RUNWAY PROPERTY GROUP

INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

MESSAGE FROM THE BOARD

The Board is pleased to present the Interim Results for the six months ended 31 August 2024 to Shareholders.

Board Approval

The Financial Statements for the six months ended 31 August 2024 are not audited. The Board of Directors ("the Board") acknowledges its responsibility to ensure the integrity of the Interim Results, and in the Board's opinion, it addresses all material issues and presents fairly the Group's integrated performance.

Material changes

There have been no material changes in the business or trading objects of Runway for the period from the Company's date of incorporation to the last practical date.

Board Responsibility Statement

In the opinion of the Board, the report provides a fair and balanced account of the performance, strategy and value creation of the Group as well as addressing material matters pertaining to the long-term sustainability of the Group and the impacts thereof. This report was approved by the Board on 18 November 2024 and signed on its behalf by:

Earle Marks
Chief Executive Officer
30 May 2024

Zvi Kaplan
Financial Director

Shaun Zagnoev
Independent Chairman

Forward-Looking Statements

This Interim Report may contain certain forward-looking statements concerning Runway Property Group's operations, business strategy, financial conditions, growth plans and expectations. These statements include, without limitation, those concerning the economic outlook, business climate and changes in the market. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can be given that these will prove to be correct and no representation or warranty, expressed or implied, is given as to the accuracy or completeness of such views contained in this Interim Report.

BUSINESS STRATEGY

Investment strategy

The Company's investment strategy is still focused on the acquisition of predominantly retail properties, which can either add value or enhance distribution, resulting in value enhancement for Shareholders.

Investment mandate and growth strategy

- The Board is responsible for the investment decisions of Runway.
- The Executive Directors shall be responsible for:
  - identifying, researching and evaluating potential investment opportunities for Runway;
  - monitoring and evaluating current Runway investments and making recommendations to the Runway Board regarding any investment decision.

INFORMATION REGARDING PROPERTIES

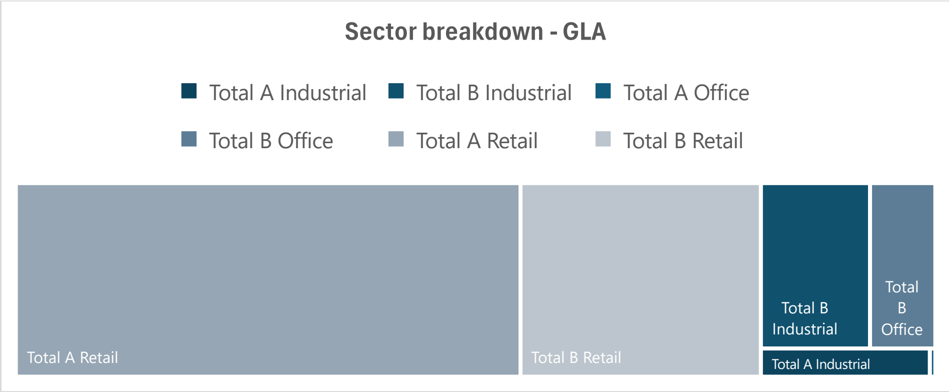
Property Manager

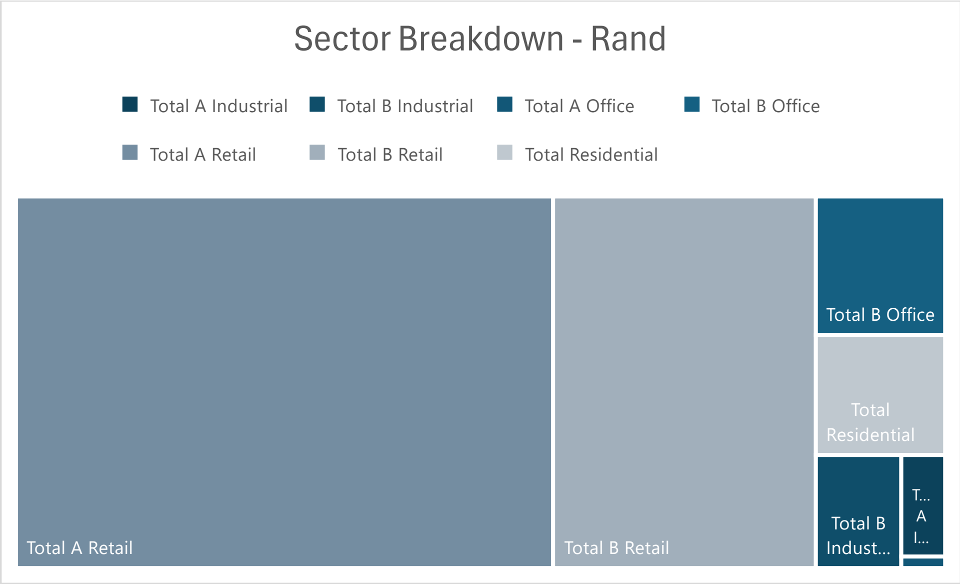
The Property Manager is Exceedprops Management Services Proprietary Limited (Registration Number 1995/008835/07), a private Company incorporated and registered in accordance with the laws of South Africa and the registered address of which is 22 Stirrup Lane, Woodmead Office Park, Woodmead, 2191. The sole shareholder and Director of the Property Manager is Peter Marks, who has been involved in managing properties for more than 22 years and is Earle Marks' father. Earle's brother, Wayne Marks, is an employee of the Property Manager.

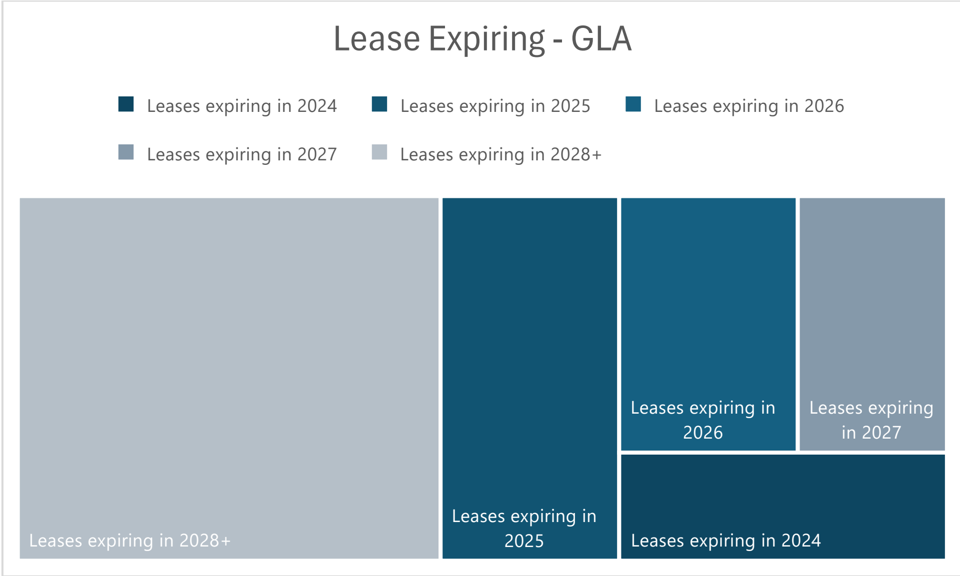
Property Valuation

The independent valuer valued the properties in 2022. All are situated in Gauteng, except for one property in the Free State Province. The Group ended the financial year with a 55.34% gearing ratio. An independent valuation will be done for the year ending 28 February 2025.

