ACCELERATE
PROPERTY FUND

INTEGRATED REPORT
for the year ended 31 March 2016

A LEADING PORTFOLIO

CONTENTS AND GLOSSARY

see overleaf

CONTENTS

GLOSSARY

A
AFS – annual financial statements
AGM – annual general meeting
ALBI – All Bond Index
ANC – African National Congress
APF – Accelerate Property Fund

B
BBBEE – broad-based black economic empowerment

C
CBD – central business district
CSP – conditional share plan
CSR – corporate social responsibility

D
DCF – discounted cash flow
DMTN – domestic medium-term note

E
EIR – effective interest rate
EPS – earnings per share
ERV – estimated rental value
ETC – economic transformation committee

F
FY – financial year

G
GCR – Global Credit Ratings Company
GLA – gross lettable area
GRI – Global Reporting Initiative

I
IAR – integrated annual report
IAS – Investment Analysts Society
IASB – International Accounting Standards Board
IFRS – International Financial Reporting Standards
IIRC – International Integrated Reporting ‹IR› Council
IPD – Investment Property Databank
IT – information technology

J
Jibar – Johannesburg Interbank Average Rate
JRA – Johannesburg Roads Agency
JSE – Johannesburg Stock Exchange
JV – joint venture

K
King III – King Report on Corporate Governance for South Africa 2009
KPA – key performance area
KPI – key performance indicator

L
LID – lead independent director
LSM – living standards measure
LTI – long-term incentive
LTV – loan-to-value ratio

N
NEC – National Executive Committee

O
OCI – other comprehensive income
OECD – Organisation of Economic Co-operation and Development

R
REIT – Real Estate Investment Trust
RICS – Royal Institute of Chartered Surveyors
RSA – Republic of South Africa

S
SA REIT – South African Real Estate Investment Trust
SAPOA – South African Property Owners Association
SARB – South African Reserve Bank
SARS – South African Revenue Service
SENS – Stock Exchange News Service
STI – short-term incentive

T
TGP – total guaranteed package
the Act – Companies Act 71 of 2008, as amended

Z
ZAR – South African rand

OUR VALUES

Integrity
To be accountable for our actions, to be consistently fair to others, and to be truthful and respectful

Honesty
To be reliable, approachable, sensitive to the needs of others, open and honest

Trust
To be trustworthy in our dealings and interactions with all stakeholders

These core values are supported by:

Competence
To channel our skills and abilities into innovative and efficient outcomes that we deliver with energy and professionalism

Cooperation
To work together in an entrepreneurial spirit, sharing information, knowledge and resources towards achieving our individual and overall organisational performance objectives

Commitment
To be committed to our respective jobs, customers and other stakeholders by delivering beyond expectations of quality, punctuality and efficiency

Vision 2020
To be the most valued and respected company in the South African property sector by focusing on the business of tomorrow but not at the expense of the business of today or the communities in which we operate

ABOUT OUR REPORT

Accelerate Property Fund's third integrated annual report (the report) covers the activities of Accelerate Property Fund for the financial year 1 April 2015 to 31 March 2016, with comparatives shown where applicable. We regard this report as an opportunity to engage proactively with stakeholder groups. The report should enable stakeholders to assess Accelerate's ability to create and sustain value over the short, medium and long term.

In the report, Accelerate, the company, the group, us, our, we, or the fund refer to the Accelerate Property Fund and/or its management and subsidiaries.

Scope and boundary

This report identifies and explains the material aspects of our business, including economic, social, governance and environmental issues facing the group, and their impact.

Accelerate is a South African listed property fund with a portfolio of 61 properties that it manages through its asset management and property management functions. The asset management function is housed within the company and comprises an asset management team and an investment committee that renders strategic services to the company.

The property management function is outsourced to two separate entities, namely Fourways Precinct (Pty) Ltd (Fourways Precinct) and Accelerate Property Management Company (Pty) Ltd (Accelerate Property Management Company); however, these operate as a single integrated property management operation. These entities manage all of the properties in the portfolio, excluding the group's Cape Town properties. The management of these has been subcontracted to Baker Street Properties. Accelerate has executive representation on the boards of Fourways Precinct and Accelerate Property Management Company.

Our operational structure can be found on page 8.

Reporting frameworks

We aim to continue to produce a report that we believe presents a balanced and informative overview of Accelerate for all stakeholders.

In compiling our report, the following reporting principles and requirements were considered:

- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework;
- International Financial Reporting Standards (IFRS);
- The SAICA Financial Reporting Guides as issued by the Accounting Practices Committee;
- King Report on Corporate Governance for South Africa 2009 (King III);
- South African Companies Act 71 of 2008; and
- JSE Listings Requirements.

Our integrated report is the primary mechanism for communicating with stakeholders and includes the annual financial statements.

The following information is supplementary to our integrated report and is available online at www.acceleratepf.co.za.

Information	Purpose
Latest financial results, including our interim and annual financial results presentations	Detailed financial communications to stakeholders
King Code of Governance for South Africa (King III) checklist	Accelerate has disclosed our compliance and application of the King III principles as required
Board and board committee charters and terms of reference	Detailed information of the board and board committees' terms of reference
Additional information	Detailed shareholder information is available online, including: • SENS announcements • The pre-listing statement • AGM-related information • Circulars
Capital market information	Details of the domestic medium-term note programme
Portfolio information	Updated information on our portfolio, including a summary of our property portfolio, tenant, sectoral and geographic profiles

Assurance

The consolidated annual financial statements have been prepared in accordance with IFRS and have been externally audited by EY. The three lines of controls incorporate management oversight, management of risk, and independent assurance. These form the basis of the combined assurance approach required under the King Code, which aims to provide a coordinated approach to all assurance activities. We continue to make progress with the integration and alignment of assurance processes to optimise governance oversight, risk management and control such as increased reliance on internal audit work by the external auditors.

The independent audit report can be found on page 95.

Forward-looking statements

This report may include forward-looking statements that involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and Accelerate does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Stakeholder feedback

We continue to engage the services of Instinctif Partners to coordinate our investor relations. Therefore, please send any feedback on reporting content or requests for copies to:

Instinctif Partners
Attention: Morné Reinders and Lizelle du Toit
Tel: 011 447 3030
Email: accelerate@instinctif.com

About our report (continued)

Approval of Accelerate's integrated annual report

The board acknowledges its responsibility to ensure the integrity of this report. The directors confirm that they have collectively assessed the content of the report and believe it addresses the company's material issues and is a fair representation of the integrated performance of Accelerate. Therefore, the board has approved the 2016 integrated annual report for publication.

Mr Tito Titus Mboweni
Chairman
23 June 2016

Mr Michael Georgiou
Chief executive officer
23 June 2016

Navigational icons

The following icons are applied throughout the report to improve usability and show the integration between the relevant elements of the report.

Website

Page reference


REASONS TO SMILE
grandma

WHO WE ARE

GROUP PROFILE

Accelerate is a listed real estate investment trust (REIT) offering investors the opportunity to share in a portfolio of 61 well-established high-quality properties across South Africa.

61	520 226 m^2	R8,4 billion	1 662
properties	Property portfolio value	property value	tenants

Listing date → 12 December 2013

Property portfolio → R8,4 billion

Strategic nodes →
Fourways Johannesburg
Charles Crescent Sandton, Johannesburg
Foreshore Cape Town
Somerset West

Weighted average lease expiry → 5,1 years

Geographic spread based on (GLA) →
- Gauteng – 75,6%
- Western Cape – 17,0%
- KwaZulu-Natal – 2,3%
- Limpopo – 3,2%
- Eastern Cape – 1,7%
- Mpumalanga – 0,2%

Gross lettable area (GLA) → 520 226 m^2

Occupancy (net of structural vacancies) → 92,87%

Number of tenants → 1 662

Tenant profile by revenue: A B C →
A – 57,2%
B – 17,1%
C – 25,7%

Portfolio spread →
- 33 retail properties
- 20 office properties
- 8 industrial properties

Yield (based on a share price of R6,23) → 8,61% (annualised)

Escalations → Average of 8,04%

Market capitalisation (based on a closing share price of R6,01 at 31 March 2016) → R4,82 billion

OPERATIONAL STRUCTURE

Asset management function:

- To consider acquisitions, disposals and redevelopments
- To recommend to the investment committee appropriate acquisitions, disposals and redevelopments
- To implement such transactions and capital expenditure
- The investment committee will make recommendations to the board for transactions and capital expenditure that fall outside its approved mandate

Retail	Office	Industrial
Retail **59,9%**	Office **22,8%**	Industrial **17,3%**
33 properties	**20** properties	Eight properties
GLA **311 527** m^2	GLA **118 657** m^2	GLA **90 042** m^2
Property value **R5,89 billion**	Property value **R1,87 billion**	Property value **R0,64 billion**

Property management functions

Fourways Precinct (Pty) Ltd and Accelerate Property Management Company (Pty) Ltd functions have been merged operationally.

Property management services include the following functions:

- Portfolio management
- Leasing
- Marketing
- Operations (administration, collections and maintenance)
- Finance

Baker Street Properties (11 properties)

INVESTMENT CASE

We have built a strong foundation by focusing on . . .

. . . our people and culture

Culture
We encourage a high-performance culture from management to individual employee.

Expertise
Accelerate is managed by a professional and committed management team with proven corporate, finance and property-related experience.

Governance
Accelerate strives to maintain a well-balanced board with a mix of governance, risk management, law, economics, banking, construction, finance and property experience. We have an independent non-executive chairman and a lead independent non-executive director. At all times, we pursue transparent reporting through our integrated report and other forms of communication with stakeholders.

. . . optimising our portfolio

Selective geographic diversification
We currently have property exposure mainly in Gauteng, and are planning on increasing our exposure in the Western Cape, Limpopo and KwaZulu-Natal. Accelerate is pursuing international opportunities while also looking at increasing our exposure in other areas in South Africa.

Significant exposure to defensive retail sector
The retail sector comprises 74,4% of our property portfolio by revenue.

The Fourways Development is well underway, which will increase the value of our Fourways retail asset base.

Quality tenants
Anchor retail tenants include most national tenants in South Africa.

PROPERTY PORTFOLIO – TOP 10 (BY VALUE)

FOURWAYS MALL SHOPPING CENTRE (Gauteng)

Value
R2 417 200 000

GLA
61 480 m^2


CEDAR SQUARE
(Gauteng)
Value
R979 531 662
GLA
46 025 m²


KPMG CRESCENT
(Gauteng)
Value
R631 102 338
GLA
20 096 m²


FOURWAYS VIEW
(Gauteng)
Value
R328 386 292
GLA
12 962 m²

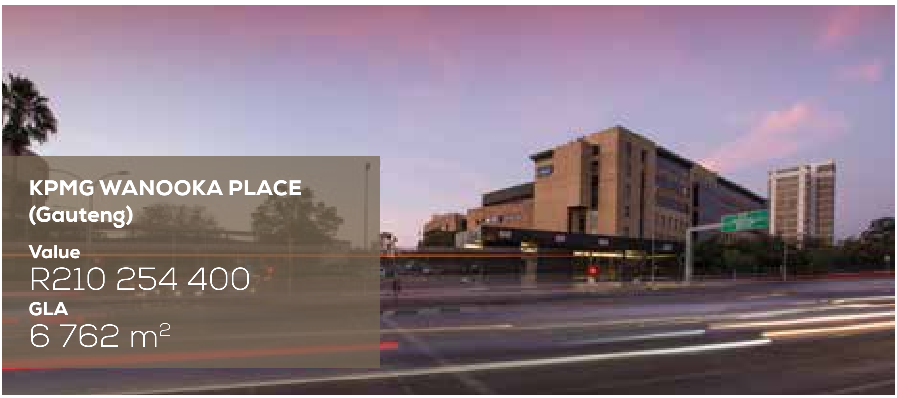
Property portfolio – Top 10 (by value) (continued)

THE BUZZ SHOPPING CENTRE (Gauteng)

Value
R287 449 933
GLA
14 291 m²

BMW FOURWAYS (CEDAR) (Gauteng)

Value
R210 587 867
GLA
13 098 m²



KPMG WANOOKA PLACE (Gauteng)

Value
R210 254 400
GLA
6 762 m²

FOURWAYS GAME
(Gauteng)

Value
R195 800 000
GLA
8 763 m²

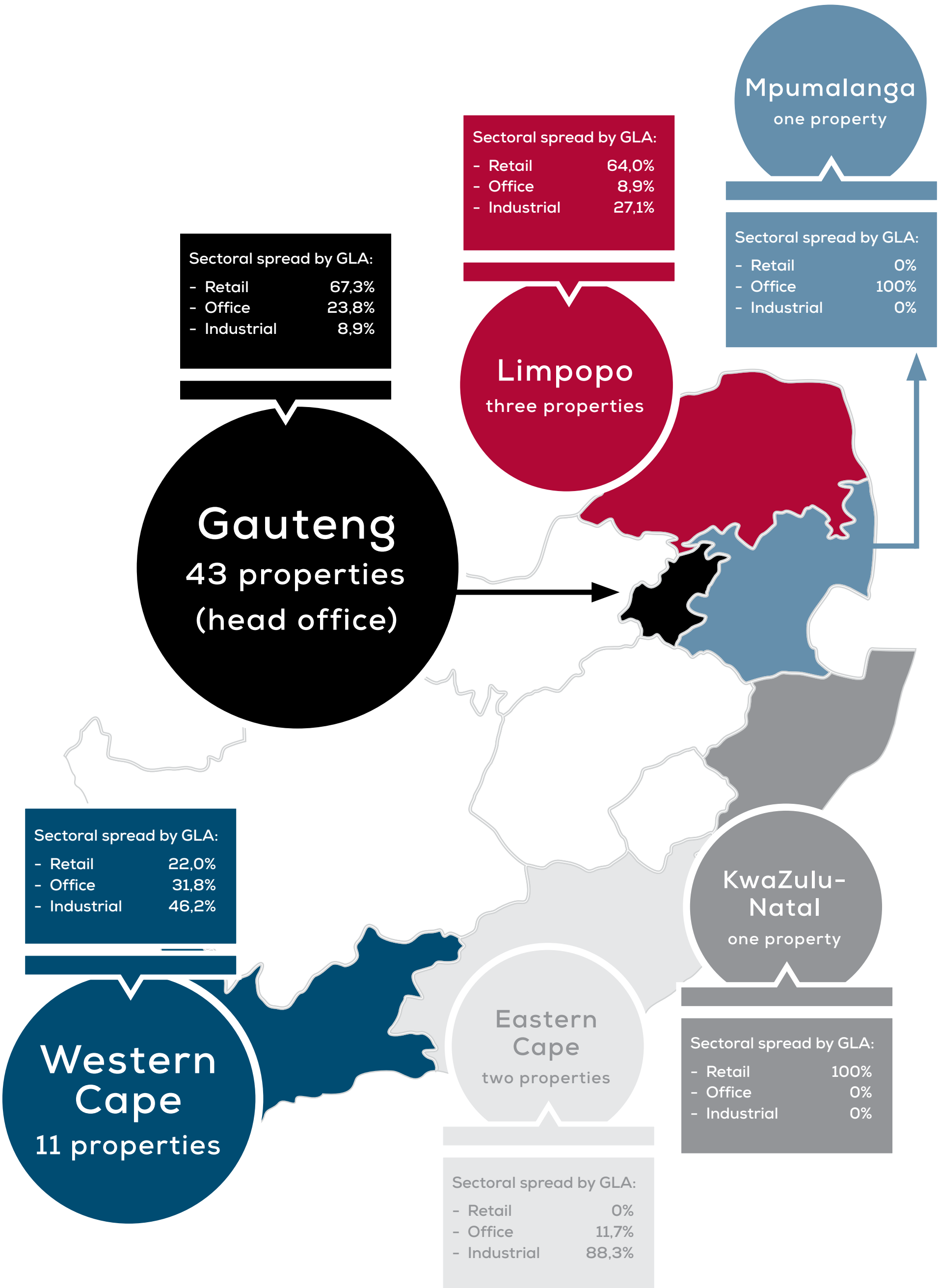
CHECKERS MONTAGUE
(Western Cape)

Value
R175 680 712
GLA
26 135 m²

KYALAMI DOWNS
(Gauteng)

Value
R162 995 090
GLA
14 096 m²

GEOGRAPHIC SUMMARY

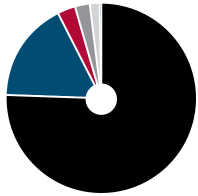


Gauteng	Western Cape
Key nodes: Fourways, Charles Crescent	Key nodes: Foreshore, Somerset West
Anchor tenants **Retail** • Absa • Capitec • Checkers • Dis-Chem • Edgars • First National Bank • Foschini • Jet Stores • Massmart • Pick n Pay • Standard Bank • Woolworths • Nedbank **Office and industrial** • ADT • FLSmidth • Primedia Group • Scottish Knitware	**Anchor tenants** • Bytes Technology • Cape Metropolitan Police • Mustek • Oceana • Mr Price

Limpopo	KwaZulu-Natal
Anchor tenants • Pick n Pay • Woolworths • Absa • Nedbank	**Anchor tenants** • Pick n Pay

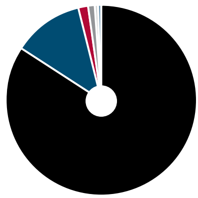
The Fourways retail properties comprise 57,12% of Accelerate's property portfolio by value. The current development will transform Fourways Mall into a super-regional shopping centre.

