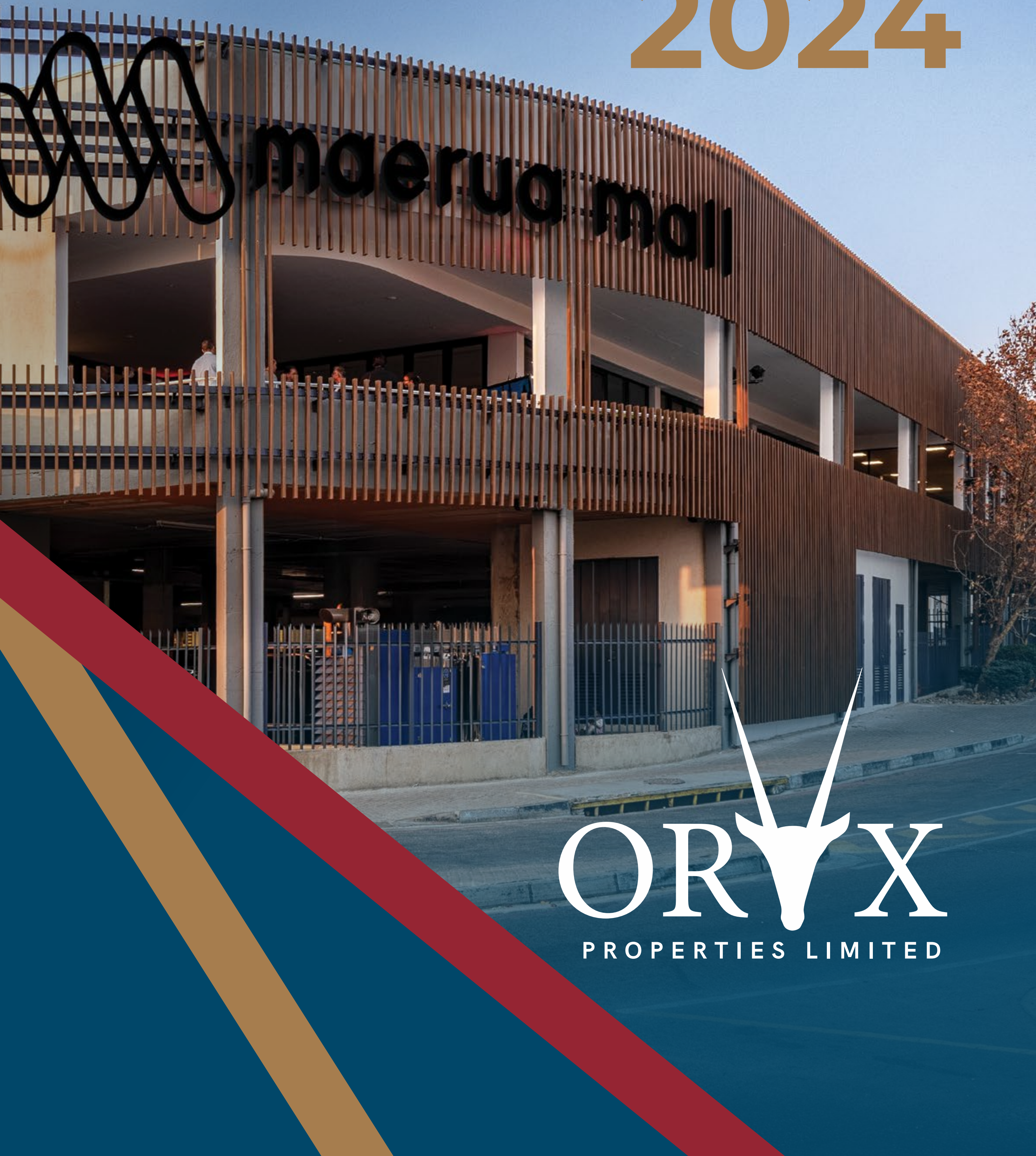
ANNUAL FINANCIAL STATEMENTS

2024



ORYX

PROPERTIES LIMITED

Contents

Directors' Responsibility and Approval of the Annual Financial Statements

For the year ended 30 June 2024

The directors are responsible for the preparation of the Annual Financial Statements that fairly present the state of affairs of the Company and the Group at the end of the financial year, as set out on pages 1 to 82.