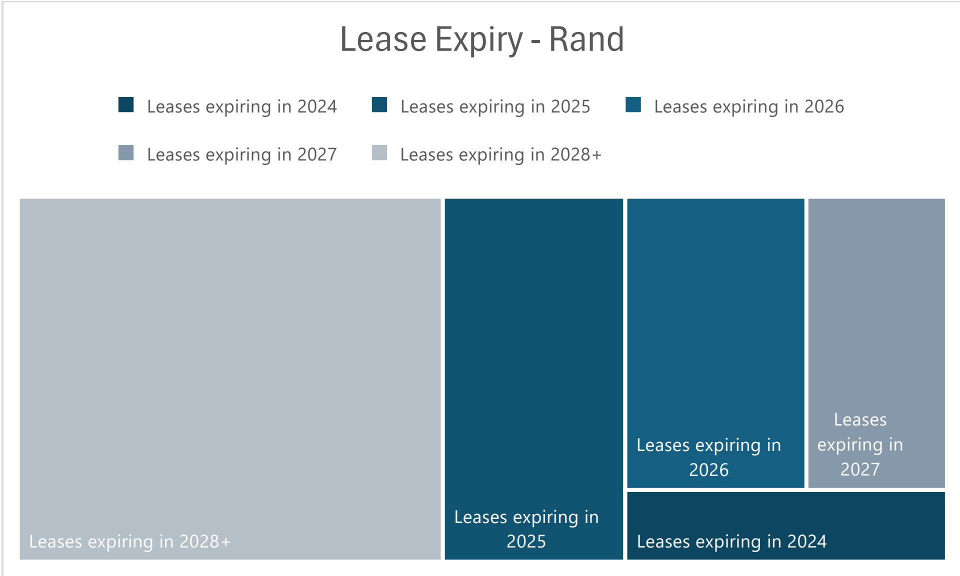
Set out by both GLA and rental income are the following profiles:




Sector Breakdown - Rand
Total A Industrial
Total B Industrial
Total A Office
Total B Office
Total A Retail
Total B Retail
Total Residential
Total B Office
Total Residential
Total B Indust...
T...
A
I...
Total A Retail
Total B Retail


Lease Expiring - GLA
Leases expiring in 2024
Leases expiring in 2025
Leases expiring in 2026
Leases expiring in 2027
Leases expiring in 2028+
Leases expiring in 2026
Leases expiring in 2027
Leases expiring in 2025
Leases expiring in 2028+
Leases expiring in 2024


Sector Breakdown - Vacancy
Total Vacancy Industrial
Total Vacancy Retail
Total Vacancy Office
Total Vacancy Residential
Total Vacancy Office
Total Vacancy Residential
Total Vacancy Retail


Lease Expiry - Rand
Leases expiring in 2024
Leases expiring in 2025
Leases expiring in 2026
Leases expiring in 2027
Leases expiring in 2028+
Leases expiring in 2026
Leases expiring in 2027
Leases expiring in 2025
Leases expiring in 2028+
Leases expiring in 2024

Runway Property Group Limited

(Registration number 2019/547292/06)
Unaudited Consolidated and Separate Financial Statements
for the 6 months period ended 31 August 2024

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Property investment and other related activities
Directors	E Marks ZR Cendrowski ZA Kaplan A Gluch (non-executive) J Bennett (non-executive) S Zagnoev (non-executive)
Audit Committee	A Gluch J Bennett (chairman) S Zagnoev
Registered office	22 Stirrup Lane Woodmead Office Park Woodmead 2191
Postal address	PO Box 431 Bergbron 1712
Holding company	Markscend Group Holdings Proprietary Limited incorporated in South Africa
Level of assurance	These unaudited consolidated and separate financial statements have not been audited or independently reviewed.
Preparer	The unaudited consolidated and separate financial statements were independently compiled by: S Zietsman CA (SA) MOI Financial Services under the supervision of Zvi Kaplan.
Issued	18 November 2024

Contents

The reports and statements set out below comprise the unaudited consolidated and separate financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the unaudited consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the unaudited consolidated and separate financial statements fairly present the state of affairs of the group as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The unaudited consolidated and separate financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the 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 all employees are required to maintain the highest ethical standards in ensuring the group’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the group’s cash flow forecast for the next 12 months from signing this report and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The unaudited consolidated and separate financial statements set out on pages 7 to 34, which have been prepared on the going concern basis, were approved by the board of directors on 18 November 2024 and were signed on their behalf by:

Approval of financial statements

Earle Marks

E Marks

ZA Kaplan

Statement on Internal Financial Controls

The directors, whose names are stated below, hereby confirm that:

(a) the unaudited consolidated and separate financial statements set out on pages 7 to 34, fairly present in all material respects the financial position, financial performance and cash flows of the group in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the unaudited consolidated and separate financial statements false or misleading

(c) internal financial controls have been put in place to ensure that material information relating to the group and its subsidiaries have been provided to effectively prepare the unaudited consolidated and separate financial statements of the group; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the unaudited consolidated and separate financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

Earle Marks

E Marks
Chief executive officer

ZA Kaplan
Chief financial officer

Directors' Report

The directors have pleasure in submitting their report on the unaudited consolidated and separate financial statements of Runway Property Group Limited ("the company) and its subsidiaries ("the group") for the period ended 31 August 2024.

1. Nature of business

Runway Property Group Limited is an investment entity incorporated in South Africa with interests in the Real Estate Investment Trust industry. The company does not trade, and all of its activities are undertaken through its principal subsidiaries. The group operates in South Africa.

There have been no material changes to the nature of the group's business from the prior period.

2. Review of financial results and activities

The unaudited consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the group are set out in these unaudited consolidated and separate financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the period under review.

4. Dividends

No dividend was declared during the current year (February 2024: R28.4 million).

5. Directorate

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

Directors
E Marks
ZR Cendrowski
ZA Kaplan
A Gluch (non-executive)
J Bennett (non-executive)
S Zagnoev (non-executive)

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Holding company

The group's holding company is Markscend Group Holdings Proprietary Limited which holds 99.72% (2024: 99.72%) of the group's equity. Markscend Group Holdings Proprietary Limited is incorporated in South Africa.

8. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the group are unlimited. However all borrowings by the group are subject to board approval as required by the board delegation of authority.