Geographic region (GLA)



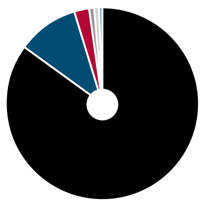
Gauteng 75,6% (2015: 80,2%)
Western Cape 17,0% (2015: 14,9%)
Limpopo 3,2% (2015: 2,2%)
KwaZulu-Natal 2,3% (2015: 2,7%)
Eastern Cape 1,7% (2015: 0%)
Mpumalanga 0,2% (2015: 0%)

Geographic region (revenue)



Gauteng 84,7% (2015: 85,6%)
Western Cape 12,0% (2015: 12,0%)
Limpopo 1,7% (2015: 1,3%)
KwaZulu-Natal 1,1% (2015: 1,1%)
Eastern Cape 0,3% (2015: 0%)
Mpumalanga 0,2% (2015: 0%)

Geographic region (fair value)



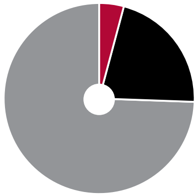
Gauteng 85,4% (2015: 85,0%)
Western Cape 10,4% (2015: 12,3%)
Limpopo 2,4% (2015: 1,7%)
KwaZulu-Natal 0,8% (2015: 1,0%)
Eastern Cape 0,8% (2015: 0%)
Mpumalanga 0,2% (2015: 0%)

SECTOR SUMMARY

Sectoral type (GLA)

Industrial	17,3% (2015: 12,4%)
Office	22,8% (2015: 20,9%)
Retail	59,9% (2015: 66,7%)

Sectoral type (gross revenue)



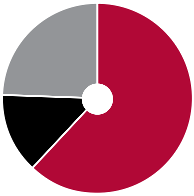
Industrial	4,4% (2015: 2,9%)
Office	21,2% (2015: 15,6%)
Retail	74,4% (2015: 81,5%)

Sectoral type (fair value)

Industrial	7,6% (2015: 4,2%)
Office	22,2% (2015: 13,4%)
Retail	70,2% (2015: 82,4%)

TENANT PROFILE

Tenant profile (GLA)



A	62,2% (2015: 60,1%)
B	13,4% (2015: 15,8%)
C	24,4% (2015: 24,1%)

Tenant profile (revenue)

A	57,2% (2015: 51,8%)
B	17,1% (2015: 20,1%)
C	25,7% (2015: 28,1%)

Single vs multi-let

Single-tenanted	34,1% (2015: 24,0%)
Multi-tenanted	65,9% (2015: 76,0%)

A: Large national tenants, large listed tenants, large professional firms and major franchises, including among others, Absa, ADT, Capitec, Dis-Chem, Edgars, First National Bank, Foschini, Jet stores, KPMG, Makro, Massmart, Medscheme, Nedbank, OK Furnishers. Pepkor, Pick n Pay, Primedia, Shoprite, Standard Bank, Woolworths

B: National tenants, listed tenants and franchises, including among others, Fishmonger, KFC, Mugg & Bean, Nando's, Spur, Steers, Wimpy

C: Other, being smaller non-listed and non-franchised businesses mainly owner-operated

NODAL APPROACH

As part of our growth and diversification strategy, Accelerate is focused on the development of strategic nodes. Node development allows us to maximise value by developing properties that will then enhance the value for the whole area.

An overview of our strategy can be found on page 22.

Our emphasis on nodes lies mainly in Gauteng, which Accelerate believes is the economic centre of the South African economy. Our plan for continued expansion and diversification will further strengthen our portfolio and benefit our standing in the South African property market and abroad.

Our current key strategic nodes include:

Gauteng

Gauteng generates 33,9% of South Africa's GDP, representing 10% of the total GDP for the entire African continent. The Gauteng economy is thus the driving force behind the South African economy. Currently, the finance and business services sector continues to be the major contributor to the province (26%), followed by wholesale and retail trade, and the government sectors.

Given that Gauteng is the biggest regional economy, it has experienced a surge in urbanisation over the last 10 years. In all, 23% of the South African population (11,9 million people – StatsSA 2014) currently live in Gauteng. This number is set to grow by 5% by 2020. As a greater number of people move into the province, the requirement for land increases. Therefore, Gauteng has seen this expansionary growth during the last 10 years in its outlying urban areas to the extent that the metropolis of Johannesburg has created decentralised zones or outlying CBDs on the outskirts of the city. Areas such as Fourways, Modderfontein and Midrand have seen the creation of these decentralised zones. This provides opportunities for developers and property funds to create value.

Fourways

Fourways is one such zone that has grown due to urbanisation and urban sprawl. The area of Fourways lies on the outskirts of the Johannesburg metropolis and sits on arterial routes into Sandton and Roodepoort. It has experienced considerable growth in residential dwellings over the last five years. This makes it a value proposition for Accelerate to create a decentralised CBD. It already owns 179 893 m^2 of gross lettable area (GLA) within the node, but is currently adding to this with:

- the redevelopment of Fourways Mall. This development is aiming to be completed by 2018, and will add 90 000 m^2 of retail GLA to the Fourways Precinct;
- the renovation of Cedar Square. Renovations have started on the shopping centre and are scheduled to be completed by the end of 2016. These renovations include: an expansion of the Woolworths foods store, completion of the front facade, and other upgrades; and
- other opportunities to expand and improve on its assets within the Fourways area.

Accelerate owns undeveloped bulk in the Fourways Precinct, which it will use to create more value for shareholders. The bulk includes:

- the area surrounding the BMW dealership on Cedar Road;
- the area behind the Buzz Shopping Centre; and
- bulk around Cedar Square Shopping Centre.

The bulk was paid through the issuance of 50 million shares, which do not receive dividends for the period until December 2021 or until developed, whichever occurs first.

Accelerate will look to create more bulk in this node in the future.

Charles Crescent

Another strategic node in Gauteng is the Charles Crescent Precinct. Accelerate owns 44 380 m^2 in this area, which is situated on the outskirts of Sandton. It offers a unique opportunity for the fund to create a multi-purpose node in the future that will include residential, retail and office (mixed-use) property types.

Western Cape

Our investment in the Western Cape is an important aspect of our local diversification strategy.

Foreshore – Cape Town

Accelerate currently owns 20 312 m^2 of GLA within this node. A further 25 127 m^2 has been added to the node, with the Portside acquisition post year-end.

Somerset West

Accelerate owns 19 263 m^2 of GLA within the Somerset West area, on the outskirts of the Cape Town metropolis.

George

The 28 240 m^2 Eden Meander Lifestyle Centre proposed acquisition situated in George has the ability to allow Accelerate to create another strategic node within the Western Cape on the back of a growing town. The proposed acquisition has undeveloped bulk for future expansion and development.

Free State

Bloemfontein

Accelerate aims to establish a new strategic node in Bloemfontein.

Accelerate has an option to purchase 50% of Loch Logan Waterfront Shopping Centre in Bloemfontein, Free State. The centre holds 79 856 m^2 in GLA and dominates the Bloemfontein retail market.

As the option does not cater for a selling price, this potential acquisition is subject to reaching agreement with the seller on price.


KPMG

STRATEGY

Our strategy

To optimise income and capital growth for shareholders through strategically growing our asset base while maintaining our strong retail bias.

Our strategic pillars and related business activities	Our strategic objectives	Relevant key performance indicators
Growing our portfolio (Asset management)	**Investing** in quality property assets	Increase in number of properties owned (61 up from 52 in 2015) Purchase of KPMG buildings during the period
	Concentrating on **strategic nodes**	Total investment per strategic node: • Fourways, Johannesburg: R4,8 billion • Charles Crescent, Sandton: R412 million • Foreshore, Cape Town: R305 million • Somerset West: R180 million
	Creating new strategic nodes **Maintaining** our retail focus	Acquisition of Eden Meander in George
	Our **offshore strategy**	Seeking further diversification by exploring international opportunities
Enhancing returns on our assets (Property management)	**Redeveloping and upgrading** properties to enhance their value	Capex investment of R32 million in capex spend during the year ended 31 March 2016 11,4% increase in GLA under management from the year ended 31 March 2015
Optimising our funding (Financial management)	**Diversifying our funding** while proactively managing interest rate risk	86,9% of debt hedged Funding diversity: • 33% finance through debt capital markets • 67% finance through three different banks • 8,24% blended interest rate
Delivering value to stakeholders (Relationship management)	Growing our **distributions** to shareholders	Distribution growth year-on-year was 9,1% Shareholder distribution of 53,67 cents per share
	Maintaining tight control on **property expenses**	We remain focused on tightly managing expenses and finding new and innovative ways to save costs for the fund and our tenants
	Delivering on tenants' expectations	Tenant retention rate of 93% Vacancies of 7,13% (net of structural vacancies)

Outlook

Accelerate has a strong pipeline of local acquisitions that it will strive to complete. Accelerate is also considering the purchase of international properties.

Accelerate is looking at the best possible options to develop its undeveloped bulk in the Fourways area. While the Portside acquisition has been finalised, the transfer is yet to be completed. We expect this to take place within the first quarter of the 2017 financial year.
The Eden Meander Lifestyle Centre acquisition has the ability to allow Accelerate to create another strategic node within the Western Cape. Eden Meander is a 28 240 m² centre in George. The acquisition comes with bulk for future possible expansion and development. The suspensive conditions for this acquisition still need to be fulfilled.
Accelerate's strategy is to focus on single-tenant, net long lease properties in the office, retail and industrial sectors that are strategic to blue-chip multinational or large national tenants. Accelerate is in the process of launching this offshore strategy with target countries in Central and Eastern Europe.

We will continue to invest in the upkeep and upgrade of our existing buildings.

We remain committed to mitigating risks surrounding funding by diversifying the pool of funding available to us. During 2017, we will focus on retaining this structure, as well as minimising the effects of interest rate movements by proactively managing our swaps.

We will continue to grow our distributions to shareholders through a disciplined execution of our growth strategy while focusing on a reduction in costs.
Net property expenses of R47,6 million (2015: R34,7 million), in conjunction with R38,7 million in other operating costs (2015: R36,3 million), resulted in Accelerate reporting a 13,40% cost-to-income ratio (2015: 13,44 %).

We remain committed to improving our tenants' experience, and will continue to engage with tenants to best understand their needs.

A CONSISTENT STRATEGY WITH STRONG DELIVERY

Our success since listing

Upon listing in 2013, Accelerate stated six strategic objectives. Since then, Accelerate has continued to show strong progress against these strategic objectives. This commitment to strategic consistency has been a major driving force in Accelerate's success.

	Strategic objectives		Progress
1	**Investing** in quality property assets	✓	Since listing, Accelerate has seen asset values grow by R2,880 billion. At listing, Accelerate held property worth R5,517 billion in value. Since listing, our portfolio value has grown by R2,880 billion (March 2016: R6,77 billion), translating into a 52,2% increase in just over two years. To date, Accelerate owns and manages a total of 61 properties, nine more than when it listed. These properties constitute a total GLA of 520 226 m^2, an 18,1% increase since listing. The completion of the Fourways Mall redevelopment project and the finalisation of deals in our pipeline will significantly enhance value. Acquisitions such as the KPMG building, the impending transfer of the Portside Tower, and the Noor portfolios have added and will add valuable income to Accelerate, and increase our average weighted lease expiry. Our primary focus remains on the South African property market – however, we believe that offshore investment will aid in diversifying our funding, growing our asset base, and creating a strong distribution for the group and its shareholders.
2	Concentrating on existing **strategic nodes**	✓	Accelerate has seen successful growth in our key strategic nodes over the last two years, and investment into newer nodes will further maximise returns. Accelerate is currently in the process of investing further in the Cape Town Foreshore node. The strategic purchase of the Portside Tower, an iconic building in the Cape Town CBD, has given us a strong footing in this area.
	Creating new strategic nodes	✓	The Eden Meander Lifestyle Centre acquisition has the ability to allow Accelerate to create another strategic node within the Western Cape. Eden Meander is a 28 240 m^2 centre in George. The acquisition comes with bulk for future possible expansion and development. The suspensive conditions for this acquisition still need to be fulfilled.

Strategic objectives		Progress	
3	**Redeveloping and upgrading** properties to enhance their value	✓	Accelerate has seen successful refurbishments and redevelopments of Thomas Patullo offices in Cape Town and the Bosveld Mall in Bela Bela. The Fourways Development project will see an extra 90 000 m² of GLA added to the existing complex. APF will own 50% of approximately 170 000 m² of this super-regional shopping centre. Renovations are also underway on Cedar Square Shopping Centre, which will see an expansion to the existing Woolworths store to over 3 000 m², a refurbishment to the front facade of the building and other upgrades.
4	**Diversifying our funding** while proactively managing our interest rate risk	✓	Despite the instability of the South African economy and steady rise in interest rates, Accelerate has managed to maintain a successful and profitable fund. This has been achieved through proactive management of financing, debt and interest rates. During the year under review, we have once again accessed the capital markets and further diversified our funding and hedging lines with our existing key stakeholders. This included the successful refinance in August 2015 of long-term debt to the value of R452 million through the debt capital markets. Additional swaps of R300 million were entered into during 2015, with a further R500 million entered into in February 2016, extending Accelerate's interest rate cover.
5	Growing our **distributions** to shareholders	✓	Accelerate continues to optimise and enhance revenue streams through new investments and acquisitions, and streamline operational costs through strategic management and delivery on objectives. Since listing, the following returns have been achieved: • March 2015 dividend: 49,21 cents per share • March 2016 dividend: 53,67 cents per share (9,1% year-on-year growth).
6	Maintaining tight control on property expenses	✓	Net property expenses of R47,6 million (2015: R34,7 million), in conjunction with R38,7 million in other operating costs (2015: R36,3 million), resulted in Accelerate reporting a 13,40% cost-to-income ratio (2015: 13,44%).
7	**Delivering** on tenants' expectations	✓	Accelerate continues to engage with tenants to understand and meet their needs. This includes ongoing investigations into innovative solutions to limit interruption to tenants and patrons as a result of water and power disruptions or building and redevelopment work, as well as ensuring all buildings function at their optimal level.

HOW WE CREATE VALUE
OUR BUSINESS MODEL

Understanding the trends that influence our business

We are a predominantly South African property company and, as such, are impacted by the operating environment within the South African context. Factors affecting us include:

- a slowdown in the South African economy;
- higher inflationary forecasts;
- instability in financial markets;
- uncertainty in both commercial and residential real estate markets;
- high levels of unemployment;
- limited availability of quality stock;

Inputs

Financial capital	Manufactured capital	Human capital
The funds, including loans, capital, markets notes, and equity, available to us for use in the business. Our loan-to-value ratio is managed to be between 35% and 45%.	In our industry, manufactured capital refers to the physical objects used in the provision of our services in managing and acquiring property. As such it consists of the property portfolio through which we generate revenue. Our property portfolio by GLA consists of: • 59,9% retail; • 22,8% office; and • 17,3% industrial.	The competency, capability and experience of employees, and their motivations to innovate make up the human capital we rely on to achieve our strategy.

Business activities

Asset management	Property management
We are able to grow our asset base while maintaining our strong retail bias through active asset management, that is, exploiting investment opportunities as they arise, pursuing optimal development and expansion opportunities and disposing of non-core assets.	We maximise our returns on each building in our portfolio through the careful management of our property portfolio, that is, maintaining our buildings to the highest standards while enhancing their operational efficiency.

Outcomes

Resulting in . . . Delivery of enhanced distributions and capital growth for shareholders . . . **And**

Increased financial capital through the delivery of our strategy enables us to provide income and capital growth for shareholders.	Continued enhancement of our portfolio in line with our strategy, through refurbishments, acquisitions and developments.	Given the scarcity of top-quality human capital in the property sector, we focus on the development of our human capital through the recruitment, retention, and training of high-quality employees.

- constraints in the water and electricity supply;
- high levels of competition; and
- continued strain on consumers' disposable income.

Despite these factors, the retail property sector has remained defensive, especially in key nodes across the country.

For more information on the impact of the external environment on Accelerate, refer to page 30.

Inputs

Intellectual capital	Natural capital	Social and relationship capital
Our organisational, knowledge-based intangibles include the balanced and diverse experience of our management team and our board of directors, and the continual enhancement of our robust governance structures and employee development.	We are significantly reliant on natural capital, as we require water, electricity and a healthy external environment to operate our business and support the current and future prosperity of our business. We are, however, taking steps to reduce our impact on the environment by converting our lights to more energy-efficient LEDs as well as proactively managing our water usage.	The relationships we have with stakeholders ensure the continued success of our business. It is a strategic imperative for the group that we contribute meaningfully to our society.

Business activities

Financial management	Relationship management
Ensuring that we prudently manage our funding ensures our access to the capital we need to invest in property opportunities as they arise.	Accelerate is committed to creating and maintaining inclusive and mutually beneficial relationships with all stakeholders.

