The sensitivity of equity is calculated by revaluing swaps for the effects of the assumed changes in interest rates.

	Increase/ (decrease) in basis points	Effect on profit before tax R'000
2016		
Jibar (one month)	**100**	**(3 923)**
Jibar (one month)	**(100)**	**3 923**
	–	**–**
2015		
Jibar (one month)	100	(3 940)
Jibar (one month)	(100)	3 940
	–	–

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Accelerate is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions and derivatives as well as trade receivables. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Tenant receivables

Accelerate's exposure to credit risk is mainly in respect of clients and is influenced by the individual characteristics of each client. Accelerate's widespread client base reduces credit risk. Tenants are assessed according to Accelerate's criteria prior to entering into lease arrangements. Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before Accelerate's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. When available, Accelerate's credit review includes external ratings. The carrying amount of financial assets represents the maximum credit exposure. The only collateral that is held by Accelerate as security for credit risk is deposit payments by tenants upon entering into a lease.

Tenants are usually required to provide two months' rental as a deposit. For tenant receivables past due but not yet impaired, refer to note 13.

Credit risk related to financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed in accordance with Accelerate's policy. Investments of surplus funds are made only with approved counterparties. Accelerate only deposits cash with banks with high-quality credit standing. For this reason, the company does not consider there to be any significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that Accelerate will not be able to meet its financial obligations as they fall due. Accelerate's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinancing risk. In effect Accelerate seeks to borrow for as long as possible at the lowest acceptable cost. Accelerate regularly reviews the maturity profile of its financial liabilities and will seek to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates. Accelerate intends to refinance the current portion of the maturing debt, by the issue into the market of a secured as well as an unsecured domestic medium-term note (DMTN) bond issue.

86,9% of interest-bearing borrowings were hedged at 31 March 2016, for a weighted average period of 2,4 years.

24. Finance risk management *(continued)*

	R'000
Total borrowings 31 March 2016	
Interest-bearing borrowings maturing May 2016	**183 500**
Interest-bearing borrowings maturing December 2016	**238 853**
Interest-bearing borrowings maturing September 2017	**304 000**
Interest-bearing borrowings maturing December 2017	**445 784**
Interest-bearing borrowings maturing May 2018	**250 000**
Interest-bearing borrowings maturing August 2018	**452 000**
Interest-bearing borrowings maturing December 2018	**658 124**
Interest-bearing borrowings maturing September 2019	**285 000**
Interest-bearing borrowings maturing May 2020	**175 000**
	2 992 261
Interest rate swap 31 March 2016	
Swap maturing 31 March 2017	**400 000**
Swap maturing 28 February 2018	**500 000**
Swap maturing 31 March 2018	**100 000**
Swap maturing 31 March 2019	**1 600 000**
	2 600 000
Percentage of total debt hedged	**86,90%**
Long-term debt 31 March 2015	
Interest-bearing borrowings maturing December 2015	238 856
Interest-bearing borrowings maturing December 2016	238 856
Interest-bearing borrowings maturing December 2017	456 034
Interest-bearing borrowings maturing December 2017	445 784
Interest-bearing borrowings maturing December 2018	729 520
Interest-bearing borrowings maturing September 2019	285 000
	2 394 050
Interest rate swap 31 March 2015	
Swap maturing 31 March 2016	200 000
Swap maturing 31 March 2017	100 000
Swap maturing 31 March 2018	100 000
Swap maturing 31 March 2019	1 600 000
	2 000 000
Percentage of total debt hedged	84,00%

The tables below set out the maturity analysis (including future capital and interest payments) of Accelerate's financial liabilities based on the undiscounted contractual cash flows.