9. Events after the reporting period

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

Directors' Report

10. Going concern

The unaudited consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The shareholders of the Group have guaranteed by way of a Letter of Support and subordination of loans that they will provide the necessary financial support to enable the Group to continue to operate its business in a lawful ad proper manner and to satisfy all obligations in full as they fall due, for a period of 12 months from the date of signing financial statements for the financial period ended 28 February 2025.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the unaudited consolidated and separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

11. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

12. Auditors

De Vos Richards Abed continued in office as auditors for the company and its subsidiaries for 2024.

13. Secretary

The company secretary is Juba Statutory Services Proprietary Limited (Reg no. 2010/006409/07).

Business address:	Block B Office 107 The Park Shopping Centre 837 Barnard Street Elarduspark Pretoria 0181

14. Directors' and prescribed officer's interest in shares

P Marks is the sole shareholder of the management company, Exceedprops Management Services Proprietary Limited. P Marks is related to E Marks, executive director of Runway Property Group Limited.

Current directors and prescribed officers	2024 Direct	2024 Indirect
E Marks	- %	- %
ZA Kaplan	0.10 %	0.10 %
ZR Cendrowski*	- %	- %
A Gluch (non-executive director)	- %	- %
J Bennett (non-executive director)	- %	- %
S Zagnoev (non-executive director)	- %	- %

* ZR Cendrowski and E Cendrowska are married in community of property and together hold 50% of the shares in Markscend Proprietary Limited. ZR Cendrowski and E Cendrowska therefore effectively have a combined indirect interest of 49.86% in Runway Property Group Limited.

15. Letter of support

The shareholders issued a letter of support to the group and a subordination for some of the loans which will remain in force until such a time that the company can settle its debt as and when it becomes due.

Statement of Financial Position as at 31 August 2024

		Group		Company	
	Note(s)	31 August 2024 R	29 February 2024 R	31 August 2024 R	29 February 2024 R
Assets					
Non-Current Assets					
Investment property	3	1 142 446 437	1 135 350 000	-	-
Investments in subsidiaries	4	-	-	478 507 920	478 507 920
Loans to group companies	5	-	-	23 176 061	42 551 537
Loans to shareholders	6	-	20 265 876	-	-
Related party loans	7	22 232 591	30 131 448	-	-
Operating lease asset	8	21 877 782	21 877 782	-	-
		1 186 556 810	**1 207 625 106**	**501 683 981**	**521 059 457**
Current Assets					
Trade and other receivables	9	4 734 261	5 796 089	-	-
Operating lease asset	8	2 020 872	2 020 872	-	-
Current tax receivable		22 793	22 793	22 793	22 793
Dividend receivable		-	-	28 440 774	28 440 774
Cash and cash equivalents	10	3 528 576	883 199	642	336
		10 306 502	**8 722 953**	**28 464 209**	**28 463 903**
Total Assets		**1 196 863 312**	**1 216 348 059**	**530 148 190**	**549 523 360**
Equity and Liabilities					
Equity					
Share capital	11	479 950 920	479 950 920	479 950 920	479 950 920
Accumulated profit (loss)		79 085 113	63 334 531	(12 400)	(11 157)
		559 036 033	**543 285 451**	**479 938 520**	**479 939 763**
Liabilities					
Non-Current Liabilities					
Loans from group companies	12	-	-	45 086 819	-
Loans from shareholders	13	5 090 820	25 740 517	5 090 820	41 053 486
Borrowings	14	594 806 228	435 941 848	-	-
		599 897 048	**461 682 365**	**50 177 639**	**41 053 486**
Current Liabilities					
Trade and other payables	15	36 896 564	38 709 064	32 031	89 337
Borrowings	14	-	143 242 246	-	-
Operating lease liability	8	988 159	988 159	-	-
Current tax payable		45 508	-	-	-
Dividend payable		-	28 440 774	-	28 440 774
		37 930 231	**211 380 243**	**32 031**	**28 530 111**
Total Liabilities		**637 827 279**	**673 062 608**	**50 209 670**	**69 583 597**
Total Equity and Liabilities		**1 196 863 312**	**1 216 348 059**	**530 148 190**	**549 523 360**

Statement of Profit or Loss and Other Comprehensive Income

		Group		Company	
	Note(s)	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R
Revenue	16	102 015 814	195 271 522	-	28 440 774
Other operating income		5 775	6 300	-	-
Fair value loss	3	-	(71 609 190)	-	-
Other expenses		(59 452 183)	(113 369 150)	(1 241)	(11 686)
Operating profit (loss)	17	**42 569 406**	**10 299 482**	**(1 241)**	**28 429 088**
Finance income	18	1 535 810	5 610 377	1	260
Finance costs	19	(28 354 634)	(57 914 204)	(3)	(136)
Profit (loss) before taxation		**15 750 582**	**(42 004 345)**	**(1 243)**	**28 429 212**
Taxation	20	-	-	-	-
Profit (loss) for the period		**15 750 582**	**(42 004 345)**	**(1 243)**	**28 429 212**
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the period		**15 750 582**	**(42 004 345)**	**(1 243)**	**28 429 212**
Basic earnings per share	25	32.82	(87.52)		
Headline earnings per share	25	32.82	61.68		
Diluted earnings per share	25	32.82	(87.52)		

Statement of Changes in Equity

	Share capital	Accumulated profit (loss)	Total equity
	R	R	R
Group			
Balance at 1 March 2023	**479 950 920**	**133 779 650**	**613 730 570**
Loss for the period	-	(42 004 345)	(42 004 345)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	**-**	**(42 004 345)**	**(42 004 345)**
Dividends recognised as distributions to shareholder	-	(28 440 774)	(28 440 774)
Balance at 1 March 2024	**479 950 920**	**63 334 531**	**543 285 451**
Profit for the period	-	15 750 582	15 750 582
Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**15 750 582**	**15 750 582**
Balance at 31 August 2024	**479 950 920**	**79 085 113**	**559 036 033**
Note(s)	11		
Company			
Balance at 1 March 2023	**479 950 920**	**405**	**479 951 325**
Profit for the period	-	28 429 212	28 429 212
Other comprehensive income	-	-	-
Total comprehensive income for the period	**-**	**28 429 212**	**28 429 212**
Dividends recognised as distributions to shareholder	-	(28 440 774)	(28 440 774)
Balance at 1 March 2024	**479 950 920**	**(11 157)**	**479 939 763**
Loss for the period	-	(1 243)	(1 243)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	**-**	**(1 243)**	**(1 243)**
Balance at 31 August 2024	**479 950 920**	**(12 400)**	**479 938 520**
Note(s)	11		