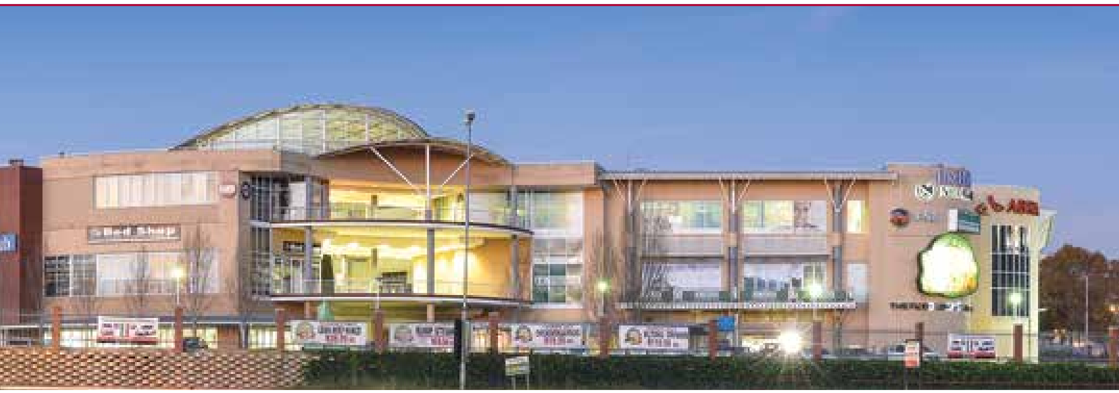
Outcomes

Increased intellectual capital through experience and development.	Reduced environmental, natural capital reliance through refurbishments and new developments using green technology to reduce the consumption of natural resources.	The continued development and creation of our social and relationship capital through effective stakeholder engagement and the implementation of our social and ethics policy.

Accelerate has identified the importance of establishing material matters to provide stakeholders with relevant and necessary information. Accelerate defines a material matter as an element that has a direct or indirect impact on its ability to create, preserve or erode economic, environmental and social value for itself and its stakeholders over the short, medium and long term.

We conducted an externally facilitated materiality workshop where key management representatives determined the pertinent materiality factors. Management reviewed the material issues from 2015 and updated the list for 2016 to reflect the priority areas that could have a positive and/or negative impact on Accelerate's value creation for the future.


Bed Shop


Bed Shop

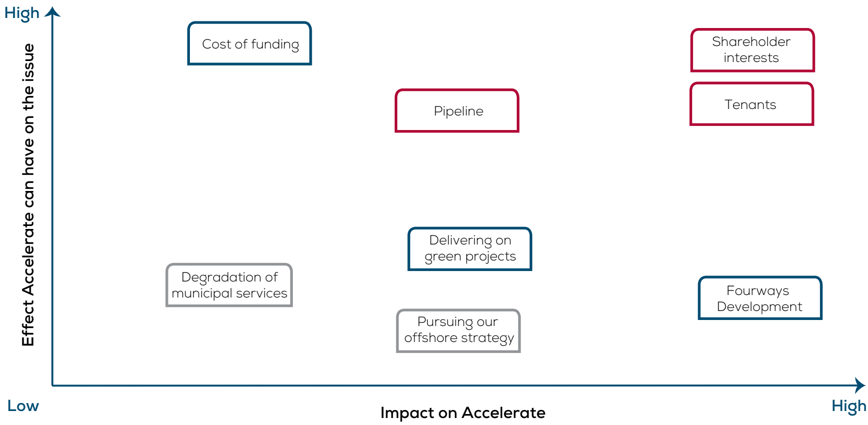
OUR STRATEGIC OBJECTIVES AND MATERIAL MATTERS

The table below shows what we consider to be our material matters and links these to Accelerate's strategic objectives.

The impact rating refers to the level of impact the material matter could have on Accelerate's ability to create value, ranging from low (no meaningful impact) to high (absolute ability to have a material impact on the group).

The effect rating refers to the ability of the group to have an effect on the outcome/impact that the issue has on Accelerate.

Accelerate Property Fund material issue priority map



MANAGING MATERIAL MATTERS

Material matter	Context for material matter on Accelerate Property Fund	How Accelerate Property Fund is addressing the material matter
Fourways Development	The Fourways Development is a large part of our strategy and plan for the long-term success of the group. Our portfolio is currently predominantly focused on the Fourways node. As such, this project is material as it will cement Fourways Mall among South Africa's super-regional shopping centres and complement a new business-focused investment node in Fourways – both of which positively impact our growth ambitions.	Accelerate is in constant communication with the developer, ensuring that the project is effectively monitored at all times and is managed according to the highest standards following our pre-determined strategy.
Tenants	Tenants are essential to creating income sustainability. As such, attracting and retaining quality tenants is critical for us.	Accelerate prioritises communication with tenants, working towards meeting their specific needs. We manage our portfolios to ensure a good mix of retail options within our properties. We also ensure that building upgrades and maintenance are ongoing so as to present ourselves as the best option for our tenants and their customer base.
Shareholder interests	Accelerate believes that sustaining long-term distribution and capital growth impacts shareholder confidence in the strategies we have set and in our ability to meet our strategies effectively.	Accelerate engages with shareholders through regular one-on-one interactions, keeping them informed of our progress and strategic developments. We continued in our partnership with Instinctif, an external investor relations company, to facilitate meaningful stakeholder interactions.
Pipeline	Accelerate holds a healthy strategic position in the South African property market due to the large pipeline of assets available for acquisition, the majority of which are in the retail sector. These assets have the potential to create a positive impact on our asset base, rental income, retail bias and overall portfolio quality.	Accelerate holds an option to purchase 50% of the Loch Logan Waterfront development in Bloemfontein, the largest shopping centre in central South Africa. Accelerate also has a long-standing relationship with a number of individuals holding valuable private property portfolios. This provides Accelerate with an opportunity to access portfolios that are not immediately available on the market.

Managing material matters (continued)

Material matter	Context for material matter on Accelerate Property Fund	How Accelerate Property Fund is addressing the material matter
Cost of funding	The rise in interest rates over the last two years, and the likelihood of further increases, has created a challenge for the South African property market. Stunted economic growth has served to compound this challenge.	Accelerate has implemented a robust hedging strategy to protect against interest rate increases with a weighted average swap term of 2,4 years and 86,9% of debt hedged.
Degradation of municipal services	Water and electricity supply is a concern for tenants and the rise in prices expected over the foreseeable future will add extra pressure and create new challenges.	Accelerate is constantly investigating new ways of providing efficiency for water and electricity consumption. We prioritise the continued introduction of innovative green technology into our buildings.
Delivering on green projects	Natural resources form the basis of all business and are an increasingly constrained supply.	As a consequence of the degradation of municipal services as well as the larger supply constraints of our natural resources, we strive to invest in technology and buildings that will decrease our environmental footprint. The impending Portside acquisition has placed Accelerate in a strong position by enhancing the group's green portfolio. The iconic nature, energy efficiency and eco-friendliness of the building secure its acquisition as a safe and valuable investment.
Pursuing our offshore strategy	The low growth environment in South Africa offers the opportunity to pursue selective geographic diversification abroad.	Accelerate has launched a defined offshore strategy being single-tenant, long-term net lease acquisitions in the retail, office and industrial sectors in selected jurisdictions within Central and Eastern Europe. Accelerate has also appointed two senior individuals with extensive on the ground experience in the region to roll out the strategy.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder engagement is an essential part of the way we manage our business. Understanding the issues that are material to stakeholders helps us adjust the way we conduct our business.

Accelerate's stakeholder engagement policy is committed to timely and effective communication with stakeholders to present financial and relevant non-financial matters in a transparent manner. We achieve this through regular shareholder meetings, integrated annual reports, interim financial reports, presentations to institutional investors and industry analysts, and media exposure.

Our crucial stakeholders include employees, investors, shareholders, tenants, community groups, government and other regulatory bodies, and major suppliers. Engagements with each stakeholder group are tailored to suit their individual needs. For more information see the engagement table below.

Stakeholder group	Reason for engagement	Engagement activities
Employees	Maintaining a dedicated and high-performance work culture, which encourages a favourable working environment.	Ongoing engagement with employees on a formal as well as an informal basis.
Tenants	Creating mutual benefit for Accelerate and its tenants through long-term relationships.	A head of leasing manages and coordinates all leasing activities. Additional engagement with tenants is conducted through a dedicated property management team who has direct access to top management.
Suppliers	Ensuring the responsible provision of goods and services.	Direct engagement with suppliers regarding service level agreements for the procurement of essential goods and services. Partnering with suppliers who provide specialised skills to supplement the management team's objectives.
Investors	Providing timely and transparent communication.	Interim and final results are published in the media, followed by analyst and shareholder presentations. Accelerate also engages with shareholders and investors in the following ways: • one-on-one meetings throughout the year; • circulars; • press releases providing relevant information relating to material transactions; and • all information that shareholders are entitled to receive is released on SENS, in terms of the JSE Listings Requirements and the Companies Act.

Stakeholder engagement and materiality (continued)

Stakeholder group	Reason for engagement	Engagement activities
Community groups	Creating a positive impact on the community and environment in which Accelerate operates.	Engagement activities include discussions with community leaders to understand and address social needs.
Regulatory authorities	Fully complying with applicable laws and regulations.	Engagement with regulators and government on a wide range of issues that include, among others: • South African Revenue Service (SARS); • Johannesburg Stock Exchange Limited (JSE); • South African Property Owners Association (SAPOA); • South African Real Estate Investment Trust Association (SA REIT); and • Companies and Intellectual Property Commission (CIPC).

LEADERSHIP REVIEWS

CHAIRMAN'S REVIEW

Mr Tito Titus Mboweni – Chairman

Introduction

I am pleased to present Accelerate Property Fund's integrated report. We believe this report demonstrates Accelerate's strong performance despite trying economic conditions and evinces its commitment to its goal of growing the fund into the most valued fund on the JSE.

Understanding our operating environment

As the financial year progressed, the global economy has continued to show progress towards recovery with growth for 2016 projected at 3,2% and 3,5% in 2017. While several advanced economies have shown modest recovery, the slowdown of the Chinese economy, and the consequent decline in commodity prices have negatively impacted global growth prospects for 2016 and 2017.

In South Africa, we continue to face stagnant GDP growth. For businesses, conditions remain challenging with rising interest rates, weak consumer demand and high-cost pressures due to continued administered price increases. Despite this difficult macroeconomic environment, Accelerate saw a strong delivery on strategy as the group grew its asset base, optimised its capital and delivered strong returns to its shareholders.

A consistent strategy with strong delivery

Accelerate Property Fund's vision is simple – to be the most valued property fund on the JSE. To ensure progress to this end, the fund has implemented a clear strategy, supported by strategic objectives that provide the roadmap to achieving this vision. These objectives have not changed since listing. However, they have evolved and expanded as the group has grown. I believe that this consistency has been a major driving force in Accelerate's success. Accelerate prides itself on its evidenced delivery against strategy and continued to make great strides in meeting its objectives.

For an investor, purchasing a share in Accelerate is an investment in a retail orientated fund, with strategic diversity, initially locally and soon abroad. Subsequent to year-end, the group announced a potential property deal that includes assets in Europe. This demonstrates the group's commitment to strategic diversification. Accelerate intends to create an investment platform with a specialist focus on single-tenant, net long lease properties with blue-chip multinational, or large regional tenants, targeting countries in Central and Eastern Europe. Accelerate has sought out opportunities in Europe, ensuring it has local expertise to create a strong platform for growth.

A stakeholder-inclusive approach to business

The group's commitment to stakeholders is fundamental to the continued sustainability of the business. Accelerate's stakeholder engagement policy emphasises timely and effective communication and enables the group to understand and take into account the concerns and objectives of its broad stakeholder groups in decision-making. The board is kept apprised of any key issues raised by stakeholders and together with management endeavours to respond to these in a timely and responsible manner. Communication with stakeholders is carried out on a regular basis through formal feedback sessions, informal dialogue and various publications and communication tools, including this report.

Ensuring excellence in corporate governance

The board acknowledges the importance of effective corporate governance and is committed to achieving this at the highest standards of corporate governance, including King III, the Companies Act, the JSE Listings Requirements and other applicable regulations.

The group's code of ethics guides its actions in every area in which it conducts business. The code has been approved by the board and encapsulates Accelerate's values. It is the group's guide to everyday conduct and ensures that the social and relationship capital of the group, and the brand, are protected and maintained.

Risks and challenges are inherent in any business, and Accelerate aims to manage key risks and challenges proactively through a robust risk management process. These factors are also considered when reviewing the group's strategy. Working alongside such an experienced board, which displays depth of insight into property, business, finance, risk and governance, enables us to effectively guide the group. I believe that the board provides the correct mix of knowledge and experience from various spheres of business to strategically direct Accelerate into the future.

Relationship management

Accelerate is committed to creating and maintaining inclusive, honest and mutually beneficial relationships with all stakeholders. We create value for stakeholders, including shareholders, tenants and the community at large through the careful and deliberate use of the capitals in our business.

Delivering to shareholders

Accelerate has seen our market capitalisation as at 31 March 2016 grow by 54,5% since listing. We have recently distributed a dividend per share of 53,67 cents for the year ended March 2016, representing a year-on-year growth of 9,1%.

Delivering to tenants

Accelerate seeks to attract and retain quality tenants by focusing on providing the right tenant mix, by redeveloping and upgrading its properties as necessary. We are in constant engagement with tenants to ensure we fully understand their needs so that they may be met adequately. We recognise the impact and frustration that power and/or water disruptions have on tenants and are actively investigating means of limiting these interruptions through innovative solutions, such as possible investment in self-sufficient water and power sourcing which would reduce our municipal grid usage.

Delivering to communities

We understand the importance of the role played by the communities within our geographical footprint and, therefore, the essential need to invest in these communities.

We recognise that an investment into education is one that yields sustainable returns and has the potential to create opportunities for the youth. We believe that an investment in education is an investment in the future of South Africa. Our aim is to build sustainable relationships with education facilities in the areas in which we operate and work to help them provide quality education.

Accelerate identified four schools in Diepsloot, a subsidiary community to our Fourways node, with the aim of establishing a supportive relationship. The schools identified were Muzomuhle Primary School, Diepsloot West, Diepsloot Secondary no 3 and Diepsloot Combined School.

Appreciation

I would like to thank my fellow board members, the executive management team and each and every employee at Accelerate for their tireless efforts during the year.

Mr Tito Titus Mboweni
Chairman
23 June 2016

CHIEF EXECUTIVE OFFICER'S REVIEW

Mr Michael Georgiou – Chief executive officer

Accelerate remains focused on strengthening our portfolio through strategic investments, enhancing efficiencies and concentrating on the implementation of the Fourways Development.

Responding to our operating environment

Our operating environment continues to present considerable challenges, with consumer spending remaining under pressure. Increases in the cost of living across the country, combined with an escalation in debt, inadequate job creation and lacklustre wage growth, have all combined to slow down consumption. Inflation is within the target bands of 2015, but is in a high-risk situation due to the sudden and dramatic depreciation of the rand. This too applies pressure to the consumer market.

Despite these trying economic circumstances, the property market is becoming increasingly competitive, with developments of all types being completed and/or planned for the future. The 2015 South African Shopping Centre Directory reveals that at least 40 new shopping centres, each exceeding 20 000 m^2, are either in the planning phase or under construction. This growing competition in the context of a sluggish GDP growth puts pressure on tenant retention and the related rentals. The tough operating environment challenges us to work even harder to achieve our vision and maintain our prominent position in the market. We do this by focusing on tenant relationships, proactively managing costs and ensuring that our product offering is meeting stated needs.

Our strategy

Locally we are and will remain retail biased and strive to maintain a long-term portfolio balance of 70% retail, 15% office and 15% industrial property assets. We are focused on acquiring high-quality property assets underpinned by long-term leases with strong, reputable tenants.

Our strategy of focusing on strategic nodes has been one of our keys to success and we will continue to strengthen our current strategic nodes through development and capex spend on existing properties and the further acquisition of high-quality properties. We also want to create and develop new strategic nodes as evidenced by the announcement of the acquisition of Eden Meander in George.

Accelerate has announced our offshore strategy focused on single-tenant, net long lease properties in the office, retail and industrial sectors that are strategic to blue-chip multinational or large national tenants.

Accelerate is in process of launching this offshore strategy with target countries in Central and Eastern Europe.

Creating value by executing our business model

Our business model delineates the way in which our organisation operates to create value for stakeholders. We are engaged in the following three primary business activities:

Asset management

We grow and diversify our asset base while maintaining our strong retail bias through active asset management, that is, exploiting investment opportunities as they arise, pursuing optimal development and expansion opportunities and disposing of non-core assets.

Growing our asset base

One key aspect to Accelerate's primary objectives is the concept of asset growth. As stated in our strategic objectives, we aim to grow our asset base by investing in high-quality and good income-producing properties. Acquisitions such as the KPMG and Noor portfolios have helped to boost asset values across the board. Accelerate owns and manages a total of 61 properties, constituting a total gross lettable area (GLA) of 520 226 m^2, some 79 709 m^2 more (18,1% increase) than was initially owned at listing.

Diversifying our asset base

We aim to diversify our portfolio sectorally and geographically. We purport to diversify not only across multiple sectors within the property industry (retail – 70%, industrial – 15% and office – 15%), but also geographically across South Africa.

The strategy underlining geographical diversification is driven by the desire to create strategic nodes or areas within South Africa that allow us to maximise value across the different provinces. Therefore, geographical diversification is driven by the nodes in which Accelerate would like to operate and dominate.

