EXEMPLAR

ANNUAL FINANCIAL STATEMENTS

Mabopane Square | Gauteng

GENERAL INFORMATION

REGISTERED NAME
Exemplar REITail Limited

COMPANY REGISTRATION NUMBER
2018/022591/06

COUNTRY OF INCORPORATION AND DOMICILE
South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES
Exemplar REITail is a market leader in the ownership and management of retail real estate in South Africa

EXECUTIVE DIRECTORS
Church, DA
McCormick, J (Jason)
McCormick, J (John)

NON-EXECUTIVE DIRECTORS
Azzopardi, GVC
Berkeley, FM
Katzenellenbogen, PJ
Maponya, EP

REGISTERED OFFICE AND BUSINESS ADDRESS
Corner Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

AUDITOR
BDO South Africa Incorporated
Chartered Accountants (S.A.)
Registered Auditor

LEVEL OF ASSURANCE
These Group and Company financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

PREPARER
The financial statements were internally compiled by: C.R. Sansom (BComm (Acc), PGDipTax) under the supervision of D.A. Church (Chief Financial Officer (BCompt (Hons), CA(SA)).

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and place considerable importance on maintaining a strong control environment.

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 Group and Company financial statements and related financial information included in this report. It is their responsibility to ensure that the Group and Company financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the financial year then ended, in conformity with International Financial Reporting Standards. The external auditor is engaged to express an independent opinion on the Group and Company financial statements.

The Group and Company 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 Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set 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 Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavour 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 Group and Company 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 and Company's cash flow forecast for the period to 28 February 2021 and, in light of this review and the current financial position, they are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Group and Company financial statements. The Group and Company financial statements have been examined by the Group and Company's external auditor and their report is presented on pages 10 to 13.

The Group and Company financial statements set out on pages 14 to 71, which have been prepared on the going concern basis, were approved by the board of directors on 25 May 2020 and were signed on their behalf by:

JASON MCCORMICK
Chief Executive Officer

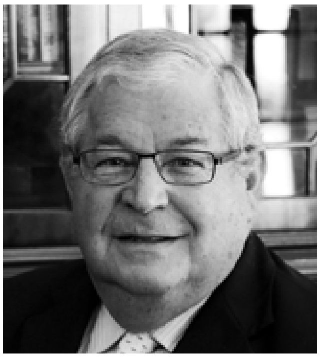
DUNCAN ALAN CHURCH
Chief Financial Officer

DECLARATION BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, and in my capacity as company secretary, I hereby certify that, to the best of my knowledge, Exemplar REITail Limited has filed the required returns and notices with the Companies and Intellectual Property Commission as are required in terms of the Companies Act, for the year ended 29 February 2020, and that all such returns and notices appear to be true, correct, and up to date.

ANANDA BOOYSEN
Company Secretary
25 May 2020

AUDIT AND RISK COMMITTEE REPORT



The Audit and Risk Committee is pleased to present its report for the financial year ended 29 February 2020.

FUNCTION AND COMPOSITION OF THE COMMITTEE

The responsibilities of the committee are detailed in section 94(7) of the Companies Act, King IV, the Company's memorandum of incorporation and the JSE Listings Requirements. The responsibilities of the committee have been codified in the committee charter. The committee charter was reviewed, updated and approved by the board in January 2020. The key functions of the committee include ensuring the integrity of financial reporting and the audit process, overseeing integrated reporting, reviewing the Company's finance function, overseeing risk, compliance, and the governance of technology and information.

The committee comprises the following three independent non-executive directors:
- Peter J Katzenellenbogen (Chair)
- Frank M Berkeley
- Elias P Maponya

Members of the committee are appointed annually by shareholders at the Company's AGM. The committee meets at least three times per year and special meetings are convened when required. Attendance at the committee meetings is set out in the corporate governance review which forms part of the integrated annual report of the Company. The committee assesses its performance on an annual basis. The assessment takes the form of a questionnaire which is independently completed by each committee member. The outcome of the current evaluation was satisfactory and no matters of concern were raised.

ACTIVITIES OF THE COMMITTEE DURING THE REPORTING PERIOD

EXTERNAL AUDITORS

BDO South Africa Incorporated ("BDO") was re-appointed as the Group's external auditors at the Company's AGM held on 16 July 2019. The committee is satisfied with the suitability and independence of BDO as the external auditor and of Garron Chaitowitz as the engagement audit partner. The committee has reviewed the information detailed in paragraph 22.15(h) of the JSE Listings Requirements and concluded that the external auditor and the engagement audit partner are suitable and have the requisite competence, expertise and experience to discharge their responsibilities.

The committee is satisfied with the independence of the auditors, the provision of non-audit services by them, the performance and effectiveness of the external audit process, the external auditors' engagement letter, the proposed audit fee for the year ended 29 February 2020, and the external auditors' report. Accordingly, the committee nominates and recommends BDO as auditors, with Garron Chaitowitz as the engagement audit partner, for shareholder approval at the next AGM.

INTERNAL AUDIT

The Company appointed Moore Johannesburg ("Moore") to fulfil the internal audit function. Moore will conduct internal audits for specific projects, including a review of the Company's IT system, which is currently underway.

REVIEW OF FINANCE FUNCTION

The committee has satisfied itself of the experience, resources and expertise of the CFO and the Company's finance function. The committee is satisfied that appropriate financial reporting procedures are in place and that the internal financial controls have been effective in all material respects throughout the 2020 financial year and underpin the basis for the preparation of reliable annual financial statements.

RISK MANAGEMENT AND COMPLIANCE

The committee is satisfied with the risk management processes and confirms that the Company's risk management policies have been complied with in all material respects.

The policies prohibit the Company from entering into any derivative transactions not in the ordinary course of business. The committee considered the Company's risk register containing the key risks facing the Company and the various mitigation measures implemented, at every committee meeting. The committee considered the Company's compliance register and dealt with any disclosures made via the fraud and ethics hotline.

ANNUAL FINANCIAL STATEMENTS, ACCOUNTING POLICIES AND THE INTEGRATED ANNUAL REPORT

The committee considered the JSE's report on the proactive monitoring of financial statements in 2019 and its impact on the Company and Group's annual financial statements. The committee is satisfied with the annual financial statements for the year ended 29 February 2020, including the accounting policies, and that they comply in all material respects with IFRS. The committee recommended the annual financial statements for approval by the board of directors.

The committee has reviewed the integrated annual report of the Company and is satisfied with the integrity of the report, that it is prepared in accordance with appropriate reporting standards and conforms to the requirements of King IV and the JSE Listings Requirements. The committee has recommended the IAR for approval by the board of directors.

GOING CONCERN STATUS AND SOLVENCY AND LIQUIDITY

The committee reviewed the going concern assertion by management and recommended it for approval by the board. The committee is satisfied that the board has performed a solvency and liquidity test for the Company as required in terms of sections 4 and 46 of the Companies Act and concluded that the Company will satisfy the test after payment of the final dividend. The committee also confirms that the solvency and liquidity test was performed at the interim distribution stage.

CONCLUSION

The committee is satisfied that it has, in respect of the financial year ended 29 February 2020, adequately performed its statutory responsibilities and its duties in accordance with its charter.

PETER J KATZENELLENBOGEN
Chair: Audit and Risk Committee
25 May 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the Group and Company financial statements of Exemplar REITail Limited for the period ended 29 February 2020.

Exemplar is a listed Real Estate Investment Trust (REIT), which owns and manages rural and township retail real estate. The Company was incorporated on 17 January 2018 and commenced trading on 1 June 2018.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently with those reflected in note 1.

Full details of the financial position, results of operations and cash flows of the Group are set out in these Group financial statements, as well as the Chairman's report, Chief Executive Officer's report and Chief Financial Officer's report in Exemplar REITail Limited's intergrated annual report.

2. SHARE CAPITAL

The Company's authorised share capital comprises 5 000 000 000 ordinary shares of no par value.

As at 28 February 2019, the Company had 305 871 896 shares in issue. During March 2019, a further 13 867 240 shares were issued at R10 each for the acquisitions of the Kwagga Mall and Modi Mall redevelopments. On 1 July 2019, 1 812 327 shares were issued at R10.69 each and on 1 November 2019, 3 381 302 shares were issued at R10.90 each for the Katale Square and Mabopane Square acquisitions. On 30 January 2020, a further 95 000 shares were issued at R10 each in terms of the employee share scheme.

As at the date of this report, the Company had 325 027 765 shares in issue.

3. DIVIDENDS

The Group's dividend policy is to consider declaration of an interim and a final dividend in respect of each financial period. At its discretion, the board of directors may consider a special dividend, where appropriate.

A final dividend of 42.74 cents per share was paid on 16 June 2019 to the Company's shareholders for the six months ended 28 February 2019. This dividend equated to a total of R136 667 383. An interim dividend in respect of the six months ended 31 August 2019 of 43.77 cents per share was declared on 1 November 2019 and paid on 25 November 2019 to the Company's shareholders. This dividend equated to a total of R743 075. Dividends totalling R10 593 862 were paid to the non-controlling shareholders in three subsidiary companies and further dividends amounting to R472 840 were declared to non-controlling shareholders on 28 February 2020.

Total dividends paid by the Group after the clawback of antecedent adjustments in respect of the various acquisitions was therefore R284 817 840.

The dividends have been declared from distributable earnings and meet the requirement of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act 58 of 1962 (as amended).

The board of directors has recommended a final dividend of 48.49859 cents per share.

The Company uses distribution per share as its key performance measure for JSE Trading Statement purposes.

4. DIRECTORS' INTERESTS

Directors' interests in Exemplar shares

John McCormick and Jason McCormick are beneficiaries of the John McCormick Family Trust (JMFT), which is a 0.71% shareholder of Exemplar and owns 2 299 385 shares in the Company. Additionally, both are directors of McCormick Property Development (Pty) Ltd (MPD), which is a 59.40% shareholder of Exemplar and owns 193 055 613 shares in the Company.

Set out below are the names of directors of the Company and major subsidiaries that, directly or indirectly, are beneficially interested in Exemplar shares in issue at the last practicable date. No directors have resigned from the Company since the date of incorporation of the Company.

Directors	**Beneficially held**				
	Directly	Indirectly	Associate	Total	%
Church, DA	1	3 771 301	-	3 771 302	1.16%
McCormick, J (Jason)	-	3 213 751	-	3 213 751	0.99%

The JMFT further has interests in the following shareholders of Exemplar and is able to exercise or control more than 35% of the voting rights of these entities which are therefore considered associates.

Associates	**Beneficially held by the associate**				**JMFT interest in the associate**
	Directly	Indirectly	Total	%	
Blouberg Mall (Pty) Ltd	14 557 154	-	14 557 154	4.48%	80.00%
Diepkloof Plaza (Pty) Ltd	16 440 379	-	16 440 379	5.06%	40.00%
Olievenhout Plaza (Pty) Ltd	12 810 228	-	12 810 228	3.94%	100.00%
Modjadji Plaza (Pty) Ltd	7 924 040	-	7 924 040	2.44%	100.00%

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

Directors' interests in transactions

Save as disclosed in the above and disclosed in note 30 - Directors' Emoluments, none of the directors of the Company, has or had any material beneficial interest, direct and indirect, in transactions that were effected by the Group during the current financial year or immediately preceding the financial year or during any earlier financial year and which remain in any respect outstanding.

5. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease (“COVID-19”) as a pandemic, and we expect our operations in all locations to be affected as the virus continues to proliferate. We have adjusted certain aspects of our operations to protect our employees, tenants, service providers and the consumers that frequent our respective shopping centers in an endeavor to stem the spread of the virus. In light of the uncertainty as to the severity and duration of the pandemic, the impact on our revenues, profitability and financial position is uncertain at this time. Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19 for the next 12 months from the date of this report.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

6. AUDITOR

BDO South Africa Incorporated were appointed as auditors for the Group for 2020 in accordance with section 90 of the Companies Act of South Africa.

At the AGM, the shareholders will be requested to reappoint BDO South Africa Incorporated as the independent external auditor of the Group and to confirm Mr Garron Chaitowitz as the designated engagement audit partner for the 2021 financial period.

7. SECRETARY

The company secretary is Miss A. Booysen.