In order for the Group and the Board of Directors (Board) to discharge their responsibilities, management has developed, and continues to maintain, a system of internal controls. The Board has ultimate responsibility for the system of internal controls and periodically reviews its operation, primarily through the Risk, Audit and Compliance Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained and skilled personnel. The appropriate segregation of duties is in place and is monitored by the Chief Financial Officer and the Risk, Audit and Compliance Committee. A comprehensive budgeting and reporting system is in place and to ensures an appropriate control environment.

The financial statements have been audited by the independent auditors, Deloitte & Touche, who had unrestricted access to all financial records and related data, including minutes of all meetings of the Board and Committees of the Board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The audit report of Deloitte & Touche is presented on pages 2 to 5.

The Annual Financial Statements are prepared in accordance with the Companies Act of Namibia, 28 of 2004 (Companies Act) and International Financial Reporting Standards (IFRS® Accounting Standards) and incorporate disclosures in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates.

The directors believe that the Group and Company will be a going concern for the foreseeable future, as adequate funding facilities are in place and the operational and cash flow budget supports this statement. See the directors' report on page 6 for more details around the going concern. Accordingly, the going concern basis has been adopted in the preparation of the Annual Financial Statements.

The Annual Financial Statements for the year ended 30 June 2024, as set out on pages 1 to 82, were approved by the Board on 13 September 2024 and are signed on behalf of the Board by:

Mr Vetumbuavi Mungunda
Board Chairperson

13 September 2024

Mr Ben Jooste
Chief Executive Officer (CEO)

Independent auditor's report

To the Members of Oryx Properties Limited

Opinion

We have audited the consolidated and separate financial statements of Oryx Properties Limited (the "Company") and its subsidiaries (the "Group"), set out on pages 6 to 82, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including material accounting policy information and the directors' report.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated financial position of the Company and the Group as at 30 June 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Namibian Companies Act.

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 International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia.

We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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 the matter was addressed in the audit
Valuation of Investment Property – Group and Company	
The carrying value of the investment properties amounted to N$4 077 million for Group and N$747 million for the Company with the fair value adjustment recorded in the net profit for the year in respect of the investment properties being a profit of N$345 million for the Group and a profit of N$14 million for the Company. Significant judgements and assumptions are required by the Directors in determining the fair value of the investment property and for the purpose of the audit, we identified the valuation of investment properties, notably those properties where fair value is determined based on discounted cash flows or the income capitalisation method, as a significant risk. The significant judgements relate to the following: pre-tax discount rates, capitalisation rates and cash flows. The Group's investment properties comprise of various segments such as retail, offices and industrial properties. The models used to determine the fair values of each of the properties differ due to the different nature of each of the properties. The Group uses an independent valuator to determine the fair values for all significant properties held by the Group. Accordingly, the valuation of investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgements associated with determining the fair value. Related disclosures in the Consolidated and Separate accounts: Note 4.1: Critical accounting estimates and assumptions. Note 6: Investment properties; and Note 35: Fair value hierarchy	Our response to the key audit matter included the following audit procedures: We assessed the competency, capabilities and objectivity of management's independent valuator, verified their qualifications and discussed the scope of their work with management. We confirmed that the approaches they used are consistent with IFRS Accounting Standards. We tested the design and implementation of management's control over the accuracy and validity of valuations. We tested a selection of data inputs underpinning the investment property valuation, including, discount rates, capitalisation rates and reversionary capitalisation rates by comparing the rates used to that of the May 2024 South African Property Owners' Association ("SAPOA") report of similar properties. We compared the cash flows, including forecast rental income used in valuations to management's budget and obtained explanations for significant differences. We calculated a reasonable range and considered whether the individual and overall portfolio valuation determined fell within this reasonable range. We consider the overall valuation of investment properties to be within a reasonable range. We also evaluated whether the disclosures included within the consolidated and separate annual financial statements are in line with the applicable accounting standards and reporting requirements.