Currently, the majority of the emphasis on nodes lies in Gauteng, the province we have recognised as the centre of the South African economy. The region allows for greater growth opportunities. Accelerate holds a considerable amount of property in Gauteng and holds the bulk of its assets in its strategic node of Fourways. Accelerate is also pursuing international opportunities and, subsequent to year-end, the group announced its offshore European strategy.

Property management

In a tough economic climate, tenant retention is a key focus of our property management function. We pride ourselves on being a hands-on company that is available to tenants should any issues arise. As such, all tenants have access to the portfolio managers, senior management and executives, as and when necessary.

The outsourced property management companies are responsible for property maintenance, and service level agreements are in place for waste management, security, cleaning, landscaping, and pest control services. The portfolio managers and the head of leasing continually monitor tenant placements throughout the duration of lease agreements.

Distribution and growth

We are pleased to announce our distribution for the year of 53,67 cents per share (2015: 49,21 cents per share), showing a distribution growth of 9,1% from 31 March 2015. Our property portfolio value has increased to R8,4 billion from R6,7 billion at 31 March 2015, showing a growth of 24% stemming from the acquisition of high-quality property assets such as the KPMG portfolio, capital spend on maintaining our existing property portfolio and the revaluation of our properties underpinned by revenue growth.

Appreciation

I would like to take this opportunity to thank the board for their guidance and strong leadership. To shareholders – thank you for your continued support. I would also like to extend my appreciation to tenants, many of whom have so patiently endured discomforts during construction, for supporting our vision for our properties.

Mr Michael Georgiou
Chief executive officer
23 June 2016

CHIEF OPERATING OFFICER'S REVIEW

Mr Andrew Costa – Chief operating officer

We believe that we differentiate ourselves from other property funds through a clear investment strategy. Reflecting on 2016, I can say with confidence that Accelerate has continued to invest in growing our organisation.

Our operational structure

From our inception, we have worked to build strong foundations for our organisation. We have done this by striving for the best asset and property management structures and operational frameworks to support these structures, and, above all, the right people to get the job done. During 2016, we have made further progress in all these areas and have built on the foundations laid in previous years.

Offshore

We are looking to establish an operational structure in Budapest, which is central to the countries we have identified as part of our central and eastern European Strategy.

Financial management

Financing growth is an essential focus for development. We recognise the need to manage our resources and capital responsibly through diversifying our funding sources to mitigate volatility and risk in funding costs.

Accelerate accessed the capital markets and further diversified its funding and hedging lines with its existing key stakeholders. The successful refinance in December 2015 of long-term debt to the value of R452 million through the debt capital markets, extended the fund's weighted average loan term to 2,7 years. This was a highlight, as well as additional swaps of R300 million entered into during 2015, with a further R500 million entered into in February 2016. This increased Accelerate's weighted average swap term to 2,4 years.

Optimising our portfolio

We continue to improve the quality of our portfolio through active asset and property management, persistently enhancing value, efficiency and returns. In crafting a portfolio that distinguishes itself in the market, we focus on the following areas:

Significant exposure to defensive retail

Despite the challenging macroeconomic environment, the retail sector has remained defensive, especially in key nodes across the country, and has continued to perform well. The retail sector comprises 74,4% of our property portfolio by revenue. We are enhancing certain key retail properties with significant capex spend. Approximately R100 million is being utilised to extend and upgrade Cedar Square Shopping Centre.

Quality tenants

Even in tough economic conditions, Accelerate continues to enjoy support from our national tenants and has seen an interest for space from international retail brands. This is particularly the case in the Fourways Development.

Nodal approach

As a dynamic business with a passion for strategic growth, we believe that we distinguish ourselves by focusing on strategic nodes, that is, carefully chosen areas that are deemed to have good economic fundamentals and superior growth potential. Accelerate is currently active primarily in Gauteng, and has pursued growth opportunities in the Western Cape. In the period under review the acquisition of a portion of Portside was announced. Portside is a top-quality office block in the Cape Town Foreshore. This acquisition adds to the other properties we already own in this strategic node. We recently announced the acquisition of Eden Meander Shopping Centre in George. Although still subject to suspensive conditions being fulfilled, the acquisition establishes a new node for us in the Western Cape. This nodal investment approach allows for economies of scale within these nodes – where any investment in improving specific properties, infrastructure or services is to the benefit of other assets owned by the group in the same area.

For more information on our nodal approach, refer to page 18.

Positioned for growth

We remain committed to our strategic objectives as we focus on delivery, building on the progress we have made to date. We are confident that our systematic approach to building the necessary support structures, together with our ability to acquire quality assets, positions us to continue creating sustainable value for shareholders.

Appreciation

I would like to express my appreciation to the board, our executive team, employees and property management teams. In particular I would like to thank our people who make up the DNA of our group; it is because of their support, dedication and non-stop effort that Accelerate continues to grow and be successful.

Mr Andrew Costa
Chief operating officer
23 June 2016

Understanding our related-party transactions

Conditional purchase consideration (agterskot)

At listing, a conditional purchase agreement, called the agterskot agreement, was set up between Accelerate and the Michael Family Trust (a vendor). In this agreement, 23 properties with a total GLA of 140 446 m² were ring-fenced. These properties had a vacant GLA of 32 902 m². A structural vacancy of 10% was assumed for office properties and 5% for retail properties. This resulted in 20 203 m² of vacant GLA (the agterskot GLA) that would only be paid for by Accelerate to the vendor if the vendor let the agterskot GLA within three years of listing and subject to certain letting criteria.

The onus is on the vendor to let this agterskot GLA within the agreed three years and according to pre-defined parameters, failing which the deferred payment, through the issue of shares, will lapse. In essence, all the risk in the agterskot GLA lies with the vendor. A significant portion of the agterskot GLA has been let.

Vacancies covered by guarantees

Fourways Precinct has guaranteed a rental income of R10,7 million per annum (escalating at 8%) for the Fourways retail vacant space of 6 067 m² for a period of three years after the listing date (12 December 2013).

Development guarantee

The Fourways Development commenced in August 2015. During the course of the development there is a development guarantee in place from the developer, ensuring a combined net income of R163 500 000 per annum escalating at 6% per annum from the date of Accelerate's listing (December 2013) over the following buildings which form part of the development:

- Fourways Mall;
- Fourways Game;
- Fourways View;
- Sasol Delta; and
- Exact Mobile.

OPERATING ENVIRONMENT

The performance of the South African commercial sector 2016

The slowdown in the South African economy, higher inflationary forecasts and instability in financial markets have created a new level of uncertainty in both commercial and residential real estate markets. While the 175 basis point rise in interest rates since January 2014 does not seem to have had a material impact on the performance of the listed real estate in early 2016, a deterioration in macroeconomic conditions is expected to have a negative impact on the demand for space. In 2015, economic growth weakened to 1,3% and estimates for 2016 forecast GDP growth to stay below 1%. In addition, the depreciation of the rand, rising food prices, and utility costs have caused the inflation rate to breach the 3% to 6% target of the South African Reserve Bank.

The returns being recorded by the commercial property market seem to vary considerably between the retail, office and industrial sectors.

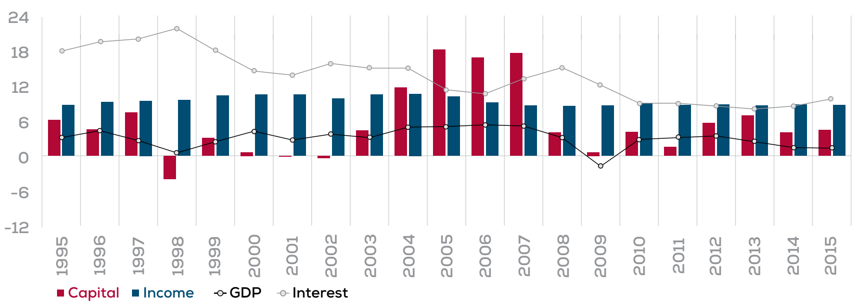
Data produced by the IPD/MSCI suggests that in 2015, the retail sector outperformed the market with a return of 14,3%. This was followed by the industrial sector (14,2%). The office sector underperformed the market with a return of 12,0%.

The longer-term performance of the South African commercial market is illustrated below, indicating that although the economic growth declined in 2015, the sector continued to show yields of approximately 8,5%, with capital growth of approximately 4%. Historically, poor economic growth prospects have a negative impact on total returns as was seen in 1998 and 2009 when the sector recorded negligible capital growth.

Total returns (capital and yield)

Sector	2015 (%)
Retail	14,3
Office	12,0
Industrial	14,2
Total	13,5

Total IPD returns versus GDP growth



Source: IPD/MSCI 2016

Operating environment (continued)

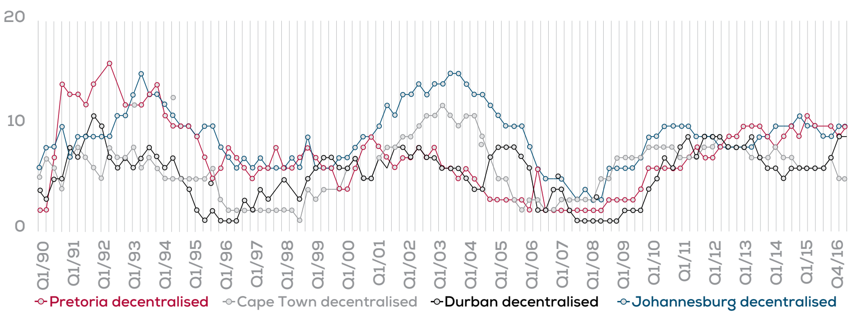
In 2015, the retail sector adapted to lacklustre consumption expenditure, with retailers consolidating stores. Moreover, the longer-term retail sector is adapting to changing retailing patterns, which includes online shopping and a stronger emphasis by shoppers on convenience shopping. The announcement of new shopping centre developments in South Africa has declined, which should assist in ensuring that the market remains in equilibrium.

Vacancies in the office sector were under pressure during 2015 and it is expected that this scenario will be repeated in 2016. The performance of the office sector also varies considerably between geographic nodes.

While premium office nodes in Cape Town and Johannesburg performed well in 2015, the same cannot be said for secondary nodes with a strong presence of B-grade properties. As a result, rental escalations remain under pressure and the sector is placing a strong emphasis on controlling operating costs. The office sector is seeing low levels of new building activity which should assist in bringing vacancy rates back to the South African natural vacancy rate of approximately 8%.

South African office vacancy rates in decentralised nodes are illustrated in the graph below.

Decentralised A and B office vacancies (%)



Source SAPOA-Viruly

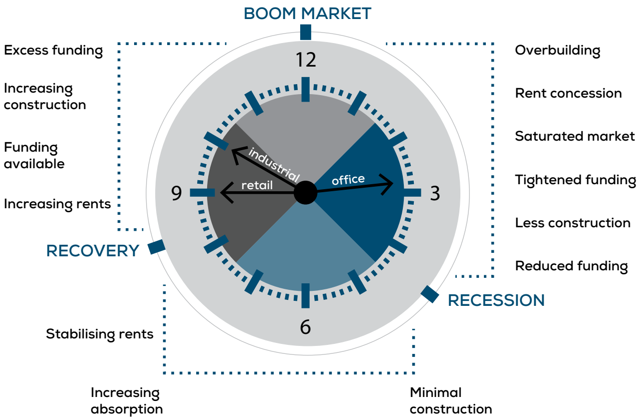
The strong performance of the industrial sector weakened during the course of 2015, reflecting the subdued performance of the manufacturing sector. Recent data produced by StatsSA suggests that manufacturing output decreased by approximately 2% in March 2016 compared to a year ago.

While development activity in the entire commercial property market has slowed, this has also resulted in slower growth in building costs. Recent forecasts suggest that building costs will remain below the inflation rate in 2016, at approximately 5%.

The medium-term performance of the South African property market will invariably be influenced by the performance of the economy and, in particular, the direction of short-term and long-term interest rates. The South African Reserve Bank has indicated that the economy is presently in the downward phase of the business cycle and significant pressure exists on monetary policy to support economic growth while keeping the inflation rate under control. The rerating of the South African economy remains a considerable risk for the sector.

The property clock for the South African commercial property indicates that the retail and industrial sectors are presently expected to continue outperforming the office sector, with investors also showing interest in markets outside of South Africa.

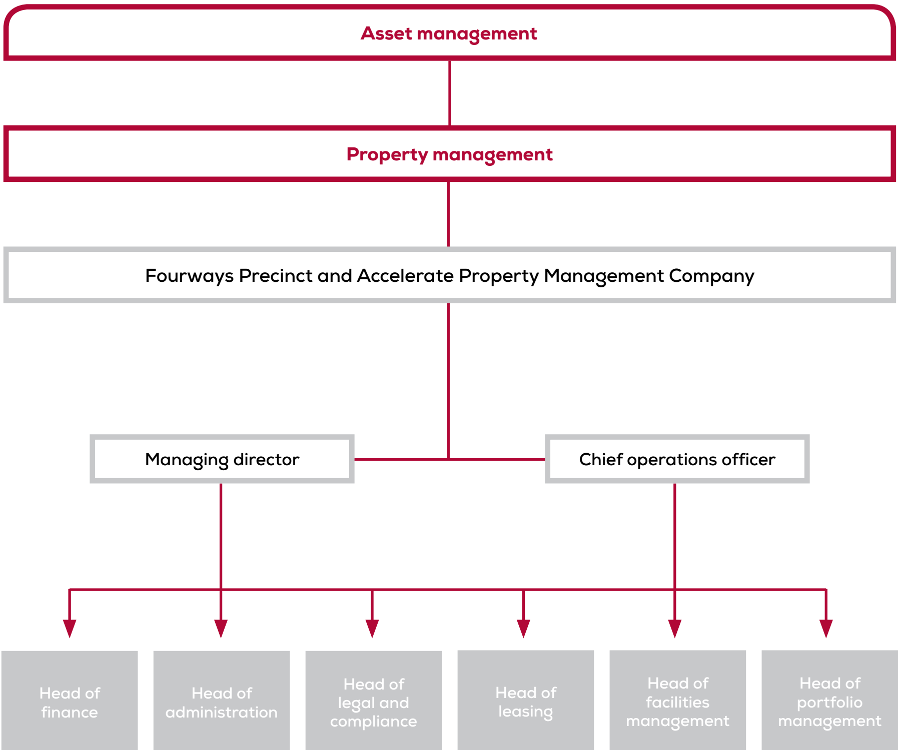
The property clock as at May 2016



Prof Francois Viruly
May 2016

MANAGEMENT AND OPERATIONAL STRUCTURE

ACCELERATE
PROPERTY FUND



The Accelerate board of directors is responsible for the overall direction and supervision of the company, with general management delegated to the executive members. The executives and certain senior management are responsible for the asset management function, which in turn directs the property management function.

SERVICES RENDERED

Asset management

- Manages the complete property portfolio for long-term performance optimisation
- Sources new acquisition possibilities
- Evaluates development, redevelopment and investment opportunities
- Assesses strategic disposal needs
- Determines capital expenditure necessary to maintain the quality of the group's portfolio. This includes property refurbishment and improvement
- Develops budgetary preparations for total anticipated income and expenditure for every property in Accelerate's portfolio
- Monitors and revises income and expenditure forecasts against budget
- Conducts research into the state and relative investment merits of the property market
- Formulates and implements letting policies and leasing terms in accordance with the group's objectives, as required by prevailing market conditions
- Ensures annual valuations of the property portfolio and the procurement of an external independent valuation on a three-year cycle for a third of the property portfolio

Property management

- Manages marketing of vacant space to the general market
- Ensures vacancies are filled with appropriate tenants
- Negotiates and renews lease agreements with tenants
- Investigates prospective tenants' creditworthiness, trade history and other relevant information to determine their suitability
- Communicates with tenants personally and attends to their requirements
- Collects rentals, rental deposits, rental security and other contributions pursuant to any lease agreements
- Appoints and manages maintenance contractors where required
- Arranges security where required
- Manages timely payments of expenses:
  - Municipal consumption and service fees
  - Property taxes and other municipal taxes
  - Duties and levies for the property portfolio
  - Arranges and supervises property cleaning.
- Directs audits and inspections regarding compliance requirements relating to all relevant laws and regulations

TENANTS AND LEASING

Profile: Tenants represent the core of our business and are essential for creating a sustainable stream of income. Recognising this, our portfolio managers take great care in sourcing new tenants and negotiating lease agreements.

Accelerate has approximately 1 662 tenants that are categorised as follows (by GLA):

- A tenants (approximately 62,2%): large national tenants and large listed tenants;
- B tenants (approximately 13,4%): national tenants, listed tenants, franchises and medium to large professional firms; and
- C tenants (approximately 24,4%): other.

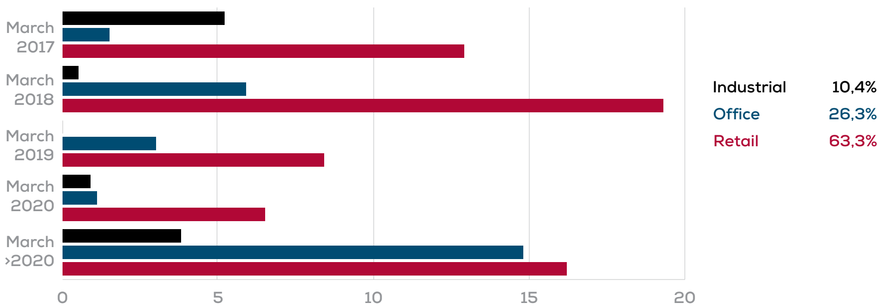
All leasing activities in the group's portfolio are overseen by the head of our leasing division. The tenant profile by revenue and by GLA is shown on page 17.