The Group financial statements set out on pages 14 to 71, which have been prepared on the going concern basis, were approved by the board of directors on 25 May 2020, and were signed on their behalf by:

JASON MCCORMICK
Chief executive officer

DUNCAN ALAN CHURCH
Chief financial officer

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Exemplar REITail Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Exemplar REITail Limited (the Group and Company) set out on pages 14 to 71, which comprise the consolidated and separate statements of financial position as at 29 February 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Exemplar REITail Limited as at 29 February 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of investment property **Group and Company** Significant judgement is required by the directors in determining the fair value of investment property. The Portfolio is valued annually by an external independent valuator – Quadrant Properties Proprietary Limited. The valuations were based on discounted cash flow models. Note 3 Investment property sets out the most significant inputs into valuations, all of which are unobservable. The valuation of investment property is considered a key audit matter due to the significance of the balance, the significant judgements associated with determining fair value and the sensitivity of the valuations to changes in assumptions.	We performed the following procedures amongst others: • considered management's assessment of COVID-19 being a non-adjusting event after the reporting period, by considering the timing of the announcement of COVID-19 as a global pandemic by the World Health Organisation, as well as the timing of the first reported case in South Africa; • evaluated the capabilities, competency and objectivity of the independent valuator. This included verifying professional qualifications and registrations and making an assessment of the independence and appropriateness of the valuator used; • through discussions with the external valuator, obtained an understanding of the work performed, which included, the valuation process adopted, the significant assumptions used and critical judgement areas applied, such as vacancy levels and capitalisation rates; • with the assistance of our valuation specialist, compared, for reasonability the significant assumptions and judgements used by the valuator against historical inputs and market data where available and investigated unexpected movements; • for all properties, we verified the mathematical accuracy of the models applied, determined the reasonability of the inputs and assessed the reasonability of management's forecast by comparing the forecast to the actual historical results for accuracy; and • we reviewed the adequacy of the disclosure in the financial statements for compliance with International Financial Reporting Standards, including disclosure on significant inputs and sensitivity analysis.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Exemplar REITail Limited Annual Financial Statements for the year ended 29 February 2020", which includes the Directors' Report, the Audit and Risk Committee's Report and the company secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and /or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Exemplar REITail Limited for 2 years.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

G M Chaitowitz
Director
Registered Auditor

25 May 2020

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

STATEMENTS OF FINANCIAL POSITION AS AT 29 FEBRUARY 2020

		Group		Company	
	Notes	2020 R	2019 R	2020 R	2019 R
Assets					
Non-Current Assets					
Investment property	3	5 663 873 398	5 270 795 374	3 281 834 183	3 195 183 635
Investments in subsidiaries	4	-	-	927 225 144	879 359 991
Operating lease asset	3	151 434 098	168 350 700	103 272 165	125 061 483
Property, plant and equipment	5	1 124 329	796 241	652 394	375 728
		5 816 431 825	**5 439 942 315**	**4 312 983 886**	**4 199 980 837**
Current Assets					
Loans to subsidiaries	6	-	-	1 214 310 428	958 462 286
Loans receivable	7	215 172 823	44 400 471	215 172 823	44 400 471
Trade and other receivables	8	46 924 878	47 711 283	28 945 729	26 003 777
Cash and cash equivalents	9	47 683 869	62 852 515	33 896 158	47 898 763
		309 781 570	**154 964 269**	**1 492 325 138**	**1 076 765 297**
Total Assets		**6 126 213 395**	**5 594 906 584**	**5 805 309 024**	**5 276 746 134**
Equity and Liabilities					
Equity					
Equity Attributable to Equity Holders of Parent					
Stated capital	10	3 235 817 139	3 185 487 085	3 235 817 139	3 185 487 085
Retained income		364 706 358	277 515 153	305 977 651	195 352 576
		3 600 523 497	**3 463 002 238**	**3 541 794 790**	**3 380 839 661**
Non-controlling interest	11	157 716 367	146 119 957	-	-
		3 758 239 864	**3 609 122 195**	**3 541 794 790**	**3 380 839 661**
Liabilities					
Non-Current Liabilities					
Financial liabilities	12	2 062 810 894	1 695 459 448	2 062 810 894	1 695 459 448
Derivative financial instruments	13	26 465 388	3 643 042	26 465 388	3 643 042
Lease liabilities	14	23 745 724	30 173 700	13 062 315	13 249 855
Deferred tax	15	85 739 980	94 802 992	55 035 285	63 307 090
		2 198 761 986	**1 824 079 182**	**2 157 373 882**	**1 775 659 435**
Current Liabilities					
Trade and other payables	16	161 020 273	159 136 659	72 068 483	80 514 764
Lease liabilities	14	2 718 432	2 568 548	2 100 692	1 991 437
Loans from subsidiaries	17	-	-	31 971 177	37 740 837
Dividend payable		5 472 840	-	-	-
		169 211 545	**161 705 207**	**106 140 352**	**120 247 038**
Total Liabilities		**2 367 973 531**	**1 985 784 389**	**2 263 514 234**	**1 895 906 473**
Total Equity and Liabilities		**6 126 213 395**	**5 594 906 584**	**5 805 309 024**	**5 276 746 134**

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	Group 2020 (12 months) R	Group 2019 (9 months) R	Company 2020 (12 months) R	Company 2019 (9 months) R
Rental income and recoveries	18	727 689 878	517 431 414	424 312 320	315 278 430
Property operating costs	19	(263 116 527)	(175 410 225)	(150 382 970)	(106 968 823)
Gross profit		**464 573 351**	**342 021 189**	**273 929 350**	**208 309 607**
Other income	20	14 976 540	9 281 896	19 844 994	15 185 298
Administrative expenses and corporate costs		(32 836 476)	(20 744 135)	(28 200 534)	(20 711 861)
Operating profit	21	**446 713 415**	**330 558 950**	**265 573 810**	**202 783 044**
Investment income	22	26 759 864	5 768 248	234 166 140	65 941 662
Finance costs	23	(184 415 514)	(124 189 381)	(182 900 199)	(113 750 101)
Fair value adjustments on investment property		113 779 867	161 696 795	82 559 845	101 422 493
Fair value adjustments on derivative financial instruments		(22 822 346)	(3 643 042)	(22 822 346)	(3 643 042)
Profit before taxation		**380 015 286**	**370 191 570**	**376 577 250**	**252 754 056**
Taxation	24	9 063 012	1 100 683	8 271 804	1 020 052
Profit for the period		**389 078 298**	**371 292 253**	**384 849 054**	**253 774 108**
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		**389 078 298**	**371 292 253**	**384 849 054**	**253 774 108**
Profit attributable to:					
Owners of the parent		361 415 184	335 936 684		
Non-controlling interest	11	27 663 113	35 355 568		
		389 078 297	**371 292 252**		
Total comprehensive income attributable to:					
Owners of the parent		361 415 184	335 936 684		
Non-controlling interest		27 663 113	35 355 568		
		389 078 298	**371 292 252**		
Earnings per share					
Basic and diluted earnings per share (cents)	30	112.21	144.03		

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2020

	Group				
	Stated capital **R**	**Retained income** **R**	**Total attributable to equity holders of the Company** **R**	**Non-controlling interest** **R**	**Total equity** **R**
Shares issued at incorporation	1 889 000	-	1 889 000	-	1 889 000
Shares issued to share scheme	42 551 000	-	42 551 000	-	42 551 000
Issue of shares on listing in respect of acquisitions	3 024 338 221	-	3 024 338 221	-	3 024 338 221
Share issue expenses	(21 963 538)	-	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	138 672 402	-	138 672 402	-	138 672 402
Non-controlling interest on acquisition of subsidiaries	-	-	-	112 436 217	112 436 217
Profit for the period	-	335 936 685	335 936 685	35 355 568	371 292 253
Dividends paid	-	(58 421 532)	(58 421 532)	(1 671 828)	(60 093 360)
Balance at 28 February 2019	**3 185 487 085**	**277 515 153**	**3 463 002 238**	**146 119 957**	**3 609 122 195**
Shares issued for acquisitions	56 242 730	-	56 242 730	-	56 242 730
Shares issued to share scheme	950 000	-	950 000	-	950 000
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)	-	(6 862 676)
Profit for the period	-	361 415 184	361 415 184	27 663 113	389 078 297
Dividends paid	-	(274 223 979)	(274 223 979)	(10 593 862)	(284 817 841)
Dividends payable	-	-	-	(5 472 841)	(5 472 841)
Balance at 29 February 2020	**3 235 817 139**	**364 706 358**	**3 600 523 497**	**157 716 367**	**3 758 239 864**
Notes	10			11	

	Company		
	Stated capital R	Retained income R	Total equity R
Shares issued at incorporation	1 889 000	-	1 889 000
Shares issued to share scheme	42 551 000	-	42 551 000
Issue of shares on listing in respect of acquisitions	3 024 338 221	-	3 024 338 221
Share issue expenses	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	138 672 402	-	138 672 402
Profit for the period	-	253 774 108	253 774 108
Dividends paid	-	(58 421 532)	(58 421 532)
Balance at 28 February 2019	**3 185 487 085**	**195 352 576**	**3 380 839 661**
Shares to be issued for acquisitions	56 242 730	-	56 242 730
Shares issued to share scheme	950 000	-	950 000
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)
Profit for the period	-	384 849 054	384 849 054
Dividends paid	-	(274 223 979)	(274 223 979)
Balance at 29 February 2020	**3 235 817 139**	**305 977 651**	**3 541 794 790**
Notes	10		

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Cash flows from operating activities					
Cash generated from operations	25	459 700 799	304 172 247	277 804 719	150 949 167
Interest income		26 759 864	5 768 248	124 995 547	62 953 909
Finance costs		(180 699 855)	(121 627 264)	(180 670 856)	(111 771 681)
Dividend income		-	-	109 170 592	2 987 753
Dividends paid		(284 817 841)	(60 093 360)	(274 223 979)	(58 421 532)
Net cash from operating activities		**20 942 967**	**128 219 871**	**57 076 023**	**46 697 616**
Cash flows from investing activities					
Additions to investment property	35	(223 055 426)	(52 608 116)	(4 090 702)	(49 017 530)
Purchase of property, plant and equipment	5	(730 967)	(346 741)	(549 646)	(381 708)
Increase in investments		-	-	-	(6 357 158)
Loans receivable repaid		228 438 535	81 387 718	228 438 535	81 313 724
Loans receivable advanced		(398 260 887)	(45 213 195)	(398 260 887)	(45 213 195)
Loans to subsidiaries advanced	27	-	-	(476 147 174)	(1 120 981 716)
Loans to subsidiaries repaid	27	-	-	220 299 032	162 519 429
Net cash from investing activities		**(393 608 745)**	**(16 780 334)**	**(430 310 842)**	**(978 118 154)**
Cash flows from financing activities					
Proceeds from issue of shares - acquisitions	35	-	124 963 883	-	102 352 780
Proceeds from issue of shares - at incorporation		-	1 889 000	-	1 889 000
Share issue expenses		-	(21 963 816)	-	(21 963 816)
Subsidiary acquisition price adjustment		(6 862 676)	-	-	-
Loans from subsidiaries advanced	28	-	-	4 024 973	73 350 000
Loans from subsidiaries repaid	28	-	-	(9 794 633)	(35 609 163)
Repayment of lease liabilities		(2 991 638)	(2 562 117)	(2 349 572)	(1 978 420)
Proceeds from financial liabilities	26	1 070 592 349	161 267 445	1 070 592 349	1 173 460 337
Repayment of financial liabilities	26	(703 240 903)	(312 181 417)	(703 240 903)	(312 181 417)
Net cash from financing activities		**357 497 132**	**(48 587 022)**	**359 232 214**	**979 319 301**
Total cash at beginning of the period		62 852 515	-	47 898 763	-
Total cash movement for the period		(15 168 646)	62 852 515	(14 002 605)	47 898 763
Total cash at end of the period	9	**47 683 869**	**62 852 515**	**33 896 158**	**47 898 763**

ACCOUNTING POLICIES

CORPORATE INFORMATION

Exemplar REITail Limited ("Exemplar" or the "Company") is a corporate REIT incorporated and registered in South Africa.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Group financial statements are set out below.

1.1 Basis of preparation

The Group and Company financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair value. The financial statements are prepared on the going concern basis. They are presented in Rand, which is the Group and Company's functional currency, and all values are rounded to the nearest Rand, except where otherwise indicated.

The Group financial statements have been prepared in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS"), 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 requirements of the Companies Act 71 of 2008 of South Africa, as amended, ("the Companies Act") and the Listings Requirements of the JSE Limited.

"The accounting policies are consistent with those applied in the prior periods.

The Group early adopted IFRS 16 Leases for the first time in the 2019 Group and Company financial statements. The adoption of this standard did not have a material quantitative effect on the financial statements of the Group and Company, however, it resulted in additional qualitative disclosure, refer to notes 1, 14 and 34.