Statement of Cash Flows

		Group		Company	
	Note(s)	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R
Cash flows from operating activities					
Profit (loss) before taxation		15 750 582	(42 004 345)	(1 243)	(11 562)
Adjustments for non-cash items:					
Fair value losses		-	71 609 190	-	-
Changes in operating lease assets		-	(1 012 507)	-	-
Changes in operating lease liabilities		-	(162 672)	-	-
Interest income		(1 535 810)	(5 610 377)	(1)	(260)
Finance costs		28 354 634	57 914 204	3	136
Changes in working capital:					
Trade and other receivables		1 061 828	2 751 388	-	-
Trade and other payables		(1 812 500)	450 199	(57 306)	8 068
Cash generated from (used in) operations		**41 818 734**	**83 935 080**	**(58 547)**	**(3 618)**
Interest income	18	1 535 810	5 610 377	1	260
Dividends received	18	-	-	-	46 180 674
Finance costs	19	(28 354 634)	(57 914 204)	(3)	(136)
Dividends paid	22	(28 440 774)	(46 179 207)	(28 440 774)	(46 179 207)
Tax refunded	21	45 508	42 003	-	-
Net cash used in operating activities		**(13 395 356)**	**(13 505 951)**	**(28 499 323)**	**(2 027)**
Cash flows from investing activities					
Purchases of investment property	3	(7 096 437)	(1 099 190)	-	-
Movement in loans to group companies	5	-	-	19 375 476	(38 440 693)
Movement in loans to shareholders	6	-	7 771 713	-	-
Movement in related party loans	7	7 898 857	(2 442 212)	-	-
Net cash generated from (used in) investing activities		**802 420**	**4 230 311**	**19 375 476**	**(38 440 693)**
Cash flows from financing activities					
Movement in loans from group companies	12	-	-	45 086 819	(2 608 559)
Movement in loans from shareholders	13	(383 821)	25 740 517	(35 962 666)	41 053 486
Movement in borrowings	14	15 622 134	(17 188 694)	-	-
Net cash generated from financing activities		**15 238 313**	**8 551 823**	**9 124 153**	**38 444 927**
Total cash movement for the period		**2 645 377**	**(723 817)**	**306**	**2 207**
Cash and cash equivalents at the beginning of the period		883 199	1 607 016	336	(1 871)
Cash and cash equivalents at the end of the period	10	**3 528 576**	**883 199**	**642**	**336**

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these unaudited consolidated and separate financial statements.

1.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and IFRS Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these unaudited consolidated and separate financial statements and the Companies Act of South Africa as amended.

The unaudited consolidated and separate financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The unaudited consolidated and separate financial statements incorporate the unaudited consolidated and separate financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

The results of subsidiaries are included in the unaudited consolidated and separate financial statements from the date of obtaining control until the date that control is lost.

The accounting policies of all subsidiaries are the same as those of the parent.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of unaudited consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Principal assumptions underlying estimation of fair value property

The property valuation is to determine the current market value (fair value) for this property as may be achieved on the market after due consideration of all market forces. The property and its value-forming attributes are benchmarked against the current market and fair consideration is then made in order to indicate what value the property may realise in the broader or end-user market based on the principal of willing buyer and willing seller.

The properties are valued independently every three years and valued internally by the directors on an annual basis, where they are not valued independently.

1.4 Investment property

Investment property consists of land and buildings. These properties are held to earn rentals and for capital appreciation rather than being occupied by the group.

Investment property is initially recognised at cost, including transaction costs.

Cost for additions to or replacement of parts of investment property, are included in the costs of the investment property when they will result in future economic benefits. The carrying amount of replaced parts are derecognised.

Subsequent to initial measurement, investment property is measured at fair value, with changes in fair value recognised in profit or loss in the period in which it arises.

Gains or losses arising from a change in fair value, as well as gains or losses on disposal of investment property are included in profit or loss for the period in which they arise.

Disposal
Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period of the retirement or disposal.

1.5 Financial instruments

Financial instruments are recognised when the group becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

The material accounting policies for each type of financial instrument held by the group are presented below:

Loans receivable at amortised cost

Management have assessed and classified loans to group companies, related party loans and loans to shareholders as financial assets at amortised cost.

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Impairment - Expected credit losses and write offs

Loss allowances are recognised for expected credit losses on loans receivable and trade receivables.

The group measures the loss allowance for loans receivable and trade receivables at an amount equal to lifetime expected credit losses (lifetime ECL).

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The group writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the group's recovery procedures. Any recoveries made are recognised in profit or loss.

Borrowings and loans from related parties

Loans from group companies, loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Interest expense on borrowings is calculated on the effective interest method, and is included in profit or loss.

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Accounting Policies

1.5 Financial instruments (continued)

Derecognition

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The group derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Tax

Current tax assets and liabilities

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

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

Tax expenses

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.7 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease.

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

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.8 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that an asset may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Accounting Policies

1.8 Impairment of assets (continued)

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.

Impairment losses are recognised immediately in profit or loss.

1.9 Share capital and equity

Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of (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.

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

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

1.11 Revenue

The group recognises revenue from the following major sources:

- Rental income; and
- Dividend income.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

Rental income
Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Recoveries of cost from lessees, where the entity merely acts as an agent and make payments of these costs on behalf of the lessees, are offset against the relevant cost. Contingent rents (turnover rentals) are included in revenue when the amounts can be reliably measured. Premiums to terminate leases are recognised in profit or loss as they arise.

Dividend income
Dividend income is recognised when the company's right to receive payment has been established and is shown as revenue. Dividend income represents approximately 75% distribution of the profits and is in line with the taxation requirements of a REIT.

1.12 Borrowing costs

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

1.13 Expenses

Expenses, other than those specifically dealt with in another accounting policy, are recognised in profit or loss when as incurred.

1.14 Earnings per share

The calculation of earnings per share is based on profit for the period attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period. Headline earnings per share are calculated in accordance with Circular 1/2023 issued by the South African Institute of Chartered Accountants.

Notes to the Unaudited Consolidated And Separate 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 1 March 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	1 January 2026
• Lack of exchangeability - amendments to IAS 21	1 January 2025
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024
• Non-current liabilities with covenants - amendments to IAS 1	1 January 2024
• Lease liability in a sale and leaseback	1 January 2024

The directors does not expect the impact of the adoption of the above standards that are not yet effective will have a material impact on the financial position of the group.

Notes to the Unaudited Consolidated And Separate Financial Statements

3. Investment property

Group	August 2024			February 2024		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	1 142 446 437	-	1 142 446 437	1 135 350 000	-	1 135 350 000

Reconciliation of investment property - Group - 2024

	Opening balance	Additions	Fair value adjustments	Closing balance
Investment property	1 135 350 000	7 096 437	-	1 142 446 437

Reconciliation of investment property - Group - 2024

	Opening balance	Additions	Fair value adjustments	Closing balance
Investment property	1 205 860 000	1 099 190	(71 609 190)	1 135 350 000

Details of valuation

An internal valuation was performed by the directors at 29 February 2024 which resulted in a fair value adjustment.

The property is valued in it's current use. The property is leased in the market. It's value is, therefore, accurately determined by discounting the potential or current lease actual net revenue income stream over a period of 5 years. These figures are applied in direct consideration of current contractual leases. Any spare land value added to the discounted value is based on comparative sales of similar land. Any rentalisations / amortisations are discounted over the contractual lease period (Finite cash flows) only and added back to the discounted value.

Valuations take place very three years by external valuers and internal valuations will take place by directors on an annual basis, where they are not valued independently. Based on internal valuations performed taking into account both the qualitative and quantitative inputs in respect of the discounted cash flow valuation, the fair value was adjusted during the year (2024: internal valuation).