	Within 1 year R'000	1 – 2 years R'000	2 – 5 years R'000	Over 5 years R'000	Total R'000
31 March 2016*#					
Total borrowings	**440 977**	**815 982**	**2 347 706**	**–**	**3 604 665**
Trade and other payables (excluding VAT)	**114 209**	**–**	**–**	**–**	**114 209**
	555 186	**815 982**	**2 347 706**	**–**	**3 718 874**
31 March 2015*					
Total borrowings	252 605	271 356	2 429 361	–	2 953 322
Trade and other payables (excluding VAT)	88 327	–	–	–	88 327
	340 932	271 356	2 429 361	–	3 041 649

* *Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the requirements of Accelerate. In terms of covenants with its lenders, the nominal value of interest-bearing borrowings over secured properties may not exceed 45% of the value of investment property. Total interest-bearing borrowings may not exceed 50%.*

In the current financial period it was identified that the maturity analysis in the prior year included the discounted cash flow of the long-term debt. This has been corrected in the current year financial statements with the maturity analysis now including undiscounted future cash flows.

25. Derivative financial assets

Economic hedges

Accelerate holds interest rate swap contracts with notional amounts of R2 600 000 (2015: R2 000 000 000) whereby it pays a fixed rate of interest and receives a variable rate based on one month Jibar on the notional amount. The swap is used to hedge exposure to the variable interest rate payments on the variable rate secured loans.

The interest rate swaps have been used to match the critical terms of the underlying debt to achieve economic hedging (hedging has not been applied for accounting purposes). Cash flows are expected to occur until March 2019 and will be recognised through profit or loss as and when incurred.

The aggregate fair value of the interest rate swaps at the end of the reporting period was R73 086 000 (2015: R71 152 000).

The valuation techniques applied to fair value the derivatives which include the swap models, use present value calculations. The model incorporates various inputs including the credit quality of counterparties and forward rates. As at 31 March 2016, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk.

The derivatives are classified in Level 2 of the fair value hierarchy.

	2016 R'000	2015 R'000
Reconciliation of the swap derivatives		
Opening balance value	**71 153**	131 709
Net changes in fair value through profit and loss	**1 933**	(60 556)
Closing balance	**73 086**	71 153

26. Capital management

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 2016 and 31 March 2015. 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. Accelerate's policy is to keep its average loan-to-value ratio lower than or equal to 40%. 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 35,65%. Accelerate did not default on any other of its obligations under its loan agreements.

	2016 R'000	2015 R'000
Carrying amount of interest-bearing loans and borrowings	**2 992 264**	2 394 050
Investment property at fair value (excluding straight-lining adjustment)	**8 392 506**	6 782 741
	35,65%	35,30%

27. Subsequent events

Non-adjusting events after year end

On 14 June 2016 the Portside transaction as announced on SENS 24 August 2015 was concluded by the transfer of floors 9 to 18 of the iconic Portside office building in the Cape Town CBD to Accelerate. The property with a GLA of 25 127 m^2 was acquired from Old Mutual Life Assurance Company at a cost of R755 million at an initial yield of 7,5%. This acquisition was fully debt funded by Rand Merchant Bank.

On 16 May 2016 Rietfontein Pavilion, a non-core retail property, situated in Gauteng, was sold for R28 million. The sale of this property is in line with Accelerate's strategy to sell non core properties and reinvest in the core portfolio.

On 8 June 2016 Rock Cottage, a non core retail property, situated in Gauteng, was sold for R65 million. The sale of this property is in line with Accelerate's strategy to sell non-core properties and reinvest in the core portfolio.

28. Non-current assets held for sale

The company has decided to sell the following retail properties, all situated in Gauteng during the 31 March 2017 financial year:

- Rietfontein Pavilion (Fair value R24 527 580)
- Rock Cottage (Fair value R62 541 200)
- Centurion Highveld Park Investments (Fair value R43 657 069)

	2016 R'000	2015 R'000
Assets and liabilities		
Non-current assets held for sale		
Investment property	**130 726**	28 420

29. Current tax payable (receivable)

	2016 R'000	2015 R'000
Refund due from SARS	**(9 269)**	(15)

The refund due from SARS of R9 269 000 is due to provisional tax paid by Wanooka Properties (Pty) Ltd of which Accelerate subsequently acquired 100% shareholding of as part of the acquisition of the KPMG properties. As Wanooka now also qualifies as a REIT and distributes all of its profits, the provisional tax payment made will be refunded by SARS when the final tax return for Wanooka is assessed.