1.2 Use of estimates and judgements

The preparation of Group financial statements in conformity with IFRS requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses, as well as judgements used in accounting for the acquisitions of the asset portfolios and effective dates. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making its judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Key estimates and assumptions

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the Group's assets, liabilities, income and expenses. Judgement in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates.

Information on the key estimations and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statements:

Accounting policies – notes 1.3, 1.4, 1.5 and 1.10

Investment property valuation – note 3
The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation

and discount rate. Changes in the capitalisation or discount rate attributable to changes in market conditions can have a significant impact on property valuations.

Impairment of staff scheme loans – note 7
Staff scheme loans under the share purchase scheme were granted to staff to align the interests of staff, management and executive directors to shareholders. The impairment and recoverability of the staff scheme loans requires judgement. No debt to any staff member has been written off and the full loan amounts owing to the Exemplar still remain.

Impairment of receivables – note 8
The Group tests whether assets have suffered any impairment in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry-based market forecasts."

Acquisition of assets and liabilities – note 35
The appropriate accounting treatment of acquisitions requires judgement in the determination of whether a transaction meets the definition of a business combination in terms of IFRS 3 and in conducting a control assessment in accordance with IFRS 10 to determine whether control has been obtained.

Events after the reporting period – note 38
In terms of IAS 10 Events after the Reporting Period, non-adjusting post balance sheet events are events that arose after the end of the reporting. Judgement is involved in assessing the point in time when sentiment changed to viewing COVID-19 as a South African pandemic. We considered that there were no reported infections in South Africa at 29 February 2020 and the likelihood of this evolving into an epidemic in the country was considered to be low in light of the geographic distance. This changed with the president's announcement on 15 March 2020 confirming that the virus had become a local pandemic. As such, it was concluded COVID-19 is a non-adjusting post balance sheet event at reporting date.

1.3 Consolidation

Basis of consolidation

Subsidiaries

The Group financial statements include the financial statements of the Company and subsidiaries that it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued and excludes transaction costs.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated in the preparation of the consolidated annual financial statements. The accounting policies of the subsidiaries are consistent with those of the Group.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses where necessary.

1.4 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Company recognises the following in relation to its interests in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

1.5 Investment property

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually by external independent registered valuers on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine fair value.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss for the year in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss in the period during which it occurs.

Tenant installation costs are capitalised and amortised over the period of the respective lease. The carrying value of tenant installations is included with investment properties.

Leased property

At the beginning of an arrangement, the Group assesses whether or not it contains a lease. An agreement is or contains a lease if it transfers the right to control the use of an asset identified by a period of time in exchange for consideration.

The present value of the lease liability on commencement date equals the fair value of the right of use asset, if determinable (i.e. rate implicit in the lease). If not determinable, the present value of the lease is calculated using the incremental borrowing rate. At the commencement date, a lessee shall measure the right of use asset at cost.

The cost of the right of use asset shall comprise:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the lessee; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by

the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The arrangement whereby a property is held under a lease and leased out under operating leases is considered to a be a sublease, and classified as investment property and stated at fair value.

In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

a) if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying IFRS 16 paragraph 6, the sublease shall be classified as an operating lease.
b) otherwise, the sublease shall be classified by reference to the right of use asset arising from the head lease, rather than by reference to the underlying asset."

1.6 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method, to write off the costs to their residual values over their estimated useful lives. The depreciation rates applicable are as follows:

ITEM	AVERAGE USEFUL LIFE
Computer equipment	3 years
Furniture, fittings and fixtures	10 years
Motor vehicles	5 years

The useful lives and residual values of property, plant and equipment are assessed annually.

1.7 Financial instruments

The Group's financial instruments consist mainly of derivative instruments, trade and other receivables, trade and other payables, cash and borrowings. Financial instruments are initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit and loss, transaction costs.

Subsequent to initial recognition these instruments are measured as set out below:

Cash and equivalents
– Carried at amortised cost.

Derivative financial instruments
– Carried at fair value, with gain or loss on measurement to fair value recognised immediately in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

Trade and other receivables
– Stated at amortised cost using the effective interest method less accumulated impairment losses.

Trade and other payables
– Stated at amortised cost using the effective interest method.

Related party loans receivable
– Stated at amortised cost using the effective interest method less accumulated impairment losses.

Related party loans payable
– Stated at amortised cost using the effective interest method.

Financial liabilities
– Non-derivative financial liabilities not at fair value through profit and loss are recognised at amortised cost using the effective interest method.

For all financial instruments carried at amortised cost, where the financial effect of the time value of money is not considered to be material, discounting is not applied as the fair values of these instruments approximate their carrying values.

Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:
- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flow from an asset 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 the Group'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 the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

Interest-bearing borrowings

Interest-bearing borrowings comprise long-term loans from various financial institutions which accrue interest over the pre-determined loan period.

1.8 Impairment

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in profit or loss.

The recoverable amount of an asset or a cash-generating unit is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

Financial assets

In terms of IFRS 9 an entity is required to recognise an expected credit loss on a financial asset, other than trade receivables and lease receivables, based on unbiased, forward looking information. Exposures would be divided into the following three stages:
- Stage 1: 12-month expected credit loss will be recognised on exposures where the credit risk has not significantly increased since origination.
- Stage 2: Lifetime expected credit losses will be recognised for exposures with a significant increase in credit risk since origination.
- Stage 3: Lifetime expected credit losses will be recognised on exposures that meet the definition of default.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the probability weighted estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money, certain forward-looking information and the risks specific to the asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised. An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables and lease receivables

Trade receivables are impaired using the simplified approach in terms of IFRS 9. Lifetime expected credit losses are recognised using a provision matrix. A provision matrix for each business unit is generated by:
- Calculating historical loss ratios for each trade receivable aging bucket, and
- Adjusting these historical loss ratios by multiplying the ratio by a forward-looking factor.

A significant increase in credit risk, in the context of IFRS 9, is a significant change in the estimated default risk. A default event is the failure of a customer to fulfil an obligation to settle monies owed to the Group in a timely manner. The Group uses an indicator-based approach to assess significant increase in credit and default risk of customers as part of the entity's internal credit risk management practices, that incorporates value judgments, market indicators and dealing with other relevant qualitative factors. This assessment is conducted each reporting date and entails consideration of changes in the risk of default occurring over the expected life, rather than changes in the amount of ECL if the default were to occur. Once assessed, the Group will consider write off when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The resultant provision matrix provides an adjusted loss ratio for each aging bucket contained in the debtors' age analysis for each business unit. These ratios are applied to the balances in each aging bucket and then accumulated to calculate the impairment allowance for each business unit. Amounts still in a debtors' book relating to invoices dated prior to the historical loss testing period are added to the impairment loss allowance. The Group primarily operates as a market leader in the ownership and management of retail real estate in South Africa and considers that no further segmentation, in addition to the segmentation by business unit, would be beneficial for purposes of calculating the impairment allowance. Impairment losses are recognised through profit or loss. Trade receivables are written off when internal and initial legal collection processes have been exhausted and a judgement is made that the amount is likely not recoverable.

Impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. Judgement, based on past history, existing market conditions and forward looking estimates of economic growth and forecast of retail sales, are used in making these assumptions.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Factors considered when monitoring credit risk and determining write-offs include the financial status of the debtor or counterparty, existence and quality of security, disputes and failure of the debtor to engage on payment plans or untraceable debtors.

1.9 Provisions

Provisions are recognised when the Group has present legal or constructive obligations arising from past events, from which outflows of economic benefits are probable, and where the amount of the obligations can be reliably estimated.

Where the effect of discounting is material, provisions are discounted. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.10 Leases

A lease, where the Group acts as a lessor, 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.

A lease liability and right of use asset is recognised for all leases where the Group acts as a lessee, except for those of low value and short-term.

Operating leases - lessor

Lease contracts, where the Group is acting as a lessor, it classifies each of its leases as either operating or finance lease based on whether a significant portion of the risks and rewards of ownership are retained by the lessor or not. Due to the nature of the Group's lease agreements, they are considered to be operating leases. Operating lease income is recognised as an income on a straight-line basis over the lease term.

Turnover rentals (variable rentals based on the turnover achieved by a tenant) are included in revenue when the amounts can be reliably measured.

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.

Operating leases - lessee

Where the Group acts as lessee it recognises assets and liabilities for all leases, excluding exceptions listed in the standard.

Based on the accounting policy applied, the Group recognises a right of use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.
The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives,
- any initial direct costs incurred by the lessee,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract.

After the commencement date the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect lease payments made, and
- re-measuring the carrying amount to reflect any reassessment or lease modifications.

1.11 Revenue

Property portfolio revenue comprises operating cost recoveries, as well as marketing and parking income, excluding VAT. Income from marketing, promotions and casual parking is recognised when the amounts can be reliably measured. Revenues associated with operating expense recoveries are recognised in the period in which the expenses are incurred.

1.12 Investment income

Interest is recognised, in profit and loss, using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

1.13 Property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable 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.

1.15 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, after deducting the qualifying distribution for that year of assessment, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

In accordance with the Group's status as a REIT, the dividend declared meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, 58 of 1962, (as amended) (the "Income Tax Act").

Deferred tax is provided using the statement of financial position method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As the Group has obtained REIT status effective 12 June 2018, the Group is not liable for capital gains tax on the disposal of directly held properties and local REIT securities. In addition, no deferred tax has been provided on movements in the fair value of investment property as no capital gains tax is payable on disposal of properties due to the REIT legislation. Deferred tax has been provided for capital allowances claimed in respect of investment property acquired in terms of the business acquisitions which allowances will be recouped on the disposal of such assets.

1.16 Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.17 Segmental reporting

The Group identifies and presents operating segments based on the information that is provided internally to the Group's management and internal reporting structure which will be determined by the Group's executive committee. A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.

There are no secondary segments. The Group's primary segment is based on geographical segments and are determined based on the location of the properties, presented by province.

Segments results include revenue and expenses directly attributable to a segment and the relevant portion of Group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.18 Related parties

Related parties in the case of the Group include any shareholder who is able to exert a significant influence on the operating policies of the Group. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group are also considered to be related parties.

In the case of the Company, related parties would also include subsidiaries.

1.19 Earnings per share

The Group presents basic earnings per share and headline earnings per share for its shares. Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing the headline earnings attributable to equity holders by the weighted average number of shares in issue during the year.

There are no dilutionary instruments in issue.

NOTES TO THE GROUP FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2022 or later periods:

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

The IASB issued Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Group expects to adopt the standard for the first time in the 2023 group financial statements.

It is unlikely that the amendment to the aforementioned standard will have a significant impact on the Group's or Company's financial statements.

		Group		Company	
		2020 R	2019 R	2020 R	2019 R
3. INVESTMENT PROPERTY					
Net carrying value					
Carrying value		5 388 396 736	5 109 098 579	3 097 851 845	3 093 761 142
Cumulative fair value adjustments		275 476 662	161 696 795	183 982 338	101 422 493
		5 663 873 398	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**
Reconciliation of investment property					
Investment properties at the beginning of the period		5 270 795 374	-	3 195 183 635	-
Additions		20 518 012	206 205 927	6 653 154	55 908 433
Disposals / Adjustments to cost		(19 219 855)	-	(2 562 451)	-
Properties acquired by group	35	278 000 000	4 902 892 652	-	3 037 852 709
Fair value adjustments		113 779 867	161 696 795	82 559 845	101 422 493
Balance at the end of the period		**5 663 873 398**	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**
Reconciliation to independent valuation					
Investment property as per valuation		5 788 843 340	5 406 403 826	3 369 943 340	3 305 003 826
Operating lease assets		(151 434 098)	(168 350 700)	(103 272 164)	(125 061 483)
Lease liabilities		26 464 156	32 742 248	15 163 007	15 241 292
		5 663 873 398	**5 270 795 374**	**3 281 834 183**	**3 195 183 635**

Security over properties

The investment properties have been mortgaged in favour of the lenders disclosed in note 12. Furthermore, the Company and its subsidiaries have irrevocably and unconditionally jointly and severally cross-guaranteed each Group company's obligations to its lenders.

Details of valuation

The investment properties were valued using the discounted cash flow method. The valuations were performed by Quadrant Properties (Pty) Ltd, external independent qualified property valuers, with recent experience in location and category of the investment property being valued. At the financial year end, market related rental income categorised by building location, type and grade, have been used as inputs to the discounted cash flow model. The discount rates used in determining the fair value of the investment properties range between 13.50% and 16.00% (2019: 13.50% and 15.25%) and the capitalisation rates range between 8.00% and 10.25% (2019: 7.50% and 9.25%). The growth projection and risk rates used range between 7.88% and 8.51% (2019: 7.18% and 8.41%), and the contractual expense escalation projection and renewal average rates range between 7.18% and 9.40% (2019: 7.58% and 9.41%).