Investment property are classified as a level 3 financial instrument.

	Group		Company	
	2024 R	2024 R	2024 R	2024 R
Amounts recognised in profit and loss for the period				
Rental income from investment property	65 344 165	118 873 896	-	-
Municipal charge recoveries	36 671 650	75 222 441	-	-
Direct operating expenses from rental generating property	(54 106 706)	(99 182 744)	-	-
Repairs and maintenance	(1 581 473)	(5 677 021)	-	-
	46 327 636	**89 236 572**	**-**	**-**

Notes to the Unaudited Consolidated And Separate Financial Statements

3. Investment property (continued)

Property details	Purchase date	Purchase price	Revaluation	Capitalised expenditure	Closing balance
Voortrekker Street, Heidelberg - Portion 8 of Erf 144	3 January 2005	1 000 000	823 329	16 671	1 840 000
Ferndale Village Shopping Centre - Erf 2112 Ferndale	18 November 2009	90 939 360	39 000 640	300 776	130 240 776
Palmer Place - Erf 851 Parktown	8 January 2009	6 500 000	15 065 875	864 125	22 430 000
Sophiatown Shopping Centre - Erf 1781 Triomf Township	31 March 2010	25 006 439	57 273 561	-	82 280 000
Sharon Park Shopping Centre - Erf 329, Sharon Park	30 August 2011	20 517 500	17 882 500	-	38 400 000
Sasolburg Square Shopping Centre - Portion 2 of Erf 24824, Sasolburg	23 March 2012	72 500 000	57 929 175	180 825	130 610 000
Primrose Square Shopping Centre - Erven 382, 383, 2257, 2553, 3032, Potion 1 of Erf 375, 377, 2544, Portion 2 of erf 376, 377, 385, Portion 3 of Erf 376 and 384, Primrose	20 August 2014	52 893 751	50 406 249	-	103 300 000
Cramerview Village Centre - Erven 7, 9, Portion 1 of Erf 8 Cramerview and Erf 4832 Bryanston Ext 40	23 July 2014	120 000 000	29 708 088	1 965 835	151 673 923
Dowerglen Plaza - Erf Dowerglen Ext 3	8 December 2014	42 537 161	12 032 839	4 661 779	59 231 779
Laser Downs Industrial Park - Erf 105, 114, 115 and 175	25 June 2014	17 219 050	6 020 950	-	23 240 000
Noordheuwel Shopping Centre - Erf 3562 Noordheuwel Ext 4, Krugersdorp	3 April 2014	108 000 000	42 395 604	3 504 396	153 900 000
Selcourt Centre - Erven 305 and 1524, Selcourt	23 June 2015	14 500 000	20 161 460	158 540	34 820 000
Erf 726, Woodmead	3 April 2014	6 000 000	(3 265 400)	15 400	2 750 000
Norbuy Office Park - Portion 19 of Erf 181, Edenburg	3 April 2014	11 500 000	(691 450)	191 409	10 999 959
23 Thora Cres - Erf 433, Wynberg Ext 3	3 April 2014	18 981 850	(4 231 850)	-	14 750 000
Darras Centre - Erf 7987, Kensington	29 July 2016	85 000 000	7 814 680	915 320	93 730 000
Linden Square Shopping Centre - Portino 3 and 4 of Erf 258, Linden	24 July 2003	5 050 000	16 770 000	-	21 820 000
Erf 52, Florida CBD	13 December 2006	7 031 527	1 088 473	350 000	8 470 000
Melville Gardens - Erf 109, Melville	14 November 2007	6 156 145	3 983 855	-	10 140 000
New Heights 267 - Erf 1999, Valhalla Township	29 June 2001	4 556 347	30 093 653	-	34 650 000
Portion 1 of Erf 206, Boksburg	4 August 2011	11 750 000	(5 995 306)	55 306	5 810 000
Portion 1 of Erf 1622, Boksburg	-	4 800 000	2 490 725	69 275	7 360 000
		732 439 130	**396 757 650**	**13 249 657**	**1 142 446 437**

The property details listed above represents a cumulative movement in values from purchase date. The properties have been pledged as securities as referred to under note 14.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

4. Investment in subsidiaries

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

Company

Name of company	Year end	% voting power Aug 2024/ Feb 2024	% holding Aug 2024/ Feb 2024	Carrying amount August 2024	Carrying amount February 2024
Directly held					
Stand 278 Strijdompark Proprietary Limited	February	100 %	100 %	290 246 660	290 246 660
Reflect-all 1025 Proprietary Limited	February	100 %	100 %	166 837 320	166 837 320
Linden Square Shopping Centre Proprietary Limited	February	100 %	100 %	21 423 940	21 423 940
Indirectly held through Stand 278 Strijdompark Proprietary Limited					
New Heights 224 Proprietary Limited	February	100 %	100 %	-	-
New Heights 267 Proprietary Limited	February	100 %	100 %	-	-
Tensing Trade Proprietary Limited	February	100 %	100 %	-	-
Thistle down Properties Proprietary Limited	February	100 %	100 %	-	-
				478 507 920	478 507 920

5. Loans to group companies

Subsidiaries

Reflect-all 1025 Proprietary Limited	-	-	21 194 998	21 194 998
Stand 278 Strijdompark Proprietary Limited	-	-	-	19 375 476
Linden Square Shopping Centre Proprietary Limited	-	-	1 981 063	1 981 063
	-	**-**	**23 176 061**	**42 551 537**

The above loans are subordinated, interest free and have no specified repayment terms, other than that the loans will not be repayable within the next 12 months.

Split between non-current and current portions

Non-current assets	-	-	23 176 061	42 551 537

6. Loans to shareholders

CEZ Investments Proprietary Limited	-	10 132 938	-	-
PSM Holdings Proprietary Limited	-	10 132 938	-	-
	-	**20 265 876**	**-**	**-**

The above loans are unsecured and bear interest at 9.25% per annum. No terms of repayment have been specified, other than the loans will not be repayable in the next 12 months.

Split between non-current and current portions

Non-current assets	-	20 265 876	-	-

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

7. Related party loans

Flamink 22 Proprietary Limited	22 232 591	30 131 448	-	-

The loan is unsecured, accrues interest at 10% p.a. and is repayable in 5 years. No portion is repayable in the next 12 months and the last repayment is due in November 2026.

Split between non-current and current portions

Non-current assets	22 232 591	30 131 448	-	-

8. Operating lease asset (accrual)

Non-current assets	21 877 782	21 877 782	-	-
Current assets	2 020 872	2 020 872	-	-
Current liabilities	(988 159)	(988 159)	-	-
	22 910 495	**22 910 495**	**-**	**-**

Future minimum lease payments receivable				
Not later than one year	-	1 032 713	-	-
Between 2 and 5 years	-	14 596 792	-	-
After 5 years	-	7 280 990	-	-
	-	**22 910 495**	**-**	**-**

The group leases a number of industrial, office, retail and residential properties under operating leases. Lease agreements are entered into with tenants on variable terms depending on the location and nature of the lettable area.