Independent auditor's report (continued)

To the Members of Oryx Properties Limited

Other Information

The directors are responsible for the other information. The other information comprises the Directors' responsibility and approval of the annual financial statements, the SA REIT best practice ratios and corporate information received prior to the date of this audit report. The other information also includes the Integrated Annual Report, which is expected to be received after the date of this audit report. The other information does not include the consolidated and separate financial statements, the director's report 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 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 that we 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 IFRS® Accounting Standards as issued by the IASB and the requirements of the Namibian Companies Act 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 Company and Group'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 management either intends to liquidate the Group or to cease operations, or has 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Company and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company and Group'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 Company and Group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with 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.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: J Cronjé
Partner
Windhoek, Namibia

13 September 2024

Deloitte Building, Maerua Mall Complex, Jan Jonker Road Windhoek
PO Box 47 Windhoek, Namibia
Registration number 9407

Directors: M Harrison, G Brand
Partners: J Cronjé, H de Bruin, J Nghikevali, P Parry

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited

Directors' report

For the year ended 30 June 2024

The directors have the pleasure of submitting their report, which forms part of the financial statements for the year ended 30 June 2024.

Nature of business

Oryx Properties Limited (Oryx/the Group) is a property loan stock company.

The Group owns a real estate portfolio comprising premier-quality retail, industrial, office and residential properties. Oryx also holds an investment in associate with a 26% shareholding (refer to note 9).

Oryx is listed on the Namibian Stock Exchange (NSX).

Date listed: 4 December 2002
Financial – Property sector
Share code: ORY
ISIN: NA0001574913
Company registration number: 2001/673

Issued share capital

As at 30 June 2024, there were 114,325,868 (2023: 87,378,835) linked units in issue, each comprising one ordinary share of 1 cent and one unsecured variable rate debenture of 449 cents. Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a straight-line basis over the minimum contractual term of the investment, namely the remaining portion of 50 years from December 2002.

Refer to note 15.1 for more detail on the rights issue concluded during the year.

Financial review

	2024 Cents per unit (cpu)	2023 Cents per unit (cpu)
Earnings attributable to linked units	**461.00**	287.82
Headline earnings attributable to linked units	**107.54**	116.21
Interest distribution per linked unit	**103.00**	105.25

Refer to note 24 for more detail.

The results of the Group are fully set out in the financial reports on pages 12 to 82.

Subsidiaries

Details of the Company's subsidiaries are reflected in note 8.

Associate

Details of the Company's associate are reflected in note 9.

Directorate

Directors at the date of this report are:

Director	Year appointed	Status	Independent	Gender	Tenure (years)
VJ Mungunda	2021	Non-executive Director/Chairperson	Yes	Male	3
A Angula	2013	Non-executive Director/Deputy Chairperson	Yes	Female	11
JJ Comalie	2012	Non-executive Director	Yes	Female	12
RMM Gomachas	2019	Non-executive Director	No	Female	5
B Jooste	2018	Executive Director/CEO	No	Male	6
MH Muller#	2021	Non-executive Director	Yes	Male	3
FK Heunis	2021	Executive Director/CFO	No	Female	3
TK Nkandi	2023	Non-executive Director	Yes	Female	1
S Hugo	2023	Non-executive Director	Yes	Male	1
M Langheld#	2023	Non-executive Director	Yes	Male	1

South African.

Attendance of directors and sub-committee meetings

Director/Executive	Board		Risk, Audit and Compliance Committee	
	Member	Attendance	Member	Attendance
A Angula	X	4/5	X*	5/5
JJ Comalie	X	4/5	X	5/5
RMM Gomachas	X	4/5		
B Jooste	X	4/5		5/5[@]
MH Muller[#]	X	5/5	X	5/5
VJ Mungunda	X*	5/5		
FK Heunis	X	5/5		5/5[@]
C van der Westhuizen (Chief Asset Manager)		4/4		5/5[@]
TK Nkandi		1/1		
	X	1/1[@]		
S Hugo		1/1		1/1
	X	1/1[@]	X	1/1[@]
M Langheld[#]		1/1		
	X	1/1[@]		

Note that 1 out of 5 meetings was an ad hoc meeting.