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting, other than for the lease liabilities and operating lease assets that are recognised separately in the statement of financial position.

Inter-relationship between key unobservable inputs and fair value measurements

The estimated fair value of investment property would increase / (decrease) if:
- Expected market rental growth was higher / (lower);
- Expected expense growth was lower / (higher);
- Discount rate was lower / (higher);
- Capitalisation rate was lower / (higher).

The fair value gains and losses are included in the other non-operating gains (losses) in the statement of profit or loss and other comprehensive income, and investment property reconciliation. The fair value of investment property is categorised as a level 3 recurring fair value measurement and there has been no transfer between levels in the current year. For the level 3 reconciliation, refer to the reconciliation of investment property contained within this note.

The effective date of the valuations was 29 February 2020.

4. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's financial statements:

	2020		2019	
Name of Company	**% holding**	**Carrying amount R**	**% holding**	**Carrying amount R**
Alex Mall (Pty) Ltd	100.00	174 956 260	100.00	174 956 260
Exemplar Leasing (Pty) Ltd	100.00	-	-	-
Katale Square (Pty) Ltd	100.00	19 373 775	-	-
Mabopane Square (Pty) Ltd	100.00	36 868 955	-	-
Maake Plaza (Pty) Ltd	100.00	92 780 852	100.00	93 111 200
Mandeni Plaza (Pty) Ltd	50.00	25 881 595	50.00	25 881 595
Modi Mall (Pty) Ltd	100.00	63 409 206	100.00	69 500 000
Phola Mall (Pty) Ltd	53.00	77 416 382	53.00	77 416 382
Theku Plaza (Pty) Ltd	82.50	84 396 835	82.50	84 396 835
Tsakane Mall (Pty) Ltd	100.00	352 141 284	100.00	354 097 719
		927 225 144		**879 359 991**

Mandeni Plaza (Pty) Ltd is considered to be a subsidiary of the Company, as control is evidenced by virtue of the Company's power to appoint or remove the majority of the members of the board of directors. The entity has been consolidated accordingly.

All subsidiaries are incorporated and have their principal place of business in South Africa.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

5. PROPERTY, PLANT AND EQUIPMENT

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Computer equipment	231 884	25 159	216 935	25 159
Cost	276 148	25 159	261 198	25 159
Accumulated depreciation	(44 264)	-	(44 263)	-
Furniture and fixtures	702 828	616 982	258 421	335 591
Cost	939 558	649 255	349 139	335 591
Accumulated depreciation	(236 730)	(32 273)	(90 718)	-
Office equipment	31 568	154 100	18 989	14 978
Cost	177 388	160 080	148 653	20 958
Accumulated depreciation	(145 820)	(5 980)	(129 664)	(5 980)
Motor vehicles	158 049	-	158 049	-
Cost	172 364	-	172 364	-
Accumulated depreciation	(14 315)	-	(14 315)	-
	1 124 329	**796 241**	**652 394**	**375 728**

Reconciliation of property, plant and equipment

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Property, plant and equipment at the beginning of the period	796 241	-	375 728	-
Additions	**730 964**	**346 741**	**549 646**	**381 708**
Computer equipment	250 989	25 159	236 039	25 159
Furniture and fixtures	290 303	161 502	13 548	335 591
Office equipment	17 308	160 080	127 695	20 958
Motor vehicles	172 364	-	172 364	-
Assets acquired on formation of group				
Furniture and fixtures	-	487 753	-	-
Depreciation	**(402 876)**	**(38 253)**	**(272 980)**	**(5 980)**
Computer equipment	(44 264)	-	(44 263)	-
Furniture and fixtures	(204 457)	(32 273)	(90 718)	-
Office equipment	(139 840)	(5 980)	(123 684)	(5 980)
Motor vehicles	(14 315)	-	(14 315)	-
	1 124 329	**796 241**	**652 394**	**375 728**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
6. LOANS TO SUBSIDIARIES				
Alex Mall (Pty) Ltd			306 338 702	311 606 053
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Exemplar Leasing (Pty) Ltd			2 000	-
The loan is unsecured, bears no interest and is repayable on demand.				
Katale Square (Pty) Ltd			101 884 275	-
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Mabopane Square (Pty) Ltd			117 841 073	-
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Mandeni Plaza (Pty) Ltd			105 561 903	104 521 742
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Modi Mall (Pty) Ltd			191 319 906	177 804 318
The loan is unsecured, bears interest at 9.5% and is repayable on demand.				
Phola Mall (Pty) Ltd			281 619 156	283 039 196
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Theku Plaza (Pty) Ltd			84 813 157	81 490 977
The loan is unsecured, bears interest at 9.49% and is repayable on demand.				
Tsakane Plaza (Pty) Ltd			24 930 256	-
The loan is unsecured, bears no interest and is repayable on demand.				
			1 214 310 428	**958 462 286**

The credit risk of these loans is low considering, inter alia, that the subsidiaries property value and rental yield are expected to remain at or above current levels. The net asset value of each subsidiary is sufficient to cover the value of their loan and therefore management considers the loans recoverable. Life time expected credit losses were evaluated. A probability weighted risk of default over the lifetime of the loans was applied to exposure at default. All available forward looking information, including estimates of economic growth, the expected value of the investment properties and forecast of retail sales, were taken into account, which indicated an immaterial expected credit loss and consequently the loans were not impaired.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

7. LOANS RECEIVABLE

McCormick Property Development (Pty) Ltd	169 683 818	-	169 683 818	-

The loan is unsecured, bears interest at JIBAR plus 2.35% and is repayable on demand.

Employee share scheme	45 489 005	44 400 471	45 489 005	44 400 471
	215 172 823	**44 400 471**	**215 172 823**	**44 400 471**

In order to align the interests of the employees with those of the shareholders, the company provides eligible employees with the opportunity to acquire shares. The share debt bears interest from time to time at a rate determined by the directors until repaid in full. Dividends (or other distributions) on the plan shares are applied against the interest and the balance is credited to the outstanding debt.

Number of shares in issue at the beginning of the year	4 255 100	-	4 255 100	-
Number of shares issued during the year	95 000	4 255 100	95 000	4 255 100
Number of shares in issue at the end of the year	**4 350 100**	**4 255 100**	**4 350 100**	**4 255 100**
Number of shares authorised to be issued under the scheme	10 000 000	10 000 000	10 000 000	10 000 000
Number of shares issued under the scheme	(4 350 100)	(4 255 100)	(4 350 100)	(4 255 100)
Number of shares available for issue under the scheme at the end of the year	**5 649 900**	**5 744 900**	**5 649 900**	**5 744 900**

Should an employee vacate office prior to settlement and the value of the shares falls below the outstanding loan balance, the employee will be obliged to settle the difference.

The credit risk of the employee share scheme and the McCormick Property Development (Pty) Ltd (MPD) loans are low considering, inter alia, that the net value of the shares would be sufficient to cover the share scheme debt and that MPD has sufficient liquid assets to cover the outstanding amount in full at 29 February 2020. The loans met the practical expedient requirements for low risk financial assets and consequently 12-month expected credit losses were evaluated. A probability weighted risk of default during the next 12 months was applied to exposure at default. All available forward looking information, including profit forecasts, estimates of economic growth and the expected value of the shares, were taken into account, which indicated an immaterial expected credit loss and consequently the loans were not impaired.

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R

8. TRADE AND OTHER RECEIVABLES

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Trade receivables	26 999 684	26 895 358	17 139 364	10 384 058
Expected credit loss of trade receivables	(8 369 100)	(8 867 302)	(6 203 538)	(6 555 354)
	18 630 584	18 028 056	10 935 826	3 828 704
Deposits	18 707 989	17 078 081	8 982 268	9 100 582
Prepaid premium on interest rate caps and collars	6 541 659	10 658 331	6 541 659	10 658 331
Sundry debtors	299 259	-	300 258	821 149
Other prepayments	2 745 387	1 946 815	2 185 718	1 595 011
	46 924 878	**47 711 283**	**28 945 729**	**26 003 777**

All amounts are short term. The net carrying amount of trade and other receivables is considered a reasonable approximation of fair value.

Group						
2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0.37%	70.00%	90.00%	100.00%	100.00%	31.00%
Gross carrying amount	17 646 232	3 150 036	1 054 143	786 285	4 362 988	26 999 684
Loss provision	(66 073)	(2 205 025)	(948 729)	(786 285)	(4 362 988)	(8 369 100)
2019						
Expected loss rate	11.67%	75.00%	90.00%	100.00%	100.00%	32.97%
Gross carrying amount	19 991 136	1 353 280	307 262	322 663	4 921 019	26 895 360
Loss provision	(2 332 125)	(1 014 960)	(276 535)	(322 663)	(4 921 019)	(8 867 302)

Company						
2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Expected loss rate	0.87%	70.00%	90.00%	100.00%	100.00%	36.19%
Gross carrying amount	10 250 063	2 374 651	623 370	393 784	3 497 496	17 139 364
Loss provision	(88 969)	(1 662 256)	(561 033)	(393 784)	(3 497 496)	(6 203 538)
2019						
Expected loss rate	32.57%	75.00%	90.00%	100.00%	100.00%	63.13%
Gross carrying amount	5 265 566	998 775	286 378	317 002	3 516 337	10 384 058
Loss provision	(1 715 193)	(749 081)	(257 741)	(317 002)	(3 516 337)	(6 555 354)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors. The Group does not have any non-current trade and other receivables.

	Group		Company	
	2020 R	**2019 R**	**2020 R**	**2019 R**
9. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents comprises:				
Cash on hand	97 732	95 264	67 324	76 478
Bank balances	19 689 413	27 486 063	16 795 372	23 149 162
Tenant deposits	27 896 724	35 271 188	17 033 462	24 673 123
	47 683 869	**62 852 515**	**33 896 158**	**47 898 763**
Cash and cash equivalents that are not available for use by the Group and Company	43 436 792	50 811 256	32 573 530	40 213 191

Restricted cash and cash equivalents comprise tenant deposits and R 15 540 068 held in a back-to-back Nedbank account linked to a guarantee issued to the City of Tshwane.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
10. STATED CAPITAL				
Authorised				
5 000 000 000 ordinary shares with no par value				
Issued				
325 027 765 (2019: 305 871 896) ordinary shares with no par value	3 235 817 139	3 046 814 683	3 235 817 139	3 046 814 683
Shares to be issued				
13 867 240 ordinary shares to be issued for acquisitions	-	138 672 402	-	138 672 402
	3 235 817 139	**3 185 487 085**	**3 235 817 139**	**3 185 487 085**
Reconciliation of number of shares issued				
Reported at beginning of year	3 185 487 085	-	3 185 487 085	-
Shares issued at incorporation	-	1 889 000	-	1 889 000
Issue of shares on listing in respect of acquisitions	-	3 024 338 221	-	3 024 338 221
Subsidiary acquisition price adjustment	(6 862 676)	-	(6 862 676)	-
Share issue expenses	-	(21 963 538)	-	(21 963 538)
Shares to be issued for acquisitions	-	138 672 402	-	138 672 402
Shares issued for acquisitions	56 242 730	-	56 242 730	-
Shares issued to share scheme	950 000	42 551 000	950 000	42 551 000
Reported at end of year	**3 235 817 139**	**3 185 487 085**	**3 235 817 139**	**3 185 487 085**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

11. NON-CONTROLLING INTEREST

The non-controlling interest of R 157 716 367 represents 50% of the net asset value of Mandeni, 47% of the net asset value of Phola and 17.5% of the net asset value of Theku at 29 February 2020. The following is summarised financial information for Mandeni, Phola and Theku, prepared in accordance with IFRS, adjusted for fair value adjustments on acquisition and differences in Group accounting policies. The information is before inter-company eliminations with other companies in the Group.