Tenant evaluation: All potential tenants undergo a thorough evaluation prior to signing a lease. We gain a better understanding of a potential tenant's creditworthiness, trade history, and business or product suitability for our particular locations through this evaluation. This information is used to build a comprehensive tenant portfolio.

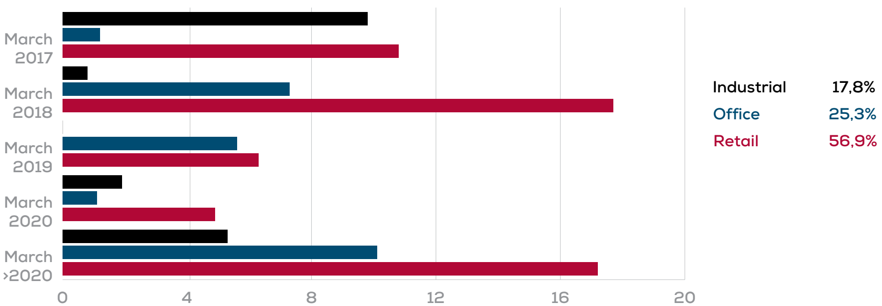
Tenant attraction and retention: All our shopping centre portfolio managers are responsible for ensuring that tenants are correctly placed. Tenant profiles are evaluated and used in ensuring that a tenant is in a position to successfully complement the centre's market. Anchor tenants are strategically placed to maximise foot traffic through the centres. Furthermore, assessments are conducted on nearby competitors to ensure that we are providing the best possible option for current and future tenants.

Leasing: The weighted average lease expiry of Accelerate's property portfolio by gross rental is approximately 5,1 years as depicted in the graph below. Furthermore, the weighted average annual escalation across the fund's property portfolio is approximately 8,04%. Accelerate seeks to maintain the average escalation rate of our property portfolio above long-term inflation rates.

Lease expiry by gross rental (%)



Lease expiry by GLA (%)



VACANCIES

Accelerate recognises two variants of vacancies: actual vacancies and structural vacancies. Strategic vacancies arise when an area is intentionally left vacant with the anticipated view of further development or refurbishment. Accelerate's vacancy rate net of structural vacancies was 7,13%, with our strategic vacancies being 1,57% at 31 March 2016. All vacancies are monitored by the executive and senior management, and portfolio managers on a weekly basis. The vacancies per sector are shown in the table below.

Actual vacancy profile per sector as at 31 March 2016:

	Total		Retail		Office		Industrial	
	2016	2015	2016	2015	2016	2015	2016	2015
Number of properties	**61**	52	**33**	33	**20**	15	**8**	4
GLA (m^2)	**520 226**	467 208	**311 527**	311 527	**118 657**	97 825	**90 042**	57 856
Vacancy including structural vacancies (%)	**8,73**	8,81	**9,69**	9,53	**12,86**	11,72	**–**	–
Vacancy net of structural (%)	**7,13**	7,50	**7,00**	7,60	**12,86**	11,72	**–**	–
Vacancy in GLA (m^2)	**45 436**	41 149	**30 180**	29 685	**15 256**	11 464	**–**	–

Tenant profiles are consistently monitored by their respective portfolio managers along with the head of leasing throughout the life of a lease agreement. As a hands-on company, Accelerate ensures that all tenants have access to the portfolio managers, senior management and executives, as and when necessary. Issues or problems that may arise are dealt with in a timely manner by the portfolio manager through engagement with the tenant. An analysis is drawn up and a suitable, mutually beneficial solution is put in place.

OPERATIONAL EFFICIENCIES

Maintenance: Regular property maintenance is key to preserving the asset values in Accelerate's property portfolio. This responsibility falls to outsourced property management companies according to a pre-determined strategy and budgeting process. Operations managers at our major shopping centres have access to a maintenance team which is able to address our tenants' maintenance issues as they arise. Service level agreements are in place for waste management, security, cleaning, landscaping, and pest control services.

Resource efficiencies: Accelerate's material expenditures include rates, taxes and metered municipal expenses. Metered expenditures, comprising water and electricity, are forecast to continue increasing, placing a material burden on tenants across all sectors. Accelerate continues to explore energy-efficient and water-efficient alternatives to implement throughout our properties.

SECTORAL AND PROPERTY REVIEWS

SECTORAL AND PROPERTY REVIEWS

Our strategy seeks to spread our portfolio over three sectors of the property market: retail, office and industrial, with a focus on retail. We seek to have a long-term income balance of:

- 70% of rental revenue derived from **retail** property;
- 15% of rental revenue derived from office **property**; and
- 15% of rental revenue derived from **industrial** property.

	Accelerate's property portfolio (total)	
Indicator	**2016**	2015
Number of properties	**61**	52
Asset value (R'000)	**8 392 506**	6 766 284
Value per sector (%)	**100,00**	100,00
Average property value (R'000)	**137 582**	130 121
Total GLA (m^2)	**520 226**	467 208
GLA as percentage of portfolio (%)	**100,00**	100,00
Net property income (excluding straight-lining) (R'000)	**593 586**	493 946
Average escalation (%)	**8,04**	8,46
Expense-to-income ratio (%)	**13,40**	
Weighted average lease period (years)	**5,10**	2,87

Retail		Office		Industrial	
2016	2015	**2016**	2015	**2016**	2015
33	33	**20**	15	**8**	4
5 886 694	5 572 862	**1 865 935**	911 814	**639 878**	281 608
70,20	82,38	**22,20**	13,47	**7,60**	4,15
178 384	168 875	**93 296**	60 787	**79 985**	70 402
311 527	311 527	**118 657**	97 825	**90 042**	57 856
59,90	66,70	**22,80**	20,90	**17,30**	12,40
438 385	406 184	**123 836**	71 928	**31 365**	15 834
8,05	8,58	**7,71**	7,78	**8,75**	8,93
3,68	2,90	**7,39**	3,05	**2,64**	1,93

TEN LARGEST PROPERTIES BY MARKET VALUE

	Fair value (R'm)		GLA (m^2)	Value/m^2 (R'000)	
Property	**2016**	2015	**2016**	**2016**	2015
Fourways Mall	**2 417,20**	2 273,77	**61 480**	**39,31**	36,98
Cedar Square Shopping Centre	**979,53**	883,39	**46 025**	**21,28**	19,19
KPMG Crescent	**631,10**	–	**20 096**	**31,40**	–
Fourways View	**329,39**	156,73	**12 962**	**25,33**	17,89
The Buzz Shopping Centre	**287,45**	273,95	**14 291**	**20,11**	19,17
BMW Fourways (Cedar)	**210,59**	181,10	**13 098**	**16,07**	13,83
KPMG Wanooka Place	**210,25**	–	**6 672**	**31,09**	–
Fourways Game	**195,80**	156,74	**8 763**	**22,34**	17,88
Checkers Montague	**175,68**	139,90	**26 135**	**6,72**	5,35
Kyalami Downs	**162,90**	139,90	**14 096**	**11,56**	9,92
Total for 10 largest properties by value	**5 598,90**	4 065,58	**209 612**	**25,93**	21,68
Total property portfolio	**8 392,51**	6 766,28	**520 226**	**16,13**	14,48

RETAIL

Accelerate is a predominantly retail-biased fund which holds a strategic objective of maintaining a minimum of 70% of its exposure in the retail sector.

Fourways retail properties

The Fourways retail portfolio holds nine letting enterprises, the majority of which are retail centres, comprising approximately 41,3% of Accelerate's total portfolio value. Fourways Mall Shopping Centre is our flagship asset and will continue to add value through the commenced redevelopment. Other prominent letting enterprises within the Fourways retail node include Fourways View, Cedar Square, The Buzz Shopping Centre, Fourways Game and Leaping Frog.

Some of the key highlights, challenges and focus areas going forward are shown in the sections that follow.

Highlights	• Quality trading demographics and densities in the Fourways area • Growth of the Fourways retail market through the development of housing estates • Dominant location of Fourways Mall, with major road arterials and access to the N1 highway • A high occupancy rate at Fourways Mall at a vacancy of only 1,2% (net of structural vacancies) • High-quality, national tenants, including Dis-Chem, Game, Shoprite, Edgars and Woolworths • Good weighted average lease expiry dates and market-related rentals
Challenges	• Growing traffic congestion • Meeting the growing demand for lettable space from local and international clients • A tough economic environment affecting consumers' disposable income • Power and water costs increasing adding to pressure on tenants
Looking ahead	• Fourways Development will create a super-regional shopping centre, creating more lettable space and growing our target market • 50% undivided ownership in a super-regional shopping centre • Improved infrastructure of the Fourways area once the Fourways Development is complete

Delivering on Fourways

The fund has a clear strategy in place which will ensure continued distribution growth and an increase in our asset base. The Fourways Development project is our core focus and the successful launch and implementation of the project is our highest priority in our short- to medium-term strategy. Off the back of our settled operational structure, we will look to enhance certain properties and potentially dispose of non-core properties to unlock value. With the support of our funding partners we will take advantage of our deal pipeline to deliver increasing returns to stakeholders.

Retail (continued)

Construction at Fourways Mall in Johannesburg began, with an expected completion in 2018. The plan for the mall includes the addition of 90 000 m^2 of lettable space, transforming it into a super-regional shopping centre. The project will also see upgrades and renovations to the existing mall, and infrastructural upgrades to the road systems surrounding the mall, creating ease of access for road users and further developing the area. We believe that the project will strengthen the node and create a huge number of opportunities for the future.

An influx into the city of Johannesburg, and particularly its northern suburbs such as Fourways, has seen tremendous growth in the need for lettable space. The area sits in one of the most strategic geographical locations in Johannesburg as a result of its proximity to national highways, Lanseria Airport, prestigious schools, hotels and conference centres. Surrounding residential areas such as Fourways Gardens, Dainfern and Steyn City also contribute to the need for further retail developments. In addition, the expected development of the Fourways Gautrain station will establish the area as a central hub for surrounding communities.

National and international tenants have shown a keen interest in the shopping centre. Tenants include toy retailer Hamleys and fitness trampoline company Bounce. The development has garnered the attention of international fashion retailers which, over the past five years, have been growing their exposure in the South African market as an entrance point to expand into other African markets.

Following the completion of the project, Accelerate and Fourways Precinct will each hold a 50% undivided share in this combined letting enterprise.

Fourways Precinct, which is managing and funding the project, has an extremely experienced and skilled development team and has utilised the services of industry-leading construction companies in the project. To ensure that we are kept apprised of the progress of the development, we have put in place a robust reporting structure and monitor all developments in the project closely.

We are excited to watch the Fourways Development take shape in the coming years and are pleased with the progress to date. We believe that this project is a huge leap forward towards achieving our goal of becoming the highest-valued property fund on the JSE.

Other retail properties

The other retail properties consist of 21 properties, comprising typical neighbourhood or convenience-type shopping centres, mainly anchored by large national and listed supermarket chains such as Shoprite Checkers, Spar and Pick n Pay.

Accelerate also owns three purpose-built motor dealerships within close proximity of the Fourways Mall Shopping Centre. Our dealership enterprises hold BMW Fourways, Ford and Mazda.

Highlights	• Opportunities to extract value through hands-on management through an understanding of the required tenant demographic • Quality geographical locations • Locations provide convenience and cater to the middle living standard measure (LSM) group • Easy access to properties via main arterial routes • Geographic support from surrounding commercial developments
Challenges	• A tough economic environment affecting consumers' disposable income • Upgrading and renovating our assets to cater for clients' needs • An increase in competition throughout the country • Meeting tenant demands for additional lettable space
Looking ahead	• We have identified a number of centres in which to invest and extract value. • A greater demand for larger premises by tenants, driving redevelopment • Develop additional motor dealership space through the utilisation of bulk

OFFICE

Office properties

Accelerate's office property portfolio comprises 20 properties. The acquisitions of the KPMG buildings have bolstered our office portfolio and created greater value through the iconic nature of the buildings and the tenants that occupy them. Our primary focus on the office sector is placed in two essential nodes: the Cape Town Foreshore node, which holds a strong geographic position and can be enhanced significantly through options of an expansion; and the Charles Crescent node in Sandton, which is situated in close proximity to the Gautrain and the Rea Vaya Bus Rapid Transport System stations.

Highlights	• Assets dispersed throughout South Africa, with a predominant focus on Gauteng and Cape Town • Most of our assets are situated in close proximity to large retail hubs or financial centres • Blue-chip national tenants, including KPMG, Primedia, Oceana, Mustek, ADT, Cape Metro Police and Regus
Challenges	• Economic instability applies pressure to B-grade office space and tenants continue to downsize • High market vacancy rate as companies transition towards owner-occupied buildings as opposed to leased offices • Costly transitions towards "go-green" concepts, which is an ever-increasing requirement
Looking ahead	• Opportunities in place for B-grade office upgrades to A-grade status • Ongoing upgrades to office spaces tailored to meet tenant needs • Commitment to invest in sustainable solutions and quality assets in our strategic nodes

Portside Tower

Accelerate has acquired, subsequent to reporting date, all Old Mutual's shares in the Portside Tower in Cape Town, which represents approximately 50% ownership of the Portside Complex. The acquisition represents the implementation of one of our operational goals in developing and growing strategic nodes across South Africa. The Portside Tower will give us the opportunity to expand in the Foreshore node in the Western Cape and capitalise on an opportunity within Cape Town's growing property market.

The Portside Tower is an iconic building in Cape Town. Standing at 139 metres, it is the tallest building in Cape Town, offering 57 000 m^2 of AAA-grade office space. With its 5-star green rating, it also stands as one of the most environmentally friendly high-rise buildings in Cape Town and follows best practice regarding sustainability, visual impact, public space, green building principles, climatic control, ease of access, security and social responsibility. It holds 1 444 parking bays, 70 of which are designated for hybrid or alternative fuel vehicles and 16 holding electric car chargers, 70 motorcycle bays and 227 bicycle spaces. The building is designed to encourage employees to cycle to work, with clear cycle routes allocated, and change rooms with showers and lockers. Community bicycle racks are also available for the public.

The Portside Tower was designed as a "building for the people", with the vision of redeveloping the foreshore area and revitalising local street life. As such, we believe it is the perfect asset to grow our portfolio and extend our vision of making the Foreshore node one of our strongest business nodes. It holds a prime location, with proximity to important amenities such as the Cape Town International Convention Centre, the V&A Waterfront, a MyCity Bus Stop, Cape Town Station, banks, hotels and a Virgin Active gym. It also stands in Cape Town's emerging financial district.

The Portside acquisition will do much to grow our asset base, from a strategic and investment perspective. We expect solid returns on our investment in the Cape Town area.

INDUSTRIAL

Industrial properties

Accelerate's industrial assets are made up of eight properties. Our strategy surrounding the industrial sector is to identify and acquire multi-purpose, single-tenant properties in prime locations.