9. Trade and other receivables

Financial instruments:				
Trade receivables	1 886 553	2 942 361	-	-
Deposits	2 843 728	2 853 728	-	-
Non-financial instruments:				
VAT	3 980	-	-	-
Total trade and other receivables	**4 734 261**	**5 796 089**	**-**	**-**

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	4 730 281	5 796 089	-	-
Non-financial instruments	3 980	-	-	-
	4 734 261	**5 796 089**	**-**	**-**

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

9. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Group	2024	2024	2024	2024
Expected credit loss rate:	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Less than 30 days past due	1 694 642	-	1 936 543	-
31 - 60 days past due	33 957	-	715 594	-
61 - 90 days past due	90 554	-	142 162	-
91+ days	67 400	-	148 062	-
Total	**1 886 553**	**-**	**2 942 361**	**-**

10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	3 528 576	883 199	642	336

11. Share capital

Authorised				
1 000 000 000 ordinary shares of R1 each	1 000 000 000	1 000 000 000	1 000 000 000	1 000 000 000
Issued				
47 995 092 ordinary shares of R10 each	479 950 920	479 950 920	479 950 920	479 950 920

12. Loans from group companies

Subsidiaries

Stand 278 Strijdompark Proprietary Limited	-	-	45 086 819	-

The loan is subordinated, interest free and have no specified repayment terms, other than that the loans will not be repayable within the next 12 months.

Split between non-current and current portions

Non-current liabilities	-	-	45 086 819	-

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

13. Loans from shareholders

Markscend Group Holdings Proprietary Limited	5 090 820	25 740 517	5 090 820	41 053 486

The loan is subordinated, interest free and have no specified repayment terms, other than that the loans will not be repayable within the next 12 months.

Split between non-current and current portions

Non-current liabilities	5 090 820	25 740 517	5 090 820	41 053 486

14. Borrowings

Held at amortised cost **Stand 278 Strijdompark Proprietary Limited** ***Nedbank Limited***	-	207 036 023	-	-

The above mortgage bond was secured by investment property as referred to in note 3 at rates linked to prime.

Execution of a joint and several continuing guarantee by:
CEZ Investments Pty Ltd limited to R25 million;
New Heights 224 Pty Ltd limited to R3.7 million;
Tensing Trade Pty Ltd limited to R5.75 million;
Thistledown Properties 15 Pty Ltd limited to R11.3 million;
Linden Square Shopping Centre Pty Ltd limited to R12.5 million; and
Reflect-All 1025 Pty Ltd limited to R336.9 million plus interest and costs in favour of Nedbank in a form acceptable to Nedbank. This guarantee is in addition to and without prejudice to any other security (including any suretyships/guarantees signed by this surety) now or hereafter to be held by Nedbank, relating to the borrower's indebtedness to Nedbank.

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R
14. Borrowings (continued)				
Investec Bank Limited	19 920 569	25 486 707	-	-
The above mortgage bond is secured by investment property as referred to in note 3 at rates linked to prime.				
Execution of a joint and several continuing guarantee by: PSM Holdings Pty Ltd, PA Marks, E Marks limited to R40 million; ZR Cendrowski and CEZ Investments Pty Ltd limited to R25 million; New Heights 224 Pty Ltd limited to R15 million; New Heights 267 Pty Ltd limited to R16 million; Reflect-All Pty Ltd limited to R40 million; and Markscend Group Holdings Pty Ltd limited to R30 million plus interest and costs in favour of Investec in a form acceptable to Investec. This guarantee is in addition to and without prejudice to any other security (including any suretyships/guarantees signed by this surety) now or hereafter to be held by Investec, relating to the borrower's indebtedness to Investec.				
Reflect-all 1025 Proprietary Limited				
Investec Bank Limited				
The above mortgage bond is secured by investment property as referred to in note 3 at rates linked to prime. Execution of a joint and several continuing guarantee by: PSM Holdings Pty Ltd, PA Marks, E Marks limited to R40 million; ZR Cendrowski and CEZ Investments Pty Ltd limited to R25 million; Stand 278 Strijdom Park Pty Ltd limited to R60 million; New Heights 224 Pty Ltd limited to R15 million; New Heights 267 Pty Ltd limited to R16 million; Reflect-All Pty Ltd limited to R40 million; and Markscend Group Holdings Pty Ltd limited to R30 million plus interest and costs in favour of Investec in a form acceptable to Investec. This guarantee is in addition to and without prejudice to any other security (including any suretyships/guarantees signed by this surety) now or hereafter to be held by Investec, relating to the borrower's indebtedness to Investec.	67 651 147	117 755 539	-	-

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

14. Borrowings (continued)

Nedbank Limited	507 234 512	228 905 825	-	-
The above mortgage bond is secured by investment property as referred to in note 3 at rates linked to prime.				
Execution of a joint and several continuing guarantee by: PSM Holdings Pty Ltd limited to R64.1 million; New Heights 224 Pty Ltd limited to R4.4 million; Tensing Trade Pty Ltd limited to R7.05 million; Thistledown Properties 15 Pty Ltd limited to R2.6 million; Linden Square Shopping Centre pty Ltd limited to R7.4 million; and Stand 278 Strijdompark Pty Ltd limited to R59.4 million plus interest and costs in favour of Nedbank in a form acceptable to Nedbank. This guarantee is in addition to and without prejudice to any other security (including any suretyships/guarantees signed by this surety) now or hereafter to be held by Nedbank, relating to the borrower's indebtedness to Nedbank.				
	594 806 228	**579 184 094**	**-**	**-**

Split between non-current and current portions

Non-current liabilities	594 806 228	435 941 848	-	-
Current liabilities	-	143 242 246	-	-
	594 806 228	**579 184 094**	**-**	**-**

The loans are currently interest bearing only These loans are classified as long-term.

15. Trade and other payables

Financial instruments:				
Trade payables	18 474 794	21 241 297	25 318	89 337
Deposits received	8 413 363	7 707 047	-	-
Other payables	8 484 673	8 303 758	-	-
Non-financial instruments:				
VAT	1 523 734	1 456 962	6 713	-
	36 896 564	**38 709 064**	**32 031**	**89 337**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	35 372 830	37 252 102	25 318	89 337
Non-financial instruments	1 523 734	1 456 962	6 713	-
	36 896 564	**38 709 064**	**32 031**	**89 337**

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

16. Revenue

Revenue from contracts with customers				
Rental income	102 015 814	195 271 522	-	-
Revenue other than from contracts with customers				
Dividends received	-	-	-	28 440 774
	102 015 814	**195 271 522**	**-**	**28 440 774**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