2020	Mandeni Plaza (Pty) Ltd	Phola Mall (Pty) Ltd	Theku Plaza (Pty) Ltd	Total
Extracts from statement of profit and loss and other comprehensive income:				
Revenue	26 182 645	62 717 294	31 838 543	120 738 482
Profit after taxation	6 165 896	42 879 493	25 866 373	74 911 762
Attributable to equity holders of Exemplar	3 082 948	22 825 943	21 339 758	47 248 649
Attributable to non-controlling interest	3 082 948	20 053 550	4 526 615	27 663 113
Dividends paid to non-controlling interest during the year	(4 191 069)	(9 020 181)	(2 855 452)	(16 066 703)
Extracts from the statement of financial position:				
Non-current assets	177 684 817	514 949 773	224 000 000	916 634 590
Current assets	1 197 178	8 616 554	1 365 043	11 178 775
Non-current liabilities	(5 554 315)	(4 883 041)	(7 460 632)	(17 897 988)
Current liabilities	(111 632 145)	(296 482 655)	(89 708 396)	(497 823 196)
Net assets	61 695 535	222 200 631	128 196 015	412 092 181
Net assets attributable to non-controlling interest	30 847 768	104 434 296	22 434 303	157 716 367
Extracts from the statement of cash flows:				
Cash flows from operating activities	15 101 778	37 387 922	14 960 672	67 450 372
Cash flows from investing activities	-	(195 831)	(56 500)	(252 331)
Cash flows from financing activities	(15 252 597)	(36 858 827)	(15 111 305)	(67 222 729)
Net cash flow	(150 819)	333 264	(207 133)	(24 688)

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

11. NON-CONTROLLING INTEREST (CONTINUED)

2019	Mandeni Plaza (Pty) Ltd	Phola Mall (Pty) Ltd	Theku Plaza (Pty) Ltd	Total
Extracts from statement of profit and loss and other comprehensive income:				
Revenue	18 176 282	37 599 077	20 540 524	76 315 883
Profit after taxation	19 580 294	80 107 383	21 594 746	121 282 423
Attributable to equity holders of Exemplar	13 053 529	54 494 818	18 378 507	85 926 854
Attributable to non-controlling interest	6 526 765	25 612 565	3 216 239	35 355 569
Dividends paid to non-controlling interest during the year	(452 471)	(895 860)	(323 497)	(1 671 828)
Extracts from the statement of financial position:				
Non-current assets	184 294 258	485 691 474	209 000 000	878 985 732
Current assets	1 268 954	8 259 089	1 801 300	11 329 343
Non-current liabilities	(12 286 532)	(4 480 703)	(7 668 752)	(24 435 987)
Current liabilities	(109 300 953)	(290 812 510)	(84 486 037)	(484 599 500)
Net assets	63 975 727	198 657 350	118 646 511	381 279 588
Net assets attributable to non-controlling interest	31 987 864	93 368 955	20 763 139	146 119 958
Extracts from the statement of cash flows:				
Cash flows from operating activities	4 529 681	(462 253)	9 472 506	13 539 934
Cash flows from investing activities	-	(3 664 608)	(20 587)	(3 685 195)
Cash flows from financing activities	(5 437 861)	2 178 519	(11 615 430)	(14 874 772)
Net cash flow	(908 180)	(1 948 342)	(2 163 511)	(5 020 033)

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

12. FINANCIAL LIABILITIES

Held at amortised cost

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
ABSA Bank Limited The loan bears interest at the 3 month Jibar plus 1.90%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2023.	250 000 000	250 000 000	250 000 000	250 000 000
ABSA Bank Limited The term loan bears interest at the 3 month Jibar plus 1.65%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	200 000 000	-	200 000 000	-
ABSA Bank Limited The revolving credit facility bears interest at the 3 month Jibar plus 1.75%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	90 000 000	-	90 000 000	-
Nedbank Limited The loan bears interest at the 3 month Jibar plus 2.20%, with interest-only quarterly instalments.The facility maturity date is the 31 May 2023.	600 000 000	600 000 000	600 000 000	600 000 000
Rand Merchant Bank Limited The loan bears interest at the 3 month Jibar plus 1.59%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	300 000 000	300 000 000	300 000 000	300 000 000
Rand Merchant Bank Limited The loan bears interest at the 3 month Jibar plus 1.88%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2022.	180 000 000	180 000 000	180 000 000	180 000 000

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
12. FINANCIAL LIABILITIES (CONTINUED)				
Standard Bank South Africa Limited The loan is a revolving facility of R 200 million and bears interest at the prime lending rate less 1.56%, with interest-only quarterly instalments. The facility termination date is the 8 July 2021.	75 917 274	5 000	75 917 274	5 000
Standard Bank South Africa Limited The loan bears interest at the 3 month Jibar plus 1.68%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2021.	120 000 000	120 000 000	120 000 000	120 000 000
Standard Bank South Africa Limited The loan bears interest at the 3 month Jibar plus 1.82%, with interest-only quarterly instalments. The facility maturity date is the 31 May 2022.	250 000 000	250 000 000	250 000 000	250 000 000
	2 065 917 274	1 700 005 000	2 065 917 274	1 700 005 000
Prepaid participation fees on facilities	(3 106 380)	(4 545 552)	(3 106 380)	(4 545 552)
	2 062 810 894	**1 695 459 448**	**2 062 810 894**	**1 695 459 448**

Security

In terms of a Common Terms Agreement, the above facilities are secured by investment properties held by the Company and by its subsidiaries, with a fair value of R 5 788 843 340.

They are further secured by joint and several sureties given by the Company and its subsidiaries in the form of continuing irrevocable and unconditional joint and several guarantees which extend to the ultimate balance of sums payable. The extent of the guarantees given by Phola Park Shopping Centre (Pty) Ltd, Theku Plaza (Pty) Ltd and Mandeni Plaza (Pty) Ltd are limited to R 292 668 311, R 88 757 852 and R 105 704 160 respectively, plus interest and costs.

Available facilities and residual values

The Company ensures that sufficient unutilised borrowing facilities are available for future commitments and operating requirements.

Total facilities available to the company at the reporting date amounted to R 2 280 000 000, of which R 2 065 917 274 had been utilised. The Company's policy is to refinance the residual portion of interest-bearing borrowings as they become due for renewal.

Further details relating to interest-bearing borrowings are disclosed in notes 13 and 34.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
13. DERIVATIVE FINANCIAL INSTRUMENTS				
Hedging derivatives				
Interest rate cap and collar derivatives	26 465 388	3 643 042	26 465 388	3 643 042

The Company has entered into the following sequence of cap and collar transactions to hedge its interest rate exposure:

Transaction	Fixed rate payer	Floating rate payer	Cap / Floor / Swap (3 month Jibar)	Notional
Interest rate cap	Exemplar	Counterparty	7.25%	R 1 100 000 000
Interest rate cap	Counterparty	Exemplar	8.75%	R 1 100 000 000
Interest rate collar	Exemplar	Counterparty	7.00%	R 1 100 000 000
Interest rate cap	Exemplar	Counterparty	7.25%	R 600 000 000
Interest rate cap	Counterparty	Exemplar	8.00%	R 600 000 000
Interest rate collar	Exemplar	Counterparty	7.00%	R 600 000 000
Interest rate swap	Exemplar	Counterparty	6.88%	R 380 000 000

The Company utilises these derivative financial instruments to hedge all, or a portion, of the interest rate risk associated with its borrowings. The principal objective of such arrangements is to minimise the risks and / or costs associated with the Company's operating and financial structure. The interest rate cap and collar arrangements terminate on 4 October 2021 and the interest rate swap arrangement terminates on 8 July 2022. The Company does not apply hedge accounting in terms of IFRS 9.

The derivative financial instruments were valued by ABSA Bank Limited using the Black-Scholes option valuation methodology. The Company does not utilise derivatives for speculative or other purposes other than interest rate risk management.

Refer to note 34, Risk management for further details.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
14. LEASE LIABILITIES				
Minimum lease payments due				
- within one year	3 117 117	2 927 512	2 410 844	2 285 446
- in second to fifth year inclusive	11 726 030	12 535 261	8 120 436	9 257 449
- later than five years	497 516 874	500 041 783	260 185 603	261 676 460
	512 360 021	515 504 556	270 716 883	273 219 355
less: future finance charges	(485 895 865)	(482 762 308)	(255 553 876)	(257 978 063)
Present value of minimum lease payments	**26 464 156**	**32 742 248**	**15 163 007**	**15 241 292**
Present value of minimum lease payments due				
- within one year	2 718 432	2 568 548	2 100 692	1 991 437
- in second to fifth year inclusive	7 540 636	8 132 957	5 294 851	5 881 563
- later than five years	16 205 088	22 040 743	7 767 465	7 368 292
	26 464 156	**32 742 248**	**15 163 007**	**15 241 292**
Non-current liabilities	23 745 724	30 173 700	13 062 315	13 249 855
Current liabilities	2 718 432	2 568 548	2 100 692	1 991 437
	26 464 156	**32 742 248**	**15 163 007**	**15 241 292**

Acornhoek Megacity was developed on land subject to a 30 year notarial lease commencing 1 September 2017, with a 20 year option to renew. The lease liability has been discounted at a rate of 14.25% per annum.

Diepkloof Square was developed on land subject to a 30 year notarial lease commencing 1 December 2006, with an option to renew for a further 3 equal periods, totalling 9 years and 11 months. The lease liability has been discounted at a rate of 14.50% per annum.

Exemplar headoffice is subject to a 5 year lease arrangement commencing 1 June 2018. The lease liability has been discounted at a rate of 15.00% per annum.

Maake Plaza was developed on land subject to a 22 year notarial lease commencing 1 September 2006. The lease liability has been discounted at a rate of 15.00% per annum.

Mandeni Mall was developed on land subject to a 40 year notarial lease commencing 1 April 2012. The lease liability has been discounted at a rate of 14.50% per annum.

Phola Mall was developed on land subject to a 50 year notarial lease commencing 1 March 2015. The lease liability has been discounted at a rate of 13.75% per annum.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
15. DEFERRED TAX				
Proprerty, plant and equipment	(155 417)	(151 580)	-	-
Expected credit loss allowance	(1 757 511)	(572 676)	(1 302 743)	(87 167)
Prepaid expenses	521 377	545 108	367 242	446 603
Allowance for future expenditure on contracts	1 046 155	707 650	1 046 155	707 650
Income received in advance	(6 117 856)	(3 775 970)	(2 989 013)	(2 370 082)
Bonus and leave accruals	(384 071)	(282 959)	(349 714)	(282 959)
Other accruals	(594 166)	(354 736)	(594 166)	(354 736)
Fair value adjustments on derivatives	(7 410 309)	(1 020 052)	(7 410 309)	(1 020 052)
Capital allowances	110 264 695	109 471 405	66 267 833	66 267 833
Tax loss	(9 672 917)	(9 763 198)	-	-
Total deferred tax liability	**85 739 980**	**94 802 992**	**55 035 285**	**63 307 090**
Reconciliation of deferred tax (asset) / liability				
At beginning of year	94 802 992	-	63 307 090	-
Taxable temporary differences on capital allowances acquired	-	95 903 675	-	64 327 142
Proprerty, plant and equipment	(3 837)	-	-	-
Expected credit loss allowance	(1 184 835)	-	(1 215 576)	(87 167)
Prepaid expenses	(23 732)	-	(79 361)	446 603
Allowance for future expenditure on contracts	338 505	-	338 505	707 650
Income received in advance	(2 341 887)	-	(618 931)	(407 832)
Bonus and leave accruals	(101 112)	-	(66 755)	(282 959)
Other accruals	(239 429)	-	(239 430)	(354 736)
Fair value adjustments on derivatives	(6 390 257)	(1 100 683)	(6 390 257)	(1 020 052)
Capital allowances	793 290	-	-	(21 558)
Tax loss	90 282	-	-	-
	85 739 980	**94 802 992**	**55 035 286**	**63 307 090**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

16. TRADE AND OTHER PAYABLES

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Trade payables	28 308 045	44 652 884	14 935 084	31 199 804
Deposits received	27 896 724	31 507 306	17 033 462	20 929 241
Accrued leave pay and bonus	1 371 681	1 010 568	1 248 979	1 010 568
Accruals	5 616 868	2 039 013	3 934 578	2 015 598
Rates and utilities accrual	70 438 878	59 854 475	19 753 931	11 721 865
Other payables	5 968	142 973	-	1 464 425
Amounts received in advance	21 849 487	13 485 605	10 675 047	8 464 579
Value Added Tax	5 532 622	6 443 835	4 487 402	3 708 684
	161 020 273	**159 136 659**	**72 068 483**	**80 514 764**

All amounts are short term. The net carrying amount of trade and other payables is considered a reasonable approximation of fair value.