Highlights	• Charles Crescent is located within an industrial/commercial node with easy access to the N1 highway, close to Sandton, and houses certain of our industrial assets • Our industrial assets are located in Port Elizabeth, Cape Town and Johannesburg • Blue-chip national tenants, including Checkers, Meshcape, Pick n Pay and Edgars
Looking ahead	• Increase the industrial portfolio through quality acquisitions that adhere to our strategic objectives

DETAILED PROPERTY LIST

Buildings	Type	Region	Fair value 31 March 2016 (R)	GLA m²	Net rental per m²
Retail portfolio					
Fourways Mall Shopping Centre	Retail	Gauteng	**2 417 200 000**	61 480	213,11
Cedar Square Shopping Centre	Retail	Gauteng	**979 531 662**	46 025	101,77
Fourways View	Retail	Gauteng	**328 386 292**	12 962	137,23
The Buzz Shopping Centre	Retail	Gauteng	**287 449 933**	14 291	95,99
BMW Fourways (Cedar)	Specialised retail	Gauteng	**210 587 867**	13 098	69,55
Fourways Game	Retail	Gauteng	**195 800 000**	8 763	97,88
Kyalami Downs	Retail	Gauteng	**162 995 090**	14 096	96,36
The Leaping Frog S&G Centre	Retail	Gauteng	**161 249 711**	11 139	108,57
Bela Bela	Retail	Limpopo	**116 271 670**	9 719	93,71
Cherry Lane	Retail	Gauteng	**101 907 670**	11 672	80,03
Sasol Delta	Specialised retail	Gauteng	**69 470 000**	1 875	176,13
Mr Price	Retail	Western Cape	**77 497 910**	8 080	79,93
Waterford	Retail	Gauteng	**64 084 755**	6 597	72,86
Eshowe Mall	Retail	KwaZulu-Natal	**63 621 892**	11 775	47,84
Wilrogate Centre	Retail	Gauteng	**63 025 262**	10 255	64,02
Venter Centre	Retail	Gauteng	**62 700 000**	7 470	81,16
Rock Cottage	Retail	Gauteng	**62 541 200**	6 274	83,07
Ford/Mazda (Buzz vacant land)	Specialised retail	Gauteng	**57 204 800**	2 557	153,81
The Pines (Heartland Properties)	Retail	Western Cape	**57 000 000**	7 621	57,89
Tyger Manor	Retail	Western Cape	**54 000 000**	3 747	105,66
East Lynn Shopping Centre	Retail	Gauteng	**48 499 436**	7 633	58,24
Centurion Highveld Park Investments	Retail	Gauteng	**43 657 069**	4 777	76,92
Eden Terrace Shopping Centre	Retail	Gauteng	**36 876 082**	4 661	79,12
Beacon Isle	Retail	Gauteng	**28 581 388**	2 090	109,4
Rietfontein Pavilion	Retail	Gauteng	**24 527 580**	3 781	54,06
Corporate Park Corner Shopping Centre	Retail	Gauteng	**24 318 540**	5 200	38,97
9 and 11 Main Road Melville	Retail	Gauteng	**20 993 323**	3 213	57,17
Valleyview Centre	Retail	Gauteng	**17 203 477**	1 991	64,80
7 Main Road Melville	Retail	Gauteng	**16 974 114**	1 973	75,28
Cascades Shopping Centre	Retail	Gauteng	**14 377 991**	3 441	44,74
Wilropark	Retail	Gauteng	**11 733 709**	2 332	54,69
14 Main Road Melville	Retail	Gauteng	**6 115 527**	1 138	49,26
			5 886 693 958	311 527	

Buildings	Type	Region	Fair value 31 March 2016 (R)	GLA m²	Net rental per m²
Office portfolio					
KPMG Crescent	Office	Gauteng	**631 102 337**	20 096	209,36
KPMG Wanooka Place	Office	Gauteng	**210 254 400**	6 762	207,29
Oceana House (Zamori/Erf 230)	Office	Western Cape	**128 197 977**	7 227	128,61
1 Charles Crescent	Office	Gauteng	**127 796 836**	13 273	80,24
Flora Park	Office	Gauteng	**110 583 341**	14 673	75,37
Primovie Park	Office	Gauteng	**101 309 933**	17 364	43,76
Keerom Street Chambers	Office	Western Cape	**82 883 827**	4 507	142,52
Thomas Patullo Building	Office	Western Cape	**81 465 551**	4 965	118,46
Glen Gables	Office	Gauteng	**66 280 084**	6 646	88,51
9 Charles Crescent	Office	Gauteng	**53 828 167**	4 298	118,46
99 to 101 Hertzog Boulevard	Office	Western Cape	**53 000 000**	3 620	122,48
Mustek (89 Hertzog Boulevard)	Office	Western Cape	**42 091 142**	4 500	76,39
Triangle House	Office	Western Cape	**40 590 209**	3 562	85,94
KPMG Polokwane	Office	Limpopo	**36 964 062**	1 484	166,06
Highway Gardens Office Park	Office	Gauteng	**33 300 000**	5 787	42,42
Exact Mobile	Office	Gauteng	**25 122 436**	1 106	123,04
KPMG Sekunda	Office	Mpumalanga	**16 854 250**	830	135,38
KPMG Port Elizabeth	Office	Eastern Cape	**16 209 950**	1 054	102,53
Absa Brakpan	Office	Gauteng	**8 100 000**	2 797	23,19
			1 865 934 508	118 657	
Industrial portfolio					
Checkers Montague	Industrial	Western Cape	**175 680 712**	26 135	65,30
Accentuate	Industrial	Gauteng	**105 659 719**	12 000	65,30
MB Technologies	Industrial	Gauteng	**101 688 828**	6 000	127,82
Edcon Warehouse	Industrial	Western Cape	**76 198 355**	14 775	42,33
Pick n Pay distribution centre	Industrial	Eastern Cape	**58 186 899**	7 983	57,40
Meshcape Edenvale	Industrial	Gauteng	**48 310 191**	13 501	31,16
Edgars Polokwane	Industrial	Limpopo	**47 144 031**	4 500	82,50
10 Charles Crescent	Industrial	Gauteng	**27 009 226**	3 445	69,25
			639 877 964	90 042	

Property redevelopment

Certain properties within the portfolio have been earmarked for upliftment. Examples of certain projects are set out below:

- The redevelopment of Fourways Mall: This development aims to be completed in 2018, and will add 90 000 m² GLA to the Fourways Precinct.
- The renovation of Cedar Square: Renovations have started on the shopping centre and are scheduled to be completed by the end of 2016. These renovations include an expansion of the Woolworths foods store, completion of the front facade, and other upgrades.


OCEANA/GROUP

BOARD OF DIRECTORS

Mr Tito Titus Mboweni
Chairman
Independent non-executive director
BA, MA
Appointed: 1 June 2013

Dr Gert Cruywagen
Lead independent director
PhD, MSc, PMD, FIRM(SA)
Appointed: 1 June 2013

Mr John Doidge
Independent non-executive director
BProc, Attorney of the High Court of South Africa
Appointed: 1 June 2013

Mr Mboweni has diverse experience, having served in the South African government as the Minister of Labour and governor of South African Reserve Bank.

Mr Mboweni is an international advisor to Goldman Sachs International. He is the non-executive chairman of Nampak Ltd and SacOil Holdings Ltd and a non-executive director of Discovery Ltd. Mr Mboweni is a trustee of the Nelson Mandela Children's Hospital Trust and chairman of the trust's fundraising committee. He is also a trustee of the Thabo Mbeki Foundation and holds a number of honorary qualifications and academic positions.

Dr Cruywagen is a member of the King Committee on Corporate Governance and the convenor of its risk work group. He is the director of risk for the Tsogo Sun Group and previously he was an independent non-executive director of Denel SOC Ltd, a non-executive director of Dikhololo Ltd and chairman of the City of Johannesburg's group risk governance committee.

Dr Cruywagen holds fellowships, memberships and honorary memberships of a number of local and international risk management institutes and was voted South Africa's Risk Manager of the Year for 2002 and 2009.

Mr Doidge is an admitted attorney who specialises in the law and practice of trusts, with 30 years' experience in this field. Mr Doidge has extensive experience in a wide variety of structured finance matters. He is a former general manager of Syfrets Trust, where he spent 15 years. He was responsible for establishing Maitland Trust in South Africa in the late 1990s and he started what is now TMF Corporate Services (South Africa) (Pty) Ltd in 2003. He is a former chairman of the Association of Trust Companies in South Africa and founding member of the South African Securitisation Forum.

Board of directors (continued)

Mr Tim Fearnhead

Independent non-executive director
CTA (Wits), CA(SA), Diploma in Advance Banking (UJ)
Appointed: 1 June 2013

Ms Kolosa Madikizela

Independent non-executive director
Master of Technology Degree in Construction Management
Appointed: 1 June 2013

Prof Francois Viruly

Independent non-executive director
MA in Development Economics, BA (Hons) in Economics, BA (Economics and Industrial Sociology)
Appointed: 1 April 2014

Mr Fearnhead is a chartered accountant and was a partner at Deloitte for 21 years. He joined Nedbank Ltd in 1997, where he held a number of senior financial management positions. He retired from Nedbank in 2006.

Mr Fearnhead is currently an independent consultant and financial trainer. He holds a number of non-executive board and committee positions and is a trustee on numerous trusts.

Ms Madikizela is the Cape Regional Manager and executive director at Pragma Africa, an engineering organisation specialising in physical asset management.

Ms Madikizela's 12-year career spans the construction, property development and engineering sectors where she has occupied senior management and executive level positions at various multinational organisations, including Shell SA, Life Healthcare Ltd and most recently at Aveng Water. Prior to joining Aveng Water, she was the chief executive officer of Nexus Facilities Management Company, with a focus in the telecommunications sector.

Prof Viruly is a property economist with over 20 years' experience in the analysis of the South African property market. He lectures in urban economics, property development and portfolio management at the University of Cape Town's School of Construction Economics and Management.

Prof Viruly held the position of chief economist at the Chamber of Mines and was head of research at JHI Professional Services and more recently Head of School of the School of Construction Economics and Management at the University of Witwatersrand. He is presently an Associate Professor at the University of Cape Town (UCT).

Board of directors (continued)

Mr Michael Georgiou
Chief executive officer
Appointed: 1 January 2013

Mr Andrew Costa
Chief operating officer
BCom, LLB
Appointed: 1 April 2013

Mr Georgiou owns one of the largest private property portfolios in South Africa.

In a property career spanning 20 years, he has successfully acquired and/or developed over 100 properties, including prominent properties such as: Fourways Mall Shopping Centre; Cedar Square, Fourways (award-nominated); Loch Logan Waterfront Shopping Centre, Bloemfontein (award-nominated); Windmill Casino Hotel and Retail Complex; the Fort Drury Complex and Sediba Building for Department of Public Works; and College Acre Development for Liberty Holdings Ltd and First National Bank, a division of the FirstRand Group.

Mr Georgiou has a wealth of property knowledge and is respected as a market leader by his peers in the property industry.

Before his appointment to the board, Mr Costa spent nine years at the corporate and investment banking division of Standard Bank Group Ltd, where he was a director and head of debt capital markets. He was responsible for raising finance for numerous blue-chip South African companies as well as multinationals.

Mr Costa was a member of Standard Bank's focus team that advised on the Municipal Finance Management Act 56 of 2003, the Public Finance Management Act 1 of 1999, and the JSE Debt Listings Requirements.

Prior to this, Mr Costa was a director in the corporate law department of attorneys Cliffe Dekker Inc. and specialised in mergers and acquisitions, corporate restructurings and competition law.

Board of directors (continued)

Mr Dimitri Kyriakides
Chief financial officer
CA(SA)
Appointed: 1 January 2013

Mr John Paterson
Executive director
BA, LLB, LLM
Appointed: 1 January 2013

Mr Kyriakides qualified as a CA(SA) in 1981, and joined Pick n Pay Stores Ltd as chief regional accountant for the Pretoria hypermarkets. In 1986, he joined a firm of chartered accountants in Pretoria as an audit partner, and in 1989 Mr Kyriakides moved to Johannesburg as an audit partner at Myers Tennier & Co. In 1995, he purchased an interest in a manufacturing concern, which he managed, and eventually disposed of in 2006.

In 2009, Mr Kyriakides joined the Georgiou Family to assist with the management and administration of their Johannesburg-based properties, gaining experience in all facets of the commercial property industry.

Mr Paterson is an admitted attorney. Prior to joining the banking sector, he was an associate director at Fitch Ratings and was responsible for rating over R25 billion of debt funding in the South African capital markets. Mr Paterson joined Investec Ltd (Investec) in 2005, where he was the head of debt capital markets and was a member of Investec's strategic asset liability committee. He left Investec to establish an independent debt advisory business focusing on, among others, funding structures for the commercial property sector. He brings a wealth of legal, banking, rating advisory and capital markets experience to Accelerate.

EXECUTIVE COMMITTEE

Mr Michael Georgiou
Chief executive officer

Mr Andrew Costa
Chief operating officer
BCom, LLB

Mr Dimitri Kyriakides
Chief financial officer
CA(SA)

Mr John Paterson
Executive director
BA, LLB, LLM

CORPORATE GOVERNANCE REPORT

Accelerate is cognisant of the role that good governance and compliance plays in the delivery of accretive value to its stakeholders. To this end, Accelerate ensures that it complies with all relevant provisions of the Companies Act 71 of 2008 (the Act), as amended, the JSE Listings Requirements and the recommendations of the King Report on Governance for South Africa 2009 (King III). A full report of the company's application of each of the King III principles is available on the Accelerate website: www.acceleratepf.co.za.

Governance structure

Accelerate has established a board structure and adopted the appropriate policies and procedures to demonstrate that it embraces the principles of King III and is accountable to shareholders and other stakeholders.

The board of directors

The responsibility for effective and beneficial corporate governance at Accelerate rests on the board of directors. The board is committed to leading the company with integrity and in an efficient manner, which promotes ethical business practices and displays the highest standards of business conduct. Operational control is exercised through the chief executive officer and chief operational officer, who are accountable to the board and its committees through providing regular reports.

The board oversees processes that ensure that each business area and every employee of the company is responsible for acting according to sound corporate governance principles in their relationships with management, shareholders and other stakeholders.

At the date of issuing the integrated annual report (this report), the board comprised 10 directors. Six of the directors are non-executive and four are executive directors. The ratio of executive to non-executive directors ensures that the board has a sufficient mix of informed, independent perspectives and an appropriate balance of knowledge, expertise and collective experience. The nominations committee oversees the formal process for nominating new directorial candidates.

Any directorial appointments are approved by the board, following recommendations from the nominations committee. Newly appointed directors are required to step down at the first annual general meeting following their appointment, for election by shareholders and, if eligible and available, may be re-elected. The nominations committee reviewed the competence and skills of the retiring directors, Mr GC Cruywagen and Mr JRP Doidge, and recommended that the board recommend their re-election to shareholders.

Information regarding involvement in stakeholder relationships is included on pages 33 to 34.

The board has a formal charter that, among other things, sets out its role, powers and responsibilities in areas such as ethical leadership, strategy, risk, performance, financial management, risk management, compliance, sustainability and governance in general. The board recognises that strategy, risk, performance and sustainability are inseparable. Decisions and actions made by the board are based on the company's ethical values and principles. The charter and service level agreements address the specific duties of individual directors in terms of common law and the provisions of the Act. Important elements of good governance that are also covered in the charter include the roles of the chairman, the lead independent director, the chief executive officer, the chief operating officer and the chief financial officer, the focus on stakeholder relationships, the implementation of a proper delegation of authority, and the composition and evaluation of the board and its various committees. The charter also contains the requirements for the composition of the board, meeting procedures and the annual work plan. The board charter was reviewed and was adopted without amendments. The board is satisfied that it has complied with the terms of its charter.

Integrity and ethical behaviour

The board is committed to providing effective leadership, based on an ethical foundation, and believes that responsible leadership is characterised by the ethical values of responsibility, accountability, fairness and transparency. The board is assisted by the social, ethics and transformation committee and ensures that management actively promotes a culture of ethical conduct throughout the company.

Accelerate has a code of ethics that incorporates its values of integrity, trust and honesty, and its relationships with various stakeholders. The social, ethics and transformation committee is responsible for monitoring Accelerate's ethical conduct. The committee meets at least twice a year to monitor and review Accelerate's social and ethics plan, policies and procedures and its statutory obligations against a comprehensive annual work plan.

Accelerate's approach to business ethics

- We operate and compete according to the principles governing ethical behaviour in business.
- Ethical behaviour is founded on the concept of good faith, and characterised by integrity and reliability.
- Ethical business transactions will benefit all parties by a fair exchange of value or satisfaction of need. The creation of profit is a legitimate component of this exchange and an incentive to continue in business.
- Other than the compliance with legal and ethical commercial practices, we expect no favours from our competitors, nor should they expect any from us.
- We expect equivalent standards of ethical behaviour from those with whom we deal.
- It is incumbent upon us to strive for excellence in our ethical standards, as in any other aspect of our activities.
- At all times, we aim to adhere to the principles of sound corporate governance.

Fiduciary and statutory duties

The board and directors are aware of their fiduciary and other duties and responsibilities under the Companies Act and King III. The directors exercise objective judgement and act in the best interests of Accelerate, ensuring:

- adherence to legal standards of conduct as per the Companies Act;
- they exercise their duties in the company's best interests;
- they have access to independent advice;
- disclosure of possible conflicts of interest to the board; and
- adherence to Accelerate's policy regarding dealing in securities.

Board meetings

The board meets on a quarterly basis and additional meetings are held when required. The board had six scheduled meetings and one additional meeting during the year under review. The number of meetings held are considered necessary for the board to properly apply itself to achieving its objectives through a strong focus on developing and implementing the company's strategy and operational business plans.

Summary attendance table of board meetings

	19 Jun 2015	27 Jul 2015	3 Sept# 2015	17 Sept 2015	16 Nov 2015	4 Mar 2016	14 Mar 2016
Mr TT Mboweni	P	P	P	P	P	**P**	**P**
Mr A Costa	P	P	P	P	P	**P**	**P**
Dr GC Cruywagen	P	A	P	P	P	**P**	**P**
Mr JRP Doidge	P	P	P	P	P	**P**	**P**
Mr TJ Fearnhead	P	P	P	P	P	**P**	**P**
Mr M Georgiou	P	P	A	A	A	**A**	**P**
Mr D Kyriakides	P	P	P	P	P	**P**	**P**
Ms K Madikizela	P	A	A	P	P	**P**	**P**
Mr JRJ Paterson	P	P	P	P	P	**P**	**P**
Prof F Viruly	A	A	P	P	P	**P**	**P**

Key: P – Present A – Apologies
 # Special board meeting

Chairman of the board

In accordance with King III and the JSE Listings Requirements, the roles of chairman and chief executive officer are separated and there is a clear division of responsibilities within the board and Accelerate, ensuring a balance of power and authority.

The lead independent director assessed the performance of the chairman and was satisfied with the chairman's performance.

Lead independent director (LID)

The LID, Dr GC Cruywagen, provides guidance to the board in situations where the impartiality of the chairman is impaired or when conflict arises.

Details of the directors and brief résumés appear on pages 66 to 73.