Contracts with customers				
Assessment, water and sewerage, refuse recoveries	36 671 650	75 222 441	-	-
Rental income	65 344 164	118 873 896	-	-
Straight line - Rental income	-	1 175 185	-	-
	102 015 814	**195 271 522**	**-**	**-**
Revenue disaggregated by type of customer*				
A Office	167 959	40 721	-	-
B Office	5 409 879	10 416 039	-	-
A retail	60 286 786	117 269 316	-	-
B retail	27 839 505	51 524 738	-	-
Residential	4 076 869	8 460 554	-	-
A Industrial	1 283 079	2 273 757	-	-
B Industrial	2 951 737	5 286 397	-	-
	102 015 814	**195 271 522**	**-**	**-**
Over time				
Rental income	102 015 814	195 271 522	-	-

* Disaggregated based on the following:
A - National and international companies, large listed companies and government
B - Other local tenants and sole proprietors

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

17. Operating profit (loss)

Operating profit (loss) for the period is stated after charging (crediting) the following, amongst others:

Expenses by nature

Employee costs	3 474 077	7 092 733	-	-
Other expenses	8 002 004	15 324 881	1 241	11 686
Management fees	7 862 388	11 984 006	-	-
Municipal charges	38 532 241	73 290 509	-	-
Repairs and maintenance	1 581 473	5 677 021	-	-
	59 452 183	**113 369 150**	**1 241**	**11 686**

18. Finance income

Other interest	1 535 810	5 610 377	1	260

19. Finance costs

Non-current borrowings	28 354 631	57 914 068	-	-
Other interest paid	3	136	3	136
Total finance costs	**28 354 634**	**57 914 204**	**3**	**136**

20. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit (loss)	15 750 582	(42 004 345)	(1 243)	28 429 212
Tax at the applicable tax rate of 27% (2024: 27%)	4 252 657	(11 341 173)	(336)	7 675 887
Tax effect of adjustments on taxable income				
Non-deductible expenses - fair value loss	-	19 334 481	-	-
REIT dividends	-	(7 676 008)	-	(7 675 887)
Lease smoothing	-	(317 300)	-	-
Other	(4 252 657)	-	336	-
	-	**-**	**-**	**-**

For further information regarding the REIT dividends, please refer to the Directors report.

The Company is a REIT and all subsidiaries in the Company are “controlled companies” (as defined in the Income Tax Act). The Company applies judgement in determining what income sources constitute “rental income” as defined by section 25BB of the Income Tax Act. After deducting “qualifying distributions” from taxable income, no income tax is payable in the current year.

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

20. Taxation (continued)

Deferred tax is not recognised on the fair value adjustment of investment properties as capital gains tax is not applicable in terms of section 25BB. In addition, section 25BB does not allow for allowances relating to immovable property. Allowances granted in prior years, before becoming a REIT must be recouped in the year the immovable property is sold. A deferred tax liability will be recognised on the recoupment to the extent it will result in a tax liability after the qualifying distribution deduction.

21. Tax refunded

Balance at beginning of the period	22 793	64 796	22 793	22 793
Current tax recognised in profit or loss	-	-	-	-
Balance at end of the period	22 715	(22 793)	(22 793)	(22 793)
	45 508	**42 003**	**-**	**-**

22. Dividends paid

Balance at beginning of the period	(28 440 774)	(46 179 207)	(28 440 774)	(46 179 207)
Dividends	-	(28 440 774)	-	(28 440 774)
Balance at end of the period	-	28 440 774	-	28 440 774
	(28 440 774)	**(46 179 207)**	**(28 440 774)**	**(46 179 207)**

Dividends recognised as distributions to shareholder are from capital .

23. Related parties

Relationships	
Holding company	Markscend Group Holdings Proprietary Limited
Subsidiaries	Refer to note 4
Related parties	CEZ Investments Proprietary Limited
	PSM Holdings Proprietary Limited
	Flamink 22 Proprietary Limited

Related party balances

Loan accounts - Owing by related parties				
Flamink 22 Proprietary Limited	22 232 591	30 131 448	-	-
PSM Holdings Proprietary Limited	-	10 132 938	-	-
CEZ Investments Proprietary Limited	-	10 132 938	-	-
Reflect-all 1025 Proprietary Limited	-	-	21 194 998	21 194 998
Stand 278 Strijdompark Proprietary Limited	-	-	-	19 375 476
Linden Square Shopping Centre Proprietary Limited	-	-	1 981 063	1 981 063
	22 232 591	**50 397 324**	**23 176 061**	**42 551 537**

Loan accounts - Owing to related parties				
Markscend Group Holdings Proprietary Limited	(5 090 820)	(25 740 517)	(5 090 820)	(41 053 486)
Stand 278 Strijdompark Proprietary Limited	-	-	45 086 819	-
	(5 090 820)	**(25 740 517)**	**39 995 999**	**(41 053 486)**

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

23. Related parties (continued)

Related party transactions

Dividends paid to related parties				
Markscend Group Holdings Proprietary Limited	-	28 440 774	-	28 440 774
Dividends received from related parties				
Reflect-all 1025 Proprietary Limited	-	-	-	(9 681 935)
Stand 278 Strijdompark Proprietary Limited	-	-	-	(17 422 600)
Linden Square Shopping Centre Proprietary Limited	-	-	-	(1 336 238)
	-	**-**	**-**	**(28 440 773)**
Interest received from related parties				
CEZ Investments Proprietary Limited	-	(857 938)	-	-
PSM Holdings Proprietary Limited	-	(857 938)	-	-
	-	**(1 715 876)**	**-**	**-**

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Related party loans	7	22 232 591	22 232 591	22 232 591
Trade and other receivables	9	4 730 281	4 730 281	4 730 281
Cash and cash equivalents	10	3 528 576	3 528 576	3 528 576
Operating lease asset	8	23 898 654	23 898 654	23 898 654
		54 390 102	**54 390 102**	**54 390 102**

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to shareholders	6	20 265 876	20 265 876	20 265 876
Related party loans	7	30 131 448	30 131 448	30 131 448
Trade and other receivables	9	5 796 089	5 796 089	5 796 089
Cash and cash equivalents	10	883 199	883 199	883 199
Operating lease asset	8	23 898 654	23 898 654	23 898 654
		80 975 266	**80 975 266**	**80 975 266**

Notes to the Unaudited Consolidated And Separate Financial Statements

24. Financial instruments and risk management (continued)

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	5	23 176 061	23 176 061	23 176 061
Cash and cash equivalents	10	642	642	642
		23 176 703	**23 176 703**	**23 176 703**

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	5	42 551 537	42 551 537	42 551 537
Cash and cash equivalents	10	336	336	336
Dividend receivable		28 440 774	28 440 774	28 440 774
		70 992 647	**70 992 647**	**70 992 647**

Categories of financial liabilities

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	35 372 830	35 372 830	35 372 830
Loans from shareholders	13	5 090 820	5 090 820	5 090 820
Borrowings	14	594 806 228	594 806 228	594 806 228
Operating lease liability	8	988 159	988 159	988 159
		636 258 037	**636 258 037**	**636 258 037**