17. LOANS FROM SUBSIDIARIES

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Maake Plaza (Pty) Ltd	-	-	31 971 177	36 369 957
The loan is unsecured, does not bear interest and has no fixed terms of repayment.				
Tsakane Mall (Pty) Ltd	-	-	-	1 370 880
The loan is unsecured, does not bear interest and has no fixed terms of repayment.				
	-	**-**	**31 971 177**	**37 740 837**

18. RENTAL INCOME AND RECOVERIES

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Rental income	504 236 929	349 015 823	301 284 647	213 419 297
Turnover rental income	3 207 178	3 161 189	2 564 101	1 503 537
Recoveries	237 162 373	152 062 565	142 252 891	95 601 572
Operating lease equalisation	(16 916 602)	13 191 837	(21 789 319)	4 754 024
	727 689 878	**517 431 414**	**424 312 320**	**315 278 430**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

19. PROPERTY OPERATING EXPENSES

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Accounting fees	88 118	487 252	52 557	291 061
Audit fees	1 537 075	1 018 793	881 623	570 335
Bad debts	2 518 202	1 807 781	1 562 344	1 137 030
Bank charges	109 612	53 024	46 414	37 121
Cleaning expenses	17 114 335	11 814 901	9 829 477	7 068 890
Depreciation	402 876	38 253	272 980	5 980
Employee costs	6 747 159	4 583 308	3 735 736	2 662 962
General expenses	206 874	127 435	-	107 979
Insurance	2 458 347	1 747 878	1 393 809	1 029 094
Legal expenses	887 864	590 005	826 351	541 243
Marketing	3 975 528	3 356 550	2 356 860	1 930 416
Rates and utilities	196 929 269	130 342 848	112 360 229	63 347 760
Rent paid	181 206	86 245	7 273	(33 614)
Repairs and maintenance	5 386 800	3 377 417	3 439 243	18 978 609
Security expenses	22 035 491	15 086 076	12 388 056	8 756 680
Stationery	203 674	112 667	114 467	81 988
Telephone and fax	225 462	179 294	120 190	100 771
Tenant installation amortisation	1 975 002	464 804	908 123	247 680
Travel - Local	133 633	135 694	87 238	106 840
	263 116 527	**175 410 225**	**150 382 970**	**106 968 823**

20. OTHER INCOME

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Administration and management fees received	12 176 275	8 083 552	17 360 854	12 839 484
Other income	2 800 265	1 198 344	2 484 140	2 345 814
	14 976 540	**9 281 896**	**19 844 994**	**15 185 298**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

21. OPERATING PROFIT

Operating profit for the period is stated after charging the following, amongst others:

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Employee costs				
Salaries, wages, bonuses and other benefits	27 094 160	17 087 479	22 805 775	17 087 479
Depreciation				
Depreciation of property, plant and equipment	402 876	38 253	272 980	5 980

22. INVESTMENT INCOME

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Dividend income				
Group companies:				
Subsidiaries - Local	-	-	109 170 592	2 987 753
Interest income				
Investments in financial assets:				
Bank and other cash	7 026 514	2 599 317	6 061 921	1 872 303
Employee share scheme	3 819 769	2 662 195	3 819 769	2 662 195
Loans receivable	14 417 191	-	-	-
Other financial assets	1 496 390	506 736	851 435	349 337
	26 759 864	5 768 248	10 733 125	4 883 835
Loans to group companies:				
Subsidiaries	-	-	114 262 423	58 070 074
Total interest income	**26 759 864**	**5 768 248**	**124 995 548**	**62 953 909**
Total investment income	**26 759 864**	**5 768 248**	**234 166 140**	**65 941 662**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

23. FINANCE COSTS

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Non-current borrowings	174 045 172	118 722 103	174 045 172	109 360 270
Amortisation of participation fees on facilities	6 601 226	1 944 173	6 601 226	1 944 173
Imputed interest on lease liabilities	3 715 659	2 799 173	2 229 345	2 011 574
Other interest paid	53 457	723 932	24 458	434 084
Total finance costs	**184 415 514**	**124 189 381**	**182 900 201**	**113 750 101**

24. TAXATION

Major components of the tax income

Deferred	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Property, plant and equipment	3 837	-	-	-
Expected credit loss allowance	1 184 835	-	1 215 576	87 167
Prepaid expenses	23 732	-	79 361	(446 603)
Allowance for future expenditure on contracts	(338 505)	-	(338 505)	(707 649)
Income received in advance	2 341 886	-	618 931	407 832
Leave and bonus accruals	101 112	-	66 755	282 959
Other accruals and provisions	239 430	-	239 429	354 736
Fair value movements in derivatives	6 390 257	1 100 683	6 390 257	(1 020 052)
Investment Property	(793 290)	-	-	21 558
Estimated tax loss	(90 282)	-	-	-
Originating and reversing temporary differences	**9 063 012**	**1 100 683**	**8 271 804**	**1 020 052**

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Permanent difference on tax deductible REIT dividend (s25BB qualifying deduction)	(28.00)%	(28.00)%	(28.00)%	(28.00)%
Reversal of taxable temporary differences	2.38%	0.30%	2.22%	0.40%
	2.38%	**0.30%**	**2.22%**	**0.40%**

		Group		Company	
		2020 R	2019 R	2020 R	2019 R

25. CASH GENERATED FROM OPERATIONS

		Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Profit before taxation		380 015 286	370 191 570	376 577 251	252 754 056
Adjustments for:					
Depreciation		402 876	38 253	272 980	5 980
Dividend income		-	-	(109 170 592)	(2 987 753)
Interest income		(26 759 864)	(5 768 248)	(124 995 547)	(62 953 909)
Finance costs		184 415 514	124 189 381	182 900 199	113 750 101
Fair value gains on investment property		(113 779 867)	(161 696 795)	(82 559 845)	(101 422 493)
Movement in lease liabilities		(7 002 113)	13 271 387	41 943	12 464 972
Movement in lease equalisation		16 916 602	(13 191 837)	21 789 319	(4 754 024)
Fair value losses on derivative financial instruments		22 822 346	3 643 042	22 822 346	3 643 042
Changes in working capital:					
Trade and other receivables		786 405	(25 492 125)	(2 941 952)	(12 949 457)
Trade and other payables		1 883 614	(1 012 381)	(6 931 383)	(46 601 348)
		459 700 799	**304 172 247**	**277 804 719**	**150 949 167**

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Balance at beginning of year		1 695 459 448	-	1 695 459 448	-
On acquisition of liabilities on formation of group		-	1 846 373 420	-	834 180 527
Increase / (decrease) in financial liabilities		367 351 446	(150 913 972)	367 351 446	861 278 921
Movement in prepaid participation fees on facilities		1 439 172	-	1 439 172	-
Proceeds from financial liabilities		1 069 153 177	161 267 445	1 069 153 177	1 173 460 337
Repayment of financial liabilities		(703 240 903)	(312 181 417)	(703 240 903)	(312 181 416)
Balance at end of year	12	**2 062 810 894**	**1 695 459 448**	**2 062 810 894**	**1 695 459 448**

		Group		Company	
		2020 R	2019 R	2020 R	2019 R

27. RECONCILIATION OF LOANS TO SUBSIDIARIES ARISING FROM INVESTING ACTIVITIES

Balance at beginning of year		-	-	958 462 286	-
Increase in subsidiary loans		-	-	255 848 142	958 462 286
Repayment of subsidiary loans		-	-	(220 299 032)	(162 519 430)
Advances of subsidiary loans		-	-	476 147 174	1 120 981 716
Balance at end of year	6	**-**	**-**	**1 214 310 428**	**958 462 286**

28. RECONCILIATION OF LOANS FROM SUBSIDIARIES ARISING FROM FINANCING ACTIVITIES

Balance at beginning of year		-	-	(37 740 837)	-
Decrease / (increase) in subsidiary loans		-	-	5 769 660	(37 740 837)
Repayment of subsidiary loans		-	-	9 794 633	35 609 163
Advances of subsidiary loans		-	-	(4 024 973)	(73 350 000)
Balance at end of year	17	**-**	**-**	**(31 971 177)**	**(37 740 837)**

29. DIVIDENDS PAID

Shareholders of Exemplar	(274 223 979)	(58 421 532)	(274 223 979)	(58 421 532)
Non-controlling interest	(10 593 877)	(1 671 828)	-	-
	(284 817 856)	**(60 093 360)**	**(274 223 979)**	**(58 421 532)**

Dividends are paid from operating profits.

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

30. EARNINGS AND HEADLINE EARNINGS

Reconciliation of basic earnings to headline earnings

	2020 R	2019 R
Profit for the year attributable to equity holders of Exemplar	361 415 184	335 936 684
Fair value adjustment to investment properties	(113 779 867)	(161 696 795)
Non-controlling interest in fair value adjustment to investment properties	15 331 693	27 338 160
Headline earnings	**262 967 010**	**201 578 049**
Number of shares in issue	325 027 765	305 871 896
Weighted average number of shares in issue	322 082 371	233 247 311
Basic and diluted earnings per share (cents)	112.21	144.03
Headline and diluted headline earnings per share (cents)	81.64	86.42

31. DIRECTORS' EMOLUMENTS

	2020		2019	
Executive	**Short-term employee benefits**	**Total**	**Short-term employee benefits**	**Total**
Church, DA				
Salary	3 112 500	3 112 500	2 250 000	2 250 000
McCormick, J (Jason)				
Salary	1 556 250	1 556 250	1 125 000	1 125 000
McCormick, J (John)				
Salary	1 556 250	1 556 250	1 125 000	1 125 000
	6 225 000	**6 225 000**	**4 500 000**	**4 500 000**
Non-executive	**Directors' fees**	**Total**	**Directors' fees**	**Total**
Azzopardi, GVC	315 000	315 000	337 500	337 500
Berkeley, FM	420 000	420 000	450 000	450 000
Katzenellenbogen, PJ	315 000	315 000	337 500	337 500
Maponya, EP	315 000	315 000	337 500	337 500
	1 365 000	**1 365 000**	**1 462 500**	**1 462 500**

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

32. RELATED PARTIES

Relationships

Subsidiaries	Refer to note 4
Shareholder with significant influence	Jason McCormick The John McCormick Family Trust McCormick Property Development (Pty) Ltd

Related party balances

Loan accounts - Owing (to) by related parties	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Alex Mall (Pty) Ltd	-	-	306 338 702	311 606 053
Exemplar Leasing (Pty) Ltd	-	-	2 000	-
Jason McCormick - Share Scheme	10 465 651	10 435 259	10 465 651	10 435 259
Katale Square (Pty) Ltd	-	-	101 884 276	-
Maake Plaza (Pty) Ltd	-	-	(31 971 177)	(36 369 957)
Mabopane Square (Pty) Ltd	-	-	117 841 073	-
Mandeni Plaza (Pty) Ltd	-	-	105 561 903	104 521 741
McCormick Property Development (Pty) Ltd	169 683 818	-	169 683 818	-
Modi Mall (Pty) Ltd	-	-	191 319 906	177 804 318
Phola Mall (Pty) Ltd	-	-	281 619 156	283 039 226
Theku Plaza (Pty) Ltd	-	-	84 813 157	81 490 977
Tsakane Mall (Pty) Ltd	-	-	24 930 256	(1 370 880)

Related party transactions

Interest received from related parties	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Alex Mall (Pty) Ltd	-	-	28 588 153	19 296 131
Jason McCormick - Share Scheme	895 527	626 259	895 527	626 259
Katale Square (Pty) Ltd	-	-	6 192 051	-
Mabopane Square (Pty) Ltd	-	-	3 720 028	-
Mandeni Plaza (Pty) Ltd	-	-	9 868 797	6 480 111
McCormick Property Development (Pty) Ltd	14 416 149	-	14 416 149	-
Modi Mall (Pty) Ltd	-	-	17 267 227	11 163 717
Phola Mall (Pty) Ltd	-	-	26 522 392	16 464 105
Theku Plaza (Pty) Ltd	-	-	7 687 013	4 666 010

	Group		Company	
	2020 R	2019 R	2020 R	2019 R
32. RELATED PARTIES (CONTINUED)				
Leasing fees received from related parties				
Alex Mall (Pty) Ltd	-	-	387 601	561 310
Exemplar Leasing (Pty) Ltd	(206 550)	-	(92 080)	-
Maake Plaza (Pty) Ltd	-	-	472 579	74 746
Mabopane Square (Pty) Ltd	-	-	22 765	-
Mandeni Plaza (Pty) Ltd	-	-	208 370	116 587
Modi Mall (Pty) Ltd	-	-	253 375	42 656
Phola Mall (Pty) Ltd	-	-	33 841	100 249
Theku Plaza (Pty) Ltd	-	-	33 580	225 385
Tsakane Mall (Pty) Ltd	-	-	250 075	27 336
Commission paid to related parties				
Exemplar Leasing (Pty) Ltd	2 421 291	-	1 126 562	-
Management fees received from related parties				
Alex Mall (Pty) Ltd	-	-	1 616 666	1 069 801
Katale Square (Pty) Ltd	-	-	250 757	-
Maake Plaza (Pty) Ltd	-	-	233 308	571 756
Mabopane Square (Pty) Ltd	-	-	182 248	-
Mandeni Plaza (Pty) Ltd	-	-	593 529	438 924
Modi Mall (Pty) Ltd	-	-	905 890	643 686
Phola Mall (Pty) Ltd	-	-	1 445 473	1 074 863
Theku Plaza (Pty) Ltd	-	-	748 237	519 310
Tsakane Mall (Pty) Ltd	-	-	1 154 708	1 675 640
Dividends received from related parties				
Alex Mall (Pty) Ltd	-	-	12 604 495	-
Maake Plaza (Pty) Ltd	-	-	9 794 632	-
Mandeni Plaza (Pty) Ltd	-	-	4 191 070	452 471
Modi Mall (Pty) Ltd	-	-	2 968 149	-
Phola Mall (Pty) Ltd	-	-	10 171 710	1 010 225
Theku Plaza (Pty) Ltd	-	-	13 461 417	1 525 057
Tsakane Mall (Pty) Ltd	-	-	55 979 136	-
Rent and operating costs paid to related parties				
The John McCormick Family Trust	1 284 297	1 118 894	1 284 297	1 118 894

	Group		Company	
	2020 R	2019 R	2020 R	2019 R

33. MINIMUM LEASE PAYMENTS RECEIVABLE

Minimum lease payments comprise contractual rental income from investment properties and operating recoveries due in terms of signed lease agreements.