30. Fair value adjustments

	2016 R'000	2015 R'000
Investment property (Fair value model)	**381 812**	441 565
Mark to market movement on swap	**1 934**	(60 557)
	383 746	381 008

	Year ended 31 March 2016 R'000	Year ended 31 March 2015 R'000
31. Directors' remuneration		
The directors' remuneration figures below forms part of employee cost (refer note 4)		
Total guaranteed package	–	–
M Georgiou	–	–
A Costa	2 901	2 333
D Kyriakides	1 957	1 866
JRJ Paterson	2 100	1 833
Short-term incentive payment	–	–
M Georgiou	–	–
A Costa	1 698	780
D Kyriakides	1 158	469
JRJ Paterson	1 415	650
Non-executive directors	–	–
TT Mboweni	1 633	1 580
GC Cruywagen	536	520
TJ Fearnhead	379	364
JRP Doidge	329	316
K Madikizela	329	312
Prof F Viruly	329	312
	14 764	11 335

32. Accelerate Property Fund Conditional Share Plan

The executive directors have been awarded share options in line with Accelerate Property Fund's Conditional Share Plan which came into effect during the year ending 31 March 2015. None of the share options are exercisable as at 31 March 2015 or 31 March 2016, due to the vesting periods being 2017 and 2018.

The shares to be awarded to each executive director have been calculated in the following manner:

- **Performance Shares**, the vesting of which are subject to pre-determined performance metrics ("Performance Condition(s)") and continued employment ("Employment Conditions"), and which are intended to be used primarily as an incentive to Participants to deliver the group's business strategy over the long-term through the selection of appropriate and stretching Performance Condition(s);
- **Retention Shares**, the vesting of which are subject to the fulfilment of the Employment Condition by the Participant, and which are aimed at retention in specific, ad hoc circumstances where it is in the Company's, Management Company's and shareholders' strategic and financial interests that a specific individual is retained, or to address sign-on requirements.
- The CSP (conditional share plan) also provides for the once off award of **Top Up Awards**, being awards of Performance Shares and Retention Shares made simultaneously with the initial allocation of awards under the CSP.

Share options awarded at 31 March 2016, which only vest on the below dates once the vesting conditions have been met, are as follows:

	Number of per-formance shares	Reserve (R) at 31 March 2016	Number of retention shares	Reserve (R) at 31 March 2016	Number of shares vesting 11 August 2017	Number of shares vesting 11 August 2018	Number of shares vesting 11 August 2018
Directors							
M Georgiou – Indirect	–	–	–	–	–	–	-
Performance shares	824 770	609 681	–	–	–	824 770	-
Retention shares	–	–	201 244	285 232	–	201 244	-
A Costa – Indirect	–	–	–	–	–	–	-
Performance shares	2 534 969	1 698 870	–	–	1 243 781	824 770	466 418
Retention shares	–	–	731 818	1 276 503	252 118	201 244	278 456
D Kyriakides – Direct	–	–	–	–	–	–	-
Performance shares	808 934	567 544	–	–	404 229	346 403	58 302
Retention shares	–	–	66 322	123 909	31 515	–	34 807
J Paterson – Direct	–	–	–	–	–	–	-
Performance shares	1 267 485	849 435	–	–	621 891	412 385	233 209
Retention shares	–	–	416 191	709 577	126 029	150 933	139 229
	5 436 158	3 725 530	1 415 575	2 395 221	2 679 563	2 961 749	1 210 421

After vesting the shares are exercisable at a strike price of R0.

The maximum number of shares which may be allocated under the CSP shall not exceed 31 945 846 (thirty one million, nine hundred and forty five thousand, eight hundred and forty six) shares, which represents approximately 5% of the number of issued shares as at the date of approval of the CSP by shareholders.

The maximum number of shares which may be allocated to an individual in respect of all unvested awards may not exceed 9 583 854 (nine million, five hundred and eighty three thousand eight hundred and fifty four) shares, which represents approximately 1,5% of the number of issues shares as at date of approval of the CSP by shareholders.

The reserve at 31 March 2016 was calculated by applying the share prices at grant date, pro rata, over the vesting period of the shares.