Group - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	37 252 102	37 252 102	37 252 102
Loans from shareholders	13	25 740 517	25 740 517	25 740 517
Borrowings	14	579 184 094	579 184 094	579 184 094
Dividend payable		28 440 774	28 440 774	28 440 774
Operating lease liability	8	988 159	988 159	988 159
		671 605 646	**671 605 646**	**671 605 646**

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	25 318	25 318	25 318
Loans from group companies	12	45 086 819	45 086 819	45 086 819
Loans from shareholders	13	5 090 820	5 090 820	5 090 820
		50 202 957	**50 202 957**	**50 202 957**

Notes to the Unaudited Consolidated And Separate Financial Statements

24. Financial instruments and risk management (continued)

Company - 2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	15	89 337	89 337	89 337
Loans from shareholders	13	41 053 486	41 053 486	41 053 486
Dividend payable		28 440 774	28 440 774	28 440 774
Dividend payable		28 440 774	28 440 774	28 440 774
		98 024 371	**98 024 371**	**98 024 371**

Capital risk management

The group's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

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 related party loans, loans to shareholders, loans to group companies, trade and other receivables and cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Notes to the Unaudited Consolidated And Separate Financial Statements

24. Financial instruments and risk management (continued)

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

The maximum exposure to credit risk is presented in the table below:

Group		2024			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to shareholders	6	-	-	-	20 265 876	-	20 265 876
Related party loans	7	22 232 591	-	22 232 591	30 131 448	-	30 131 448
Operating lease asset	8	23 898 654	-	23 898 654	23 898 654	-	23 898 654
Trade and other receivables	9	4 734 261	-	4 734 261	5 796 089	-	5 796 089
Cash and cash equivalents	10	3 528 576	-	3 528 576	883 199	-	883 199
		54 394 082	**-**	**54 394 082**	**80 975 266**	**-**	**80 975 266**

Company		2024			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	5	23 176 061	-	23 176 061	42 551 537	-	42 551 537
Cash and cash equivalents	10	642	-	642	336	-	336
		23 176 703	**-**	**23 176 703**	**42 551 873**	**-**	**42 551 873**

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

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 - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Trade and other payables	15	35 372 830	-	35 372 830	35 372 830
Loans from shareholders	13	-	5 090 820	5 090 820	5 090 820
Borrowings	14	143 242 246	451 563 982	594 806 228	594 806 228
Operating lease liability		988 159	-	988 159	988 159
		179 603 235	**456 654 802**	**636 258 037**	**636 258 037**

Notes to the Unaudited Consolidated And Separate Financial Statements

24. Financial instruments and risk management (continued)

Group - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Trade and other payables	15	37 252 102	-	37 252 102	37 252 102
Loans from shareholders	13	-	25 740 517	25 740 517	25 740 517
Borrowings	14	143 242 246	435 941 848	579 184 094	579 184 094
Dividend payable		28 440 774	-	28 440 774	28 440 774
Operating lease liability		988 159	-	988 159	988 159
		209 923 281	**461 682 365**	**671 605 646**	**671 605 646**

Company - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Trade and other payables	15	25 318	-	25 318	25 318
Loans from shareholders	13	-	5 090 820	5 090 820	5 090 820
		25 318	**5 090 820**	**5 116 138**	**5 116 138**

Company - 2024

		Less than 1 year	2 to 5 years	Total	Carrying amount
Trade and other payables	15	89 337	-	89 337	89 337
Loans from shareholders	13	-	41 053 486	41 053 486	41 053 486
Dividend payable		28 440 774	-	28 440 774	28 440 774
		28 530 111	**41 053 486**	**69 583 597**	**69 583 597**

Foreign currency risk

The company transacts mostly in South African rands and therefore the exposure to foreign currency is limited.

Interest rate risk

The debt of the group is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group

At 31 August 2024, if the interest rate had been 1% per annum higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R 5 998 970 (2024: R 5 791 841) lower/higher.

Company

At 31 August 2024, if the interest rate had been 1% per annum higher or lower during the period, with all other variables held constant, profit or loss for the year would have been R 50 908 (2024: R 410 535) lower/higher.

Notes to the Unaudited Consolidated And Separate Financial Statements

	Group		Company	
	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R	6 months ended 31 August 2024 R	12 months ended 29 February 2024 R

25. Basic, headline and diluted earnings per share

Basic (cents)	32.82	(87.52)		
Headline (cents)	32.82	61.68		
Diluted earnings (cents)	32.82	(87.52)		
Diluted headline earnings (cents)	32.82	61.68		
Weighted average shares in issue	47 995 092	47 995 092	47 995 092	47 995 092

Reconciliation of profit for the year to headline earnings (R)

Profit (loss) for the year	15 750 582	(42 004 345)	(1 243)	28 429 212
Fair value loss	-	71 609 190	-	-
Headline earnings	**15 750 582**	**29 604 845**	**(1 243)**	**28 429 212**

26. Shareholder information at 29 February 2024

Shareholders	**Number of shareholders**	**Percentage of total shareholders**	**Number of issued shares held**	**Percentage of issued shares held**
1 -1 000 shares	44	63.0 %	22 300	0.04 %
1 001 - 10 000 shares	17	31.0 %	39 600	0.08 %
10 001 - 100 000 shares	3	4.6 %	82 400	0.16 %
100 001 - 1000 000 shares	-	- %	-	- %
1 000 001 shares and over	1	1.4 %	47 850 792	99.72 %
	65	**100 %**	**47 995 092**	**100 %**

Distribution of shareholders

Individual	63	97.0 %	98 300	0.20 %
Directors	1	1.5 %	46 000	0.08 %
Company	1	1.5 %	47 850 792	99.72 %
	65	**100 %**	**47 995 092**	**100 %**

Beneficial holding of more than 5%

Markscend Group Holdings Proprietary Limited			47 850 792	99.72 %

Notes to the Unaudited Consolidated And Separate Financial Statements

27. Segmental reporting

The group has identified four reportable segments which represents the structure used by management to make key opportunity decisions and assess performance.

The four reportable segments are:
- Rental income from Industrial properties
- Rental income from Office properties
- Rental income from Retail properties
- Rental income from Residential properties

Year ended 31 August 2024	**Industrial**	**Office**	**Retail**	**Residential**	**Total**
Revenue - external customers	4 234 816	5 577 838	88 126 291	4 076 869	102 015 814
Investment property	43 800 000	13 580 000	1 062 636 437	22 430 000	1 142 446 437
Year ended 29 February 2024					
Revenue - external customers	7 560 154	10 456 760	168 794 054	8 460 554	195 271 522
Investment property	43 800 000	13 580 000	1 055 540 000	22 430 000	1 135 350 000

28. Going concern

The unaudited consolidated and separate financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The shareholders of the Group have guaranteed by way of a Letter of Support and subordination of loans that they will provide the necessary financial support to enable the Group to continue to operate its business in a lawful ad proper manner and to satisfy all obligations in full as they fall due, for a period of 12 months from the date of signing financial statements for the financial period ended 28 February 2025.

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the unaudited consolidated and separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

29. Events after the reporting period

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