	Group 2020 R	Group 2019 R	Company 2020 R	Company 2019 R
Receivable within one year	483 119 663	420 894 769	286 058 710	296 154 515
Receivable two to five years	1 033 788 854	954 676 737	541 516 704	616 595 980
Receivable beyond five years	438 715 346	230 729 637	284 921 311	169 976 966
	1 955 623 863	**1 606 301 143**	**1 112 496 725**	**1 082 727 461**

The Group leases a number retail properties under operating leases. Leases typically run for an average period of three to ten years, with an applicable escalation rate ranging between 5 to 8%.

34. RISK MANAGEMENT

Categories of financial instruments

	Notes	Group		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans receivable	7	-	215 172 823	215 172 823
Trade and other receivables	8	-	18 929 843	18 929 843
Cash and cash equivalents	9	-	47 683 869	47 683 869
		-	**281 786 535**	**281 786 535**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans receivable	7	-	44 400 471	44 400 471
Trade and other receivables	8	-	18 028 056	18 028 056
Cash and cash equivalents	9	-	62 852 515	62 852 515
		-	**125 281 042**	**125 281 042**

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	104 369 759	104 369 759
Financial liabilities	12	-	2 065 917 274	2 065 917 274
Derivative financial instruments	13	26 465 388	-	26 465 388
		26 465 388	**2 170 287 033**	**2 196 752 421**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	105 858 445	105 858 445
Financial liabilities	12	-	1 700 005 000	1 700 005 000
Derivative financial instruments	13	3 643 042	-	3 643 042
		3 643 042	**1 805 863 445**	**1 809 506 487**

34. RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

		Company		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans to subsidiaries	6	-	1 214 310 428	1 214 310 428
Loans receivable	7	-	215 172 823	215 172 823
Trade and other receivables	8	-	11 236 084	11 236 084
Cash and cash equivalents	9	-	33 896 158	33 896 158
		-	**1 474 615 493**	**1 474 615 493**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial assets		**R**	**R**	**R**
Loans to subsidiaries	6	-	958 462 286	958 462 286
Loans receivable	7	-	44 400 471	44 400 471
Trade and other receivables	8	-	4 649 853	4 649 853
Cash and cash equivalents	9	-	47 989 763	47 989 763
		-	**1 055 502 373**	**1 055 502 373**

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	38 623 593	38 623 593
Financial liabilities	12	-	2 065 917 274	2 065 917 274
Derivative financial instruments	13	26 465 388	-	26 465 388
		26 465 388	**2 104 540 867**	**2 131 006 255**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Categories of financial liabilities		**R**	**R**	**R**
Trade and other payables	16	-	45 570 792	45 570 792
Financial liabilities	12	-	1 700 005 000	1 700 005 000
Derivative financial instruments	13	3 643 042	-	3 643 042
		3 643 042	**1 745 575 792**	**1 749 218 834**

34. RISK MANAGEMENT (CONTINUED)

Pre tax gains and losses on financial instruments

		Group		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	26 759 864	26 759 864
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	5 768 248	5 768 248

2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial liabilities		**R**	**R**	**R**
Finance costs	23	-	(184 415 514)	(124 189 381)
Loss on fair value of derivative financial instruments		(22 822 346)	-	(22 822 346)
		(22 822 346)	**(184 415 514)**	**(207 237 860)**
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial liabilities		**R**	**R**	**R**
Finance costs	23	-	(124 189 381)	(124 189 381)
Loss on fair value of derivative financial instruments		(3 643 042)	-	(3 643 042)
		(3 643 042)	**(124 189 381)**	**(127 832 423)**

		Company		
2020		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	124 995 548	124 995 548
2019		**Fair value through profit or loss**	**Amortised cost**	**Total**
Gains and losses on financial assets		**R**	**R**	**R**
Interest income	22	-	62 953 909	62 953 909

34. RISK MANAGEMENT (CONTINUED)

2020		Fair value through profit or loss	Amortised cost	Total
Gains and losses on financial liabilities		R	R	R
Finance costs	23	-	(182 900 201)	(182 900 201)
Loss on fair value of derivative financial instruments		(22 822 346)	-	(22 822 346)
		(22 822 346)	**(182 900 201)**	**(205 722 547)**

2019		Fair value through profit or loss	Amortised cost	Total
Gains and losses on financial liabilities		R	R	R
Finance costs	23	-	(113 750 101)	(113 750 101)
Loss on fair value of derivative financial instruments		(3 643 042)	-	(3 643 042)
		(3 643 042)	**(113 750 101)**	**(117 393 143)**

Capital risk management

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

The Group manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 9, cash and cash equivalents disclosed in notes 7, and equity as disclosed in the statement of financial position.

		Group		Company	
	Notes	2020 R	2019 R	2020 R	2019 R
Loans from subsidiaries	17	-	-	31 971 177	37 740 837
Financial liabilities	12	2 065 917 274	1 700 005 000	2 065 917 274	1 700 005 000
Finance lease liabilities	14	26 464 156	32 742 248	15 163 007	15 241 292
Trade and other payables	16	104 369 759	105 858 445	38 623 593	45 570 792
Total borrowings		**2 196 751 189**	**1 838 605 693**	**2 151 675 051**	**1 798 557 921**
Cash and cash equivalents	9	(47 683 869)	(62 852 515)	(33 896 158)	(47 898 763)
Net borrowings		**2 149 067 320**	**1 775 753 178**	**2 117 778 893**	**1 750 659 158**

34. RISK MANAGEMENT (CONTINUED)

Financial risk management

The Group is exposed to the following risks from its use of financial instruments:
- credit risk;
- liquidity risk; and
- interest rate risk.

The Group's management policies are designed to ensure that there is an acceptable level of risk within the Group as a whole.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk on loans receivable, trade and other receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is assessed individually for creditworthiness before terms and conditions are offered, which involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:
- trade receivables; and
- debt investments carried at amortised cost.

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

Trade receivables and contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The lease receivable assets relate to straight-lining of leases and have substantially the same risk characteristics as the trade receivables for the same types of leases. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the lease receivables.

The expected loss rates are based on the payment profiles over a period of 12 months before 29 February 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, unemployment rate and inflation rate as the key macroeconomic factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

34. RISK MANAGEMENT (CONTINUED)

On that basis, the loss allowance as at 29 February 2020 was determined as follows for both trade receivables and lease receivables.

Financial assets exposed to credit risk at year end were as follows:

	Notes	Group		
2020		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans receivable	7	215 172 823	-	215 172 823
Trade and other receivables	8	27 298 943	(8 369 100)	18 929 843
Cash and cash equivalents	9	47 683 869	-	47 683 869
		290 155 635	**(8 369 100)**	**281 786 535**

2019		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans receivable	7	44 400 471	-	44 400 471
Trade and other receivables	8	26 895 358	(8 867 302)	18 028 056
Cash and cash equivalents	9	62 852 515	-	62 852 515
		134 148 344	**(8 867 302)**	**125 281 042**

		Company		
2020		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans to subsidiaries	6	1 214 310 428	-	1 214 310 428
Loans receivable	7	215 172 823	-	215 172 823
Trade and other receivables	8	17 439 622	(6 203 538)	11 236 084
Cash and cash equivalents	9	33 896 158	-	33 896 158
		1 480 819 031	**(6 203 538)**	**1 474 615 493**

2019		**Gross carrying amount R**	**Credit loss allowance R**	**Amortised cost R**
Loans to subsidiaries	6	958 462 286	-	958 462 286
Loans receivable	7	44 400 471	-	44 400 471
Trade and other receivables	8	11 205 207	(6 555 354)	4 649 853
Cash and cash equivalents	9	47 898 763	-	47 898 763
		1 061 966 727	**(6 555 354)**	**1 055 411 373**

34. RISK MANAGEMENT (CONTINUED)

Liquidity risk

The Group is exposed to liquidity risk as a result of the funds available to cover future commitments, detailed below.

The Group mitigates its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements comprise a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and the Company manages the liquidity risk through an ongoing review of commitments and credit facilities. Cash flow forecasts and budgets are prepared and adequate utilised borrowing facilities, disclosed in notes 9 and 12, are monitored.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Group			
2020	**Less than 1 year R**	**2 to 5 years R**	**Over 5 years R**	**Total R**
Non-current liabilities				
Financial liabilities	-	2 065 917 274	-	2 065 917 274
Derivative financial instruments	26 465 388	-	-	26 465 388
Finance lease liabilities	3 117 117	11 726 030	497 516 874	512 360 021
Current liabilities				
Trade and other payables	104 369 759	-	-	104 369 759
	133 952 264	**2 077 643 304**	**497 516 874**	**2 709 112 442**
2019				
Non-current liabilities				
Financial liabilities	-	1 700 005 000	-	1 700 005 000
Derivative financial instruments	3 643 042	-	-	3 643 042
Finance lease liabilities	2 927 512	12 535 261	500 041 783	515 504 556
Current liabilities				
Trade and other payables	105 858 445	-	-	105 858 445
	112 428 999	**1 712 540 261**	**500 041 783**	**2 325 011 043**

34. RISK MANAGEMENT (CONTINUED)

	Company			
2020	**Less than 1 year R**	**2 to 5 years R**	**Over 5 years R**	**Total R**
Non-current liabilities				
Financial liabilities	-	2 065 917 274	-	2 065 917 274
Derivative financial instruments	26 465 388	-	-	26 465 388
Finance lease liabilities	2 410 844	8 120 436	260 185 603	270 716 883
Current liabilities				
Trade and other payables	38 623 593	-	-	38 623 593
Loans from subsidiaries	31 971 177	-	-	31 971 177
	99 471 002	**2 074 037 710**	**260 185 603**	**2 433 694 315**
2019				
Non-current liabilities				
Financial liabilities	-	1 700 005 000	-	1 700 005 000
Derivative financial instruments	3 643 042	-	-	3 643 042
Finance lease liabilities	2 285 446	9 257 449	261 676 459	273 219 354
Current liabilities				
Trade and other payables	45 570 792	-	-	45 570 792
Loans from subsidiaries	37 740 837	-	-	37 740 837
	89 240 117	**1 709 262 449**	**261 676 459**	**2 060 179 025**

Fair value hierarchy for financial instruments and investment property

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements. IFRS 13 requires that an entity disclose for each class of financial instrument and investment property measured at fair value, the level of fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy has the following levels:
Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.
Level 3 – fair value is determined through the use of valuation techniques using significant inputs (refer note 3 for assumptions applied to valuation of investment property).