Board composition

The board elects the chairman annually. The nominations committee considers the composition of the board and its committees and strives to ensure that the board consists of individuals with appropriate skills, experience and diversity. As required by the JSE Limited, the chairman of the board is the chairman of the nominations committee. The structure of the board and its committees provides the appropriate framework to assist Accelerate to deliver on its strategic objectives.

The JSE Limited implemented a requirement for disclosure in the integrated report on a policy on the promotion of diversity at board level. Although this is only effective 1 January 2017, the board affirms that it is mindful and supportive of transformation at all levels of the company. The composition of the board has not changed but, when reviewing the board composition, the board, assisted by the nominations committee, will consider the following diversity criteria: different perspectives, generational mix, culture, skills, experience and specific industry knowledge. International experience will also be an important consideration going forward in line with the beginning of the implementation of this aspect of the company's strategy.

Non-executive directors may accept appointments to other boards, including industry-related organisations, government entities and charitable organisations, provided their other commitments do not affect their ability to discharge their duties to the company. Non-executive directors are not awarded share options or any benefits other than directors' fees,

More information is set out on pages 134.

Independence

The independence of non-executive directors forms part of the board evaluation process. There were no directors who have served on the board for more than nine years. The strong independent component of the board ensures that no one individual has unfettered powers of decision-making and authority. The board underwent an evaluation process through a self-assessment questionnaire and the chairman assessed each non-executive director's performance. The chairman was satisfied that board members had satisfactorily discharged their duties.

Strategy

Management is responsible for developing and presenting the company strategy to the board annually. The board has a duty to ensure that the strategy takes account of associated risks, risk appetite and risk tolerance level and is aligned with the company's code of business conduct. The board approves the financial, governance and risk objectives and monitors performance against objectives.

Access to information and resources

All directors of the board are provided with unrestricted access to Accelerate's company secretary, management and company information. Directors are also provided with the requisite resources to discharge their duties and responsibilities.

Company secretary

The company secretary is iThemba Governance and Statutory Solutions (Pty) Ltd, represented by Ms Joanne Matisonn (FCIS; H Dip Co Law (Wits)). The board is satisfied that she has the requisite skills, attributes and experience to effectively fulfil the duties of company secretary of a public, listed company. Ms Matisonn has over 20 years' experience as a company secretary and is actively involved in assisting the board in its governance initiatives and fulfilling its statutory and fiduciary duties and obligations.

On an annual basis, the board considers the skills and experience of the company secretary. The board was satisfied with the level of competence, qualifications and experience of Ms Matisonn, as required in terms of paragraph 3.84(i) of the JSE Listings Requirements.

Ms Matisonn is not a director and as an outsourced secretarial service is not connected to any of the directors that could result in a conflict of interest. Accordingly, the board is comfortable she maintains an arm's length relationship with the board according to paragraph 3.84(j) of the JSE Listings Requirements.

Retirement by rotation

In compliance with the provisions of Accelerate's memorandum of incorporation, one-third of the non-executive directors are expected to retire by rotation and, if eligible and willing to continue serving as directors, offer themselves for re-election by shareholders. The retiring directors are Mr GC Cruywagen and Mr JRP Doidge, both of whom are eligible and have indicated that they are available for re-election by shareholders at the annual general meeting to be held on Thursday, 28 July 2016.

Details of directors are set out in the notice of annual general meeting.

Succession planning

The board has developed a succession plan for the board and key management positions, taking into account current needs and its growth strategy. The board is satisfied that the current board composition is appropriate to support the achievement of Accelerate's strategic objectives.

Board evaluation

An internal board, committee and individual directors' evaluation took place through questionnaire-based assessments. The process was overseen by the remuneration committee and thereafter discussed by the board. The board was satisfied that the board and its committees are operating effectively.

Induction and training

There were no changes to the board. However, where new appointments are made to the board, an induction programme is implemented which covers statutory and governance compliance, industry and specific company briefings.

The board is kept up to date with its duties and changes in relevant legislation, codes and changing risk areas.

Share dealings by directors and officers

Accelerate implements a closed period commencing at year-end on 1 April until the year-end results are released. As required by the JSE, a closed period is also implemented at half-year until the release of the interim results. A policy for trading in company shares is in place.

Corporate governance report (continued)

During closed periods, directors and designated senior executives may not deal in the shares, or in any other instrument linked to the shares, of Accelerate.

In addition, directors and employees cannot trade in Accelerate's shares during any period where they have access to unpublished price-sensitive information and at any time that the company is trading under a cautionary announcement.

To ensure effective compliance, no Accelerate securities may be traded outside of the closed periods without prior approval.

Directors and senior designated employees are required to instruct their portfolio or investment managers not to trade in company securities without their written consent. They are required to advise the company secretary immediately after the trade has taken place, who will then report the transaction to the JSE Limited through the Stock Exchange News Service, within the required time frame.

Identical rules and restraints apply where company securities are held by immediate family members of directors, or senior designated employees, or by trusts in which directors or senior designated employees or their families are beneficiaries.

Conflict of interest

Accelerate has a conflict of interest policy that provides guidance to directors and senior management on how conflicts can arise and how these should be declared.

The aim of the policy is to protect the company and individuals involved from any appearance of impropriety and to ensure compliance with statutory and best practice requirements. The policy covers the statutory provision in section 75(5) of the Companies Act and recommendations of King III, principles 2.14(25) and (26) in respect of directors' personal financial interests. In addition, the policy includes guidance on when to declare any gifts or hospitality a director or senior management may receive in connection with their role in the company.

BOARD COMMITTEES

To assist the board in discharging its duties, and in line with legislative and regulatory compliance requirements, the board has constituted the following committees:

- Audit and risk committee
- Remuneration committee
- Nominations committee
- Social, ethics and transformation committee
- Investment committee.

Each committee is governed by terms of reference, which are reviewed by the board on an annual basis. The chairman of each committee reports to the board on its activities at each board meeting. Minutes of committee meetings are available in the board agenda packs. In addition, the chairman of the relevant committee provides verbal feedback at each board meeting. On an annual basis, the committees assess whether they have complied with their terms of reference and report back on compliance to the board. The committees have complied with this requirement.

The duties and responsibilities of the members of the committees, as set out in their terms of reference, are in addition to those duties and responsibilities that they have as members of the board. The deliberations of the committees do not reduce the individual and collective responsibilities of the board members regarding their fiduciary duties and responsibilities, and they must continue exercising due care and judgement in accordance with their legal obligations. Terms of reference are subject to the provisions of the Act, the memorandum of incorporation of Accelerate, and other applicable laws or regulatory provisions.

Individual reports and attendance registers of each committee are set out below.

Audit and risk committee

At the time of publishing this report, the composition of the audit and risk committee was as follows:

- Mr TJ Fearnhead (chairman)
- Dr GC Cruywagen
- Ms K Madikizela.

The board ensures that the audit and risk committee is effective and independent. The committee is constituted in terms of section 94 of the Act and the King III requirements. It consists of three independent non-executive directors with the relevant skills and experience. The chairman of the audit and risk committee reports to the board following each committee meeting, or more often if required. The independence of the committee members was evaluated through a self-assessment questionnaire and the findings were presented to the board. The board deemed the members of the audit and risk committee to be independent.

The committee is guided by its terms of reference, which outline the roles, power, responsibilities and membership of the committee. The committee has monitored compliance with its risk management policy and Accelerate has, in all material respects, complied with the policy. In summary, the audit and risk committee's duties include:

- ensuring it adheres to its statutory duties in accordance with section 94(7) of the Act;
- recommending independent auditors for appointment, reviewing the audit process, and reviewing and commenting on the annual financial statements;
- approving the structure and charter of the internal audit, reviewing its function, and considering any major findings of internal investigations;
- overseeing the risk management process;
- any other such duties defined by the board; and
- giving due consideration to relevant provisions in the Act, the JSE Listings Requirements and King III.

The audit and risk committee has performed a formal assessment of the competence of the chief financial officer and, given his qualifications and experience, the board is satisfied that Mr D Kyriakides has the requisite capacity and competence to fulfil his role.

The members' résumés appear on pages 66 to 73 and on the recommendation of the nominations committee all will stand for re-election at the upcoming annual general meeting on Thursday, 28 July 2016.

Board committees (continued)

Summary attendance table of members at the audit and risk committee meetings for the year ended 31 March 2016

	10 Jun 2015	9 Sept 2015	9 Nov 2015	11 Feb 2016
Mr TJ Fearnhead	P	P	P	**P**
Dr GC Cruywagen	P	P	P	**P**
Ms K Madikizela	P	A	P	**A**
Mr A Costa*	P	A	P	**P**
Mr D Kyriakides*	P	P	P	**A**
Mr JRJ Paterson*	P	A	P	**P**

Key: P – Present A – Apologies
** By invitation*

Governance of risk
The board, assisted by the audit and risk committee, is responsible for the governance of risk throughout the company. There is an ongoing process for identifying, assessing and monitoring key risks, which is encapsulated in a risk management policy and risk register. The audit and risk committee thoroughly reviews and interrogates the risk management report and risk register and highlights to the board any key issues that require attention. Due to the growth in the business, governance of risk was a key focus and the number of employees was increased and processes enhanced to protect shareholders' interests and ensure the highest standards of service delivery.

Information technology governance
The board is responsible for information technology (IT) governance throughout the company and management is responsible for implementing the structures and processes to execute the IT governance framework. Quarterly feedback on IT applications, development and infrastructure is provided to the board through the audit and risk committee. IT security and processes were interrogated and enhanced to ensure regulatory compliance and to meet increased global technology risks.

Legislative compliance
The board is responsible for the company's compliance with applicable laws, rules, codes and standards. Compliance is an integral part of the company's culture as a key contributor to support and achieve the company's strategy. The board complies with various codes and regulations such as the Companies Act, the JSE Limited Listings Requirements and King III.

Internal audit
The board ensures that the internal audit function is risk-based. This is monitored and controlled by the audit and risk committee. LateganMashego Consulting (Pty) Ltd is Accelerate's internal auditor. The internal auditor submits an annual assessment on the effectiveness of the risk management process in Accelerate to the audit and risk committee for consideration. The internal audit noted the enhanced control process implemented.

Relationships with stakeholders
The board realises and appreciates that stakeholders' perceptions affect Accelerate's reputation. A stakeholder engagement policy is in place, which requires that communication with stakeholders be timely and transparent. In addition, Accelerate has partnered with Instinctif Partners to assist in the management of investor relations.

Integrity of the integrated annual report
The contents and correctness of Accelerate's integrated annual report have been reviewed and unanimously approved by the board of directors on recommendation from the audit and risk committee. The remuneration and social, ethics and transformation committees reviewed and recommended their reports to the board for approval.

Internal controls
The management of the company performs annual internal reviews focused on financial controls and expresses an opinion. This opinion is presented to the audit and risk committee and the board. The board relies on this assurance and reports on the effectiveness of controls.

Business rescue proceedings

The board is aware of the procedures regarding business rescue proceedings and the going concern statement is presented to the board biannually to assess the company's financial position. Monthly management reports are also submitted to the executive directors to closely monitor the solvency and liquidity of Accelerate.

The board understands that, should Accelerate become financially distressed, business rescue or other appropriate turnaround mechanisms would be implemented.

Compliance, ethics and financial reporting

Competition law

The company provides training and information to all employees, management and directors regarding relevant provisions of the Competition Act 89 of 1998.

Real Estate Investment Trust (REIT) legislation and regulation

The board is aware of the REIT requirements as set out in the JSE Listings Requirements and Income Tax Act and continues to conduct business operations in such a manner that ensures compliance with REIT legislation and regulation.

The REIT structure includes tax benefits for the company, whereby it becomes a conduit for property rental income from owners and provides investors with an investment similar to direct ownership of the underlying property. When a South African REIT sells a property it does not pay capital gains tax on any profits from the sale.

Furthermore, shareholders do not pay securities transfer tax on buying or selling South African REIT shares. As the distribution from a REIT is not considered to be a dividend, South African investors receive distributions that are exempt from the 15% dividends tax. Investors are taxed on the distributions received at their applicable marginal income tax rate.

The JSE has included certain requirements for a company to qualify for REIT status, and the directors are required to supply the JSE with an annual compliance declaration within six months of the company's financial year-end.

Financial reporting and going concern

Based on the recommendation of the audit and risk committee, the board considers and confirms the going concern status of the company in preparation of the financial statements at the interim reporting period and at year-end. The assumptions underlying the going concern statement include profitability, budgets, profit forecasts and resources. In addition, the solvency and liquidity requirements, as required by the Companies Act, are considered. The board is satisfied that the company will continue as a going concern into the foreseeable future and the annual financial statements have been prepared on this basis.

The integrity and reliability of the financial statements, accounting policies and the information contained in the integrated annual report are assured through a robust, integrated process of identifying, evaluating and managing the significant risks posed to the company. This process is in place and while management is responsible for this process, the audit and risk committee independently monitors it.

Financial indicators

The board is confident that there are no known events or conditions that may give rise to business risks that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern.

The board is of the opinion that the company's risk management processes and the systems of internal control are effective.

Remuneration committee

At the time of publishing this report, the composition of the remuneration committee was as follows:

- Mr JRP Doidge (chairman)
- Mr TJ Fearnhead
- Mr TT Mboweni.

The committee is primarily responsible for assisting the board in formulating the company's remuneration philosophy and other employment policies, and to structure appropriate remuneration packages for executive directors, based on industry standards and the best interests of all parties concerned.

Board committees (continued)

Summary attendance table of members at the remuneration committee meetings for the year ended 31 March 2016

	8 Jun 2015	14 Mar 2016
Mr JRP Doidge	P	**P**
Mr TJ Fearnhead	P	**P**
Mr TT Mboweni	P	**P**
Mr A Costa*	P	**P**

Key: P – Present

** By invitation. Appointed to the remuneration committee on 19 June 2015.*

Accelerate's remuneration review is discussed on page 85.

Nominations committee

At the reporting date, the composition of the nominations committee was as follows:

- Mr TT Mboweni (chairman)
- Mr JRP Doidge
- Mr TJ Fearnhead.

The committee assists the board in the nomination of new board candidates and in ensuring that the board composition is aligned to supporting the achievement of the company's current and future strategy.

One meeting is held annually, additional meetings are held on an ad hoc basis as and when required. A meeting was held on 8 June 2015 to consider the retiring directors and their suitability for re-election. The nominations committee recommended to the board that the retiring directors be considered for re-election, which was accepted. All committee members attended this meeting.

Social, ethics and transformation committee

The social, ethics and transformation committee is a statutory committee according to section 72 of the Act.

Its purpose is to monitor Accelerate's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, regarding social and economic development; corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, including the impact of Accelerate's activities and of its products or services); consumer relationships; and labour and employment issues.

The committee is responsible for advising the board on all relevant social and ethical aspects within its mandate that may have a significant impact on the long-term sustainability of the company. The committee will also draw the board's attention to matters within its mandate as occasion requires, and reports to the shareholders at the annual general meeting.

The composition of the social, ethics and transformation committee was as follows:

- Ms K Madikizela (chairman)
- Mr JRP Doidge
- Mr JRJ Paterson
- Prof F Viruly.

It is the responsibility of this committee to ensure, among others, that the company:

- discharges its statutory duties according to section 72 of the Act dealing with the structure and composition of board committees;
- upholds the objectives of the Organisation of Economic Co-operation and Development (OECD) recommendations regarding corruption;
- complies with the Employment Equity Act 55 of 1998, as amended, and the Broad-based Black Economic Empowerment Act 53 of 2003, as amended;
- ensures compliance by directors and employees with the company's code of ethics;
- practises labour and employment policies that comply with the terms of the International Labour Organisation protocol on decent work and working conditions;

- ensures the continued training and skills development of its employees; and
- performs its responsibilities regarding social and ethics matters in line with relevant policies and that these policies are reviewed on an annual basis, or as required.

Summary attendance table of members at the social, ethics and transformation committee meetings for the year ended 31 March 2016

	9 Nov 2015	14 Mar 2016
Ms K Madikizela	P	**P**
Mr JRP Doidge	P	**P**
Mr JRJ Paterson	P	**P**
Prof F Viruly	P	**P**

Key: P – Present

Investment committee

At the time of publishing this report, the composition of the investment committee was as follows:

- Dr GC Cruywagen (chairman)
- Mr A Costa
- Mr M Georgiou
- Mr TT Mboweni
- Mr JRJ Paterson
- Prof F Viruly
- Mr A du Toit (by invitation).

This committee is responsible for considering strategic acquisitions and disposals for the benefit of the company and all stakeholders.

The investment committee meets on an ad hoc basis as and when required to approve strategic acquisitions, disposals, developments or redevelopments.

Summary attendance table of members at the investment committee meetings for the year ended 31 March 2016

	24 Apr 2015	12 Nov 2015	28 Jan 2016
Dr GC Cruywagen	P	P	**P**
Mr A Costa	P	P	**P**
Mr M Georgiou	P	P	**P**
Mr TT Mboweni	P	P	**P**
Mr JRJ Paterson	P	P	**P**
Dr F Viruly	P	P	**P**
Mr A du Toit*	A	A	**A**

Key: P – Present A – Absent

** By invitation*

King III

Accelerate is committed to King III. No exceptions were noted to Accelerate's application of the King Code of Governance Principles for South Africa 2009 (King III). The full King III compliance assessment can be found on the company website www.acceleratepf.co.za.