34. RISK MANAGEMENT (CONTINUED)

	Group			
	Fair value	Level 1	Level 2	Level 3
2020	R	R	R	R
Assets				
Investment properties	5 788 843 340	-	-	5 788 843 340
Liabilities				
Derivative financial instruments	26 465 388	-	26 465 388	-
2019				
Assets				
Investment properties	5 406 403 826	-	-	5 406 403 826
Liabilities				
Derivative financial instruments	3 643 042	-	3 643 042	-

	Company			
	Fair value	Level 1	Level 2	Level 3
2020	R	R	R	R
Assets				
Investment properties	3 369 943 341	-	-	3 369 943 341
Liabilities				
Derivative financial instruments	26 465 388	-	26 465 388	-
2019				
Assets				
Investment properties	3 305 003 826	-	-	3 305 003 826
Liabilities				
Derivative financial instruments	3 643 042	-	3 643 042	-

There have been no transfers between level 1, level 2 and level 3 during the financial year.

Refer to notes 3 and 13 for the relevant valuation methods, inputs and assumptions made.

34. RISK MANAGEMENT (CONTINUED)

Interest rate risk

Fluctuations in interest rates impact on the value of investments, financing activities and an interest rate swap, giving rise to interest rate risk.

The interest rate risk arises primarily from long-term borrowings, which bear interest at rates linked to 3 month Jibar. The Company's weighted average cost of borrowing is 3 month Jibar plus 1.86%, excluding the amortisation of hedging costs and participation fees. The Group strategy is well-managed and monitored, and it has entered into a sequence of collar and cap transactions to hedge its interest rate exposure, with the collar and cap arrangements terminating on 4 October 2021 and the interest rate swap terminating on 8 July 2022 as disclosed in note 13. Monitoring of international and local economic climate and aligning development and hedging strategy with views of future rate movements further mitigates the risk.

A 1% increase in the effective interest rate applicable to interest-bearing borrowings, will result in an increase in finance charges of R759 173 before tax.

35. ACQUISITION OF ASSETS AND LIABILITIES BY THE GROUP

During the current year, Exemplar REITail acquired shares and shareholders' claims in Katale Square and Mabopane Square.

Management assessed the shares and shareholders' claims acquired and has concluded that in its view that all acquisitions are subsidiary acquisitioned are dealt with under IAS 27 – Separate Financial Statements, IFRS 10 – Consolidated Financial Statements and IFRS 12 – Disclosure of Interests in Other Entities, and are therefore accounted for in terms of those standards. These entities did not constitute a business as defined in terms of IFRS 3 – Business Combinations, as there were no adequate processes identified within these entities to warrant classification as businesses.

Entities	Interest acquired	Interest acquired
	%	%
Acornhoek Plaza Share Block (Pty) Ltd		43.98
Alex Mall (Pty) Ltd		100.00
Katale Square (Pty) Ltd	100.00	-
Maake Plaza (Pty) Ltd		100.00
Mabopane Square (Pty) Ltd	100.00	-
Mandeni Plaza (Pty) Ltd		50.00
Modi Mall (Pty) Ltd		100.00
Phola Mall (Pty) Ltd		53.00
Theku Plaza (Pty) Ltd		82.50
Tsakane Mall (Pty) Ltd		100.00

Management assessed the properties acquired and has concluded that in its view that all acquisitions are property acquisitions in terms of IAS 40 – Investment Property and are therefore accounted for in terms of that standard. These properties did not constitute a business as defined in terms of IFRS 3 – Business Combinations, as there were no adequate processes identified within these properties to warrant classification as businesses.

35. ACQUISITION OF ASSETS AND LIABILITIES BY THE GROUP (CONTINUED)

Properties	**Interest acquired** %	**Interest acquired** %
Atteridge Stadium Centre		100.00
Blouberg Mall		100.00
Chris Hani Crossing		100.00
Diepkloof Plaza		100.00
Edendale Mall		100.00
Emoyeni Regional Mall		100.00
Jane Furse Plaza		29.83
Kwagga Mall		43.51
Lusiki Plaza		100.00
Modjadji Plaza		70.00
Olievenhout Plaza		100.00
Thorntree Shopping Centre		100.00

Assets and liabilities arising from the acquisitions are as follows:

Assets	**R**	**R**
Investment property	278 000 000	4 902 892 652
Operating lease asset	-	155 158 863
Property, plant and equipment	-	487 855
Loans receivable	-	38 023 994
Cash and cash equivalents	-	124 963 886
Trade and other receivables	-	22 219 258
Liabilities		
Financial liabilities	-	(1 850 918 972)
Deferred tax	-	(95 903 675)
Trade and other payables	-	(182 112 861)
Fair value of net assets acquired	278 000 000	3 114 811 000
Non-controlling interest	-	(112 436 217)
Fair value of Exemplar REITail's share of net assets acquired	278 000 000	3 002 374 783
Cash and cash equivalents acquired	-	124 963 883

The shares in and claims against Katale Square (Pty) Ltd and Mabopane Square (Pty) Ltd were acquired through the issue of ordinary shares in the company and cash of R 221 757 270. On 1 July 2019, 1 812 327 shares were issued at R10.69 each and on 1 November 2019, 3 381 302 shares were issued at R10.90 each in respect of the Katale Square and Mabopane Square acquisitions.

The entities and businesses acquired in the prior year on the formation of the Group were acquired through the issue of 297 431 896 shares in the Company on 1 June 2018 at R10.00 each.

36. JOINT OPERATIONS

Profits and losses resulting from the transactions with the joint operations are recognised in the Group's consolidated annual financial statements only to the extent of interests that are not related to the Group.

The Group accounts for the assets, liabilities, revenues and expenses relating to joint operations in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

In the separate annual financial statements of the company, interests in joint operations are accounted for in the same manner.

	Group	
	2020 R	2019 R
Joint operations comprise the following properties:		
	%	%
Acornhoek Megacity	43.98	43.98
Chris Hani Crossing	50.00	50.00
Jane Furse Plaza	29.83	29.83
Kwagga Mall	43.51	43.51
Maake Plaza	30.00	30.00
Modjadji Plaza	70.00	70.00
Tsakane Mall	50.00	50.00

	Group	
	2020 R	**2019 R**
36. JOINT OPERATIONS (CONTINUED)		
Exemplar's share of profit and loss and net assets:		
Statement of profit or loss and other comprehensive income		
Property portfolio	187 909 128	137 490 277
Rental income and recoveries	196 854 210	137 078 971
Straight-line lease income adjustments	(8 945 082)	411 306
Property operating expenses	(58 917 519)	(37 327 974)
Profit from operations	128 991 609	100 162 303
Fair value adjustment to investment properties	(27 636 058)	54 195 848
Profit before taxation	101 355 551	154 358 151
Statement of financial position		
Opening fair value of property assets	1 687 403 825	-
Purchase consideration	-	1 517 425 718
Additions	5 211 419	115 618 917
Fair value adjustment	(27 636 058)	54 195 848
Finance lease liability	3 837 949	(247 964)
Operating lease asset	(8 945 082)	411 306
Closing fair value of property assets	1 659 872 053	1 687 403 825
Property, plant and equipment	267 980	14 978
Current assets	206 755 752	24 920 279
Total assets	**1 866 895 785**	**1 712 339 082**
Equity	2 007 764 339	1 786 890 768
Deferred taxation	(46 003 488)	(46 050 944)
Finance lease liabilities	(4 028 713)	(3 749 530)
Current liabilities	(90 836 353)	(24 751 212)
Total equity and liabilities	**1 866 895 785**	**1 712 339 082**

All joint operations have their principal place of business in South Africa. They own and manage retail real estate.

37. CONTINGENCIES

A claim has been made by a competing developer. The claim is being defended and is still in progress, although pleadings have now closed. The matter does not have a hearing date as yet. The attorneys are of the view that the prospects of successfully defending the matter, especially on the basis that the claim has prescribed, are sound.

38. EVENTS AFTER THE REPORTING PERIOD

In terms of IAS 10 Events after the Reporting Period, non-adjusting post balance sheet events are events that arose after the end of the reporting. It was concluded that the declaration of COVID-19 as a pandemic and the associated restrictions on personal movement is such an event.

The impact of COVID-19 on accounting standards that require the use of forward-looking information (for example, expected credit losses, impairments and valuations of investment property) was assessed based on information available as at 29 February 2020. The general economic decline, reduced trade and measures to control the spread of the virus may lead to unemployment and reduced income, as well as a substantial fall in GDP and consumer confidence in South Africa.

The Group is currently evaluating the potential short-term and long-term implications of COVID-19 on its consolidated financial statements and has concluded that while it is reasonably possible that the virus could have a negative effect on the Group's financial position and results of its operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Group continues to monitor the impact of the COVID-19 outbreak closely.

39. SEGMENT ANALYSIS

The Group identifies and presents operating segments based on information that is provided to the Group's management and internal reporting structure as determined by the Group's executive committee. The Group's management reviews the performance of its investment properties on an individual basis and due to the entire portfolio being retail, has taken a decision to aggregate operating segments and disclose such reportable segments on a geographical basis, initially:

- Gauteng;
- Mpumalanga;
- KwaZulu Natal;
- Limpopo;
- Eastern Cape.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

2020	GLA	Investment property fair value	Revenue	Straight line lease income adjustments	Property operating expenses	Change in fair values	Net income
	m²	R	R	R	R	R	R
Gauteng	134,371	2 640 505 340	313 787 259	(14 406 444)	(115 736 281)	85 446 766	269 091 300
Mpumalanga	89,737	1 402 369 000	172 244 835	(2 410 789)	(60 978 956)	(9 776 990)	99 078 100
KwaZulu Natal	58,889	779 000 000	118 962 050	(1 182 711)	(49 197 000)	26 809 153	95 391 492
Limpopo	53,165	779 969 000	114 864 531	1 529 754	(48 956 776)	1 271 405	68 708 913
Eastern Cape	13,597	187 000 000	26 569 621	(446 412)	(9 335 836)	10 029 533	26 816 906
	349,759	5 788 843 340	746 428 296	(16 916 602)	(284 204 849)	113 779 867	559 086 711

2019	GLA	Investment property fair value	Revenue	Straight line lease income adjustments	Property operating expenses	Change in fair values	Net income
	m²	R	R	R	R	R	R
Gauteng	124,103	2 399 000 000	214 510 030	6 016 307	(70 917 849)	81 359 498	230 967 986
Mpumalanga	81,136	1 298 825 326	114 367 035	6 829 571	(37 365 938)	32 400 313	116 230 981
KwaZulu Natal	59,135	753 000 000	81 146 752	(140 621)	(31 881 800)	15 734 714	64 859 045
Limpopo	53,417	778 578 500	77 172 121	275 078	(28 073 662)	31 734 842	81 108 379
Eastern Cape	13,597	177 000 000	17 043 638	211 503	(7 170 976)	467 428	10 551 593
	331,388	5 406 403 826	504 239 576	13 191 838	(175 410 225)	161 696 795	503 717 984

ANNEXURE TO THE GROUP FINANCIAL STATEMENTS

	Group	
Distributable earnings reconciliation	**2020 R**	**2019 R**
Net property income	**559 086 711**	**503 717 984**
Other income	34 243 047	9 281 896
Administrative expenses and corporate costs	(32 836 475)	(20 744 135)
Interest income	26 759 864	5 768 248
Finance costs	(184 415 514)	(124 189 381)
Fair value adjustment to derivative financial instruments	(22 822 346)	(3 643 042)
Taxation	9 063 012	1 100 683
Total comprehensive income	**389 078 299**	**371 292 253**
Distributable earnings adjustments:		
Attributable to non-controlling interests	(27 663 113)	(35 355 568)
Fair value adjustment to investment properties	(113 779 867)	(161 696 795)
Non-controlling interest in fair value adjustment to investment properties	15 331 692	27 338 160
Straight-line lease income adjustments	16 916 602	(13 191 837)
Non-controlling interest in straight-line lease income adjustments	1 508 042	1 510 651
Finance lease liability adjustment - rent paid	(2 358 708)	-
Finance lease liability adjustment - interest on finance lease	3 403 479	-
Non-controlling interest in finance lease liability adjustments	(408 409)	-
Fair value adjustment to derivative financial instruments	22 822 346	3 643 042
Deferred tax movement	(9 063 012)	(1 100 683)
Antecedent adjustment	2 589 600	2 649 954
Distributable income	**298 376 951**	**195 089 177**
Distributable income per share (cents)	92.26859	61.84000
Distributable income for the year	298 376 951	195 089 177
Interim dividend paid	(140 743 075)	(58 421 532)
Dividend per share (cents)	43.77000	19.10000
Number of shares	321 551 463	305 871 896
Final dividend	157 633 876	136 656 507
Dividend per share (cents)	48.49859	42.74000
Number of shares	325 027 765	319 739 136
Dividend per share for the 12 months (cents)	**92.26859**	**61.84000**

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