RISK MANAGEMENT REVIEW

Accelerate recognises the importance of managing risk and is committed to best practice risk management. We have a robust risk management process in place to ensure that:

- key risks are identified;
- ownership is assigned for each risk at a senior management level;
- existing and planned management activities against each risk are identified; and
- the residual likelihood and impact of each risk are assessed and monitored on an ongoing basis.

We have implemented a risk management policy and plan that provide a framework within which management can operate to reinforce a strong risk management culture throughout the group. This framework contains risk management standards and guidelines that are based on the requirements of King III – specifically, the governance of risk. The policy is reviewed annually and any changes are submitted to the audit and risk committee for consideration and approval. Accelerate's management is responsible for the implementation of the risk management functions and the policy in their respective areas. On a semi-annual basis, a risk register is presented to the audit and risk committee for review. The risk register sets out the risks identified within Accelerate and the mechanisms to mitigate such risks.

The audit and risk committee assumes overall responsibility for monitoring Accelerate's risk management performance and considers Accelerate's tolerance level and risk register, which it recommends to the board for annual approval.

Accelerate's risk management processes aim to achieve the following:

- Identify, quantify and mitigate the significant risks that may affect Accelerate
- Identify, quantify and exploit the opportunities presented to Accelerate
- Maintain and further develop risk governance;
- Maximise long-term shareholder value and net worth
- Develop and protect our people
- Protect our assets and the environment
- Facilitate our long-term growth under all business conditions
- Protect the reputation and brand name of Accelerate.

As part of Accelerate's risk management process, the risks to the business were identified and reviewed. Management has put in place mechanisms to mitigate these risks. Key risks identified as part of the risk review and mechanisms in place to mitigate the risks include:

Risk	Mitigation mechanism
Loss of confidence in listed property market	Considered in all decisions and reported to the audit and risk committee and the board. Management constantly reviews various options as to bulk development.
Non-delivery of the Fourways Development	The Fourways Development has commenced and is progressing satisfactorily. Monthly asset management meetings are held to monitor progress.
Refinancing risks	Management constantly monitors its financial needs relating to repayment of existing debt and to proposed acquisitions and regularly reports to the board. A robust hedging management strategy has been implemented to protect the company against interest rate increases in the medium term, with a weighted average swap term of 2,4 years and 86,9% of debt hedged.
Retention of key employees	A share incentive scheme is in place for executives and key senior employees. The remuneration committee keeps up to date with local and international trends and implements amendments/refinement as required.

REMUNERATION REVIEW

Letter from the remuneration committee chairman

Dear shareholder

The board of Accelerate Property Fund Ltd and the remuneration committee are pleased to submit the remuneration report for the year ended 31 March 2016. PwC was again engaged as an independent advisor to undertake an in-depth benchmarking exercise for the executive and non-executive directors.

For executive directors, the targets of the short-term and long-term incentives were set to be sufficiently stretching, so that superior performance is required for payout of any short-term incentive, and for vesting of long-term awards and driving the appropriate long-term behaviour in executives to align the executives with the interest of stakeholders.

The group believes that its remuneration policy plays an essential role in realising business strategy and therefore should be competitive and appropriate for the market in which Accelerate operates. Accelerate operates in a highly competitive sector and as a result, the board acknowledges the need to attract and retain high-quality professionals from a limited pool. The remuneration of executive directors has been designed to support an entrepreneurial spirit appropriate to a newly listed company, through the investment in high-calibre employees who have the experience and ability to drive the performance of the company in a limited resource environment. Furthermore, we have endeavoured to ensure that appropriate safeguards are built into the remuneration structures to ensure that behaviour that exposes the group to unnecessary risk is not encouraged.

Mr John Doidge
Chairman of the remuneration committee
23 June 2016

The remuneration committee

Terms of reference

The board of directors delegates formal terms of reference, which represent the scope of responsibility, to the committee. In turn, the committee confirms that it has discharged its functions and complied with its terms of reference.

Key activities and recommendations

The key activities and recommendations of the committee during 2015 included the following:

- Benchmarking of executive directors' remuneration
- Approval of a remuneration philosophy.

Remuneration philosophy

Fixed remuneration and benefits

Accelerate follows a total guaranteed package (TGP) approach to structure its remuneration for employees. The TGP includes the total benefit to the individual, and the total cost to the organisation. The TGP approach acts as a reflection on employees' job worth within the company and is payable for executing the expected day-to-day requirements. We believe that this approach forms the basis for Accelerate's ability to attract and retain the high-calibre skills that we require.

At present, Accelerate's TGP approach is not structured to include any benefits to employees other than life cover for executive directors.

Remuneration review (continued)

Variable remuneration

Employees are eligible for an annual short-term incentive (STI), which is calculated on an additive basis. This will be based on personal and business scores, determined with reference to the financial performance of the company and the achievement of personal key performance indicators as set out below.

Indicator	Weighting
Business/financial indicator* Achievement of financial metrics, including: • Loan-to-value ratio • Debt expiry profile • Interest rate hedging • Hedging expiry profile • Debt rating Achievement of operational metrics, including: • Property cost-to-income ratio • Vacancies • Operating expense ratio • Arrears (as percentage of collectibles) * *Subject to adjustments approved by the committee. Such adjustments would be for instances such as acquisitions, disposals and redevelopments during the performance period.*	70%
Personal indicator Achievement of personal KPIs, including: • Key executive responsibilities • Compliance with industry best standards • Development of people/culture/values • Industry perception	30%

Long-term incentives (LTI)

A conditional share plan (CSP) was concluded during the 2015 financial year.

Regular annual awards of conditional shares are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation. The CSP makes shares available to executives and selected senior management of Accelerate Property Management Company (Pty) Ltd in an effort to align their interests with those of the shareholders. Vesting of the conditional shares is subject to continued employment and appropriate stretching performance conditions. The performance conditions are measured over a three-year period, in line with the financial year-end of the company.

The essential features of the CSP are detailed below:

Purpose	The primary intent of the CSP is to provide an opportunity to executives and senior management to receive shares in the company, thereby aligning their interests with those of shareholders. This is done through the award of conditional shares.
Operation	The vesting of the conditional shares is subject to continued employment (employment condition) and appropriate stretching performance results (performance condition(s)). The performance conditions are measured over a three-year period, in line with the financial year-end of the company. Regular annual awards of performance units are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation.
Participants	Selected senior employees of the company and Accelerate Property Management Company are eligible to participate, at the discretion of the remuneration committee.
Performance period	The performance conditions are measured over a three-year period, in line with the financial year-end of the company.
Maximum value of award	The maximum annual face value of the LTI is based on market benchmarks obtained from independent experts.
Plan limits	The aggregate number of shares that may be allocated under the CSP is subject to an overall limit of 5% of the issued share capital, and an individual limit of 1,5% of the issued share capital of the company.
Performance conditions	The performance conditions are objective and include one or more of the following: • Growth in dividend per share (internal benchmark, and peer group comparison if possible/appropriate) • Outperformance relative to SA All Bond Index (ALBI) • Outperformance relative to Listed Property Index (SAPI)

Non-executive directors' fees

Non-executive directors do not hold contracts of employment with the company and play no part in any short-term or long-term incentives. Their fees are reviewed by Accelerate, and submitted for shareholder approval on an annual basis.

Non-executive directors' fees reflect the directors' role and membership of the board and subcommittees.

The committee recommends the non-executive director fee structure to the board for approval and recommendation to shareholders to approve at the upcoming annual general meeting. Accelerate is committed to ensuring non-executive base fees, which were agreed upon pre-listing, come into line with market norm in the medium term.

2016 fees

The resolutions relating to non-executive directors' fees for the 2016 financial year can be found on page 4 of the notice of annual general meeting.

Remuneration review (continued)

Fees: 2015 and 2016

Non-executive directors' fees for 2015 and 2016 are as follows:

	31 March 2016	31 March 2015
TT Mboweni	**R1 632 682**	R1 580 800
GC Cruywagen	**R536 183**	R520 000
TJ Fearnhead	**R379 657**	R364 000
JRP Doidge	**R329 130**	R316 500
K Madikizela	**R329 130**	R312 000
F Viruly	**R329 130**	R312 000

Executive directors' remuneration

Fixed pay is determined through the annual review process, and considers an employee's pay rate in relation to market averages. Any adjustments to pay are made in accordance with the company's pay philosophy. The annual review commences in March of each year and any rate changes will become effective on 1 July.

Remuneration: 2015 and 2016

The executive directors' TGP and STI remuneration for the 2015 and 2016 financial year are as follows:

	31 March 2016	31 March 2015
Total guaranteed package		
M Georgiou	**Nil**	Nil
A Costa	**R2 900 920**	R2 333 333
D Kyriakides	**R1 956 800**	R1 866 667
JRJ Paterson	**R2 100 153**	R1 833 333
Short-term incentive payment		
M Georgiou	**Nil**	Nil
A Costa	**R1 697 843**	R780 154
D Kyriakides	**R1 158 033**	R469 718
JRJ Paterson	**R1 414 874**	R650 128

Share options awarded during the period, which only vest on the below dates, once the vesting conditions have been met, are as follows:

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

The maximum number of shares that 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).

Employees

Our employees drive our day-to-day success providing their professional expertise in the many facets of our business, through sourcing, developing, leasing, working with tenants, suppliers and corporate partners, and managing property portfolios. We take care to select the people who display a passion for the property industry and potential to grow and add value to the company.

We manage employees in a way that ensures their success and the success of our company. We provide them with the means and resources to carry out their duties and responsibilities and create an environment in which they can excel and be rewarded appropriately for their performances.

High-performance culture

We believe in a high-performance culture at Accelerate and believe that this culture filters down from the management team to each individual employee.

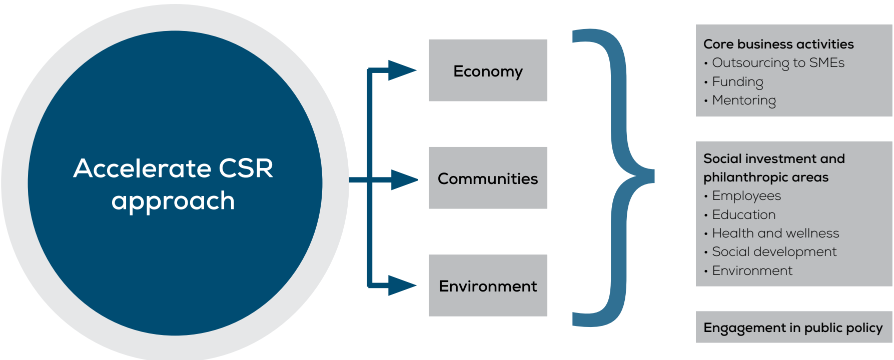
Employees are encouraged to maintain this culture and are provided with the necessary tools to reach their goals, in a personal and professional capacity.

All employees of Accelerate are reviewed against key performance indicators on an annual basis to measure their performance. These reviews are set to ensure our company's strategic objectives are met, and that employees have attained their goals. We believe in continued growth and development and so employees are encouraged to discuss their training needs during their performance reviews.

SOCIAL AND ETHICS REVIEW

Accelerate's approach to corporate social responsibility (CSR) is intentionally designed to allow the company to be the best operating entity that it can be. This is done with the understanding that business success is a multi-faceted measure. We acknowledge the need to conduct our business in a way that generates economic growth for the organisation, creates sustainable social and economic benefit for stakeholders, and protects the natural capital that sustains our way of life.

We acknowledge the important role of the communities within our geographical footprint in maintaining our social licence to operate and, therefore, the essential need to invest in these communities. We do this through investing in job creation, prospective economic growth provision and infrastructural development in these communities. Accelerate thus demonstrates its commitment to being a responsible and contributing corporate citizen.



Accelerate's approach to CSR is depicted graphically above, and the social, ethics and transformation committee's agenda will be aligned with its CSR approach. Accelerate aims to adopt one of the five social investment and philanthropic focus areas annually, as a theme for the year, and by partnering with relevant local and national organisations, it aims to bring about upliftment in that specific area.

The social, ethics and transformation committee's purpose is to monitor Accelerate's activities in line with its mandate, including:

- social and economic development;
- corporate citizenship;
- consumer relationships;
- labour and employment issues; and
- legislative and regulatory requirements.

Furthermore, the committee advises the board on all relevant aspects that affect Accelerate's long-term sustainability, and it reports to shareholders at the annual general meeting.

Further information and membership of this committee is shown on page 82.

Social investment and philanthropic areas unpacked

Employees	We aim to make a difference in the lives of employees and their families, providing them with income, educational opportunities and the potential for skills development. We believe that employees are the reason for our success and that providing an environment in which they can reach their full potential is beneficial to them and the company.
Education	Accelerate recognises that an investment in education is an investment in the future of South Africa, one that yields sustainable returns and has the potential to create meaningful value for generations to come. Our aim is to build sustainable relationships with education facilities in the areas in which we operate and work to help them provide top-quality education.
Health and wellness	Accelerate promotes healthy living and takes a proactive approach to increasing health consciousness within the communities in which we operate.
Social development	Accelerate believes that investment into social entrepreneurship, particularly among women and youth, has far-reaching benefits for the country, the communities in which we operate, and the company itself. We aim to uplift individuals who have the potential and the desire to make a difference in their own environment. We do this through job creation, training programmes, and skills development within local communities.
Environment	Accelerate recognises that our services could have harmful effects on the environment if not well planned and executed. As such, we aim to ensure that all aspects of our operations are exercised with utmost respect for environmental sustainability, adhering to all required environmental considerations.

Educational initiatives

As mentioned earlier, Accelerate identified four schools with the aim of establishing a supportive relationship and upgrading the infrastructure so that learners can focus on achieving their academic potential. All of these schools are located within Diepsloot, a subsidiary community to our Fourways node. The schools identified were Muzomuhle Primary School, Diepsloot West, Diepsloot Secondary no 3 and Diepsloot Combined School.

Muzomuhle Primary School: A primary school with a high enrolment rate, comprising a group of more than 2 000 pupils. The school is predominantly constructed of prefabricated buildings in good condition, but additional space is required. Accelerate has approved the building of a new classroom and will provide 90 new chairs and 30 new primary school desks.

Diepsloot West: A primary and secondary school made up of formal structures that are well maintained. The school identified the need for four new water storage tanks as replacements for older, contaminated tanks, and two new water pumps. The fund has approved the construction of a vegetable tunnel, which will provide fresh produce to the school.

Diepsloot Secondary no 3: The entire school is made up of prefabricated structures in good condition. The school has advanced technological teaching tools, and a lack of security has been a concern. The school identified, and Accelerate approved, security upgrades, including the replacement of broken windows and door handles and the installation of new locks on all the doors. Accelerate has also approved the provision of school uniforms for a number of pupils, and funding for matric jerseys.

Diepsloot Combined School: The school comprises formal and prefabricated buildings and provides primary and high school education to pupils. The school identified the need for 100 new desks and chairs, and eight new parking bays for teachers, the funding for which Accelerate has approved. Routine maintenance on plastering and painting has also been approved.

CONTENTS

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

EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

Building a better working world

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%.

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	Mpuma-langa 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARTCH 2016

		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 other 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

Notes to the consolidated financial statements (continued)

FOR THE YEAR ENDED 31 MARCH 2016

	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

	2016 R'000	2015 R'000
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.		
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%.

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 performance 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.

CORPORATE INFORMATION

Accelerate Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF ISIN: ZAE000185815

Registered office and business address
Cedar Square Shopping Centre, Management Office,
1st Floor, Cnr Willow Ave and Cedar Rd, Fourways,
Johannesburg, 2055
Tel: 010 001 0790
Web: www.acceleratepf.co.za

Investor relations
Instinctif Partners
The Firs, 302 3rd Floor,
Cnr Craddock and Biermann Road,
Rosebank, 2196
Tel: 011 447 3030
Email: accelerate@instinctif.com

Company secretary
Joanne Matisonn
iThemba Governance and Statutory Solutions
(Pty) Ltd
Monument Office Park, Block 5, Suite 102,
79 Steenbok Avenue, Monument Park
Tel: 086 111 1010
Email: joanne@ithembaonline.co.za

Transfer secretaries
Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107, South Africa
Tel: 011 370 5000
Email: proxy@computershare.co.za
Fax: 011 688 2238

Sponsor
The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
Baker Street, Rosebank, 2196
PO Box, 61344, Marshalltown, 2107
Tel: 011 721 6125

Auditors
Ernst & Young Incorporated
102 Rivonia Road, Sandton, Johannesburg, 2149
Tel: 011 772 3000

Internal auditors
LateganMashego Auditors (Pty) Ltd
Registration number 2001/107847/07
Registered address:
11 Boca Walk, Highveld, Centurion, 0157
Email: lindie@lateganmashego.co.za
Tel: 082 898 7644/083 609 1159

Attorneys
Glyn Marais Inc.
(Registration number 1990/000849/21)
2nd Floor, The Place, 1 Sandton Drive Sandton, 2196
PO Box 652361, Benmore, 2010
Tel: 011 286 3700

Contact details
Chief operating officer: Andrew Costa
Email: andrew@acceleratepf.co.za

Chief financial officer: Dimitri Kyriakides
Email: dimitri@acceleratepf.co.za