Director/Executive	Remuneration, Nomination, Sustainability and Ethics Committee		Investment Committee	
	Member	Attendance	Member	Attendance
A Angula				
JJ Comalie	X*	4/4		
RMM Gomachas	X	4/4		
B Jooste		3/3[@]		4/4[@]
MH Muller[#]			X*	4/4
VJ Mungunda	X	4/4		2/2
FK Heunis		3/3[@]		4/4[@]
C van der Westhuizen				4/4[@]
LH Anderson (Asset Manager)				4/4[@]
TK Nkandi				1/1
			X	1/1[@]
S Hugo				
M Langheld[#]				1/1
			X	1/1[@]

@ By invitation.
* Chairperson.
\# South African.

Directors' report (continued)

For the year ended 30 June 2024

Directors' fees

Actual fees paid to Non-executive Directors

Director	2024 N$'000	2023 N$'000
VJ Mungunda (Board Chairperson)**	588	536
A Angula (Deputy Chairperson)	562	526
PM Kazmaier*	–	310
MH Muller	677	635
JJ Comalie	538	506
RMM Gomachas	302	240
TK Nkandi***	213	–
S Hugo***	213	–
M Langheld***	213	–
Total	3,306	2,753

* Retired November 2022.
** Appointed Chairperson in November 2022.
*** Appointed on 28 November 2023.

Directors' remuneration

Actual amounts paid or allocated* to Executive Directors (N$'000)

2024

Director	Cash salary	Short-Term Incentive	Long-Term Incentive*	Total remuneration
B Jooste	2,741	685	799	4,225
FK Heunis	1,573	393	459	2,425
Total	4,314	1,078	1,258	6,650

2023

Director	Cash salary	Short-Term Incentive	Long-Term Incentive*	Total remuneration
B Jooste	2,586	646	862	4,094
FK Heunis	1,456	364	485	2,305
Total	4,042	1,010	1,347	6,399

* Long-Term Incentive amounts allocated during the year vests after a three-year period.

Company secretary

Bonsai Secretarial Compliance Services
Unit 6
Gold Street Business Park, Prosperita, Windhoek
P O Box 90757, Windhoek

Registered office

Maerua Mall Office Tower
2nd Floor
Cnr Jan Jonker Road and Robert Mugabe Avenue, Windhoek
P O Box 97723, Maerua Park, Windhoek

Auditor

Deloitte & Touche
Deloitte Office Building
Maerua Mall Complex
Jan Jonker Road, Windhoek
P O Box 47, Windhoek

Deloitte & Touche will continue to be the auditor of the Company in terms of the Companies Act, section 278(1).

Related party interests

The joint beneficial interests of directors and the Oryx Long-Term Share Incentive (LTI) Trust in the equity of the Company as at 30 June 2024 were 0.86% (2023: 0.67%) and can be analysed as per the table below:

	Direct beneficial/Total	
	Linked units	**%**
2024		
Oryx LTI Trust	**608,140**	**0.53**
B Jooste	**366,462**	**0.32**
F Heunis	**12,920**	**0.01**
Total	**987,522**	**0.86**

	Direct beneficial/Total	
	Linked units	%
2023		
Oryx LTI Trust	434,386	0.50
B Jooste	152,648	0.17
Total	587,034	0.67

Refer to note 12, which refers to the changes in the LTI during the year.

Directors' report (continued)
For the year ended 30 June 2024

Borrowings

The Company's Articles of Association limits the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets, but due to covenants limiting the overall borrowing capacity to only 50%, this is used to determine the borrowing capacity.

The Group's long-term borrowings at 30 June 2024 are disclosed in note 15.2 to the Annual Financial Statements, representing a LTV of 34.8% (2023: 35.0%) of the total assets, including the directors' bona fide valuation of the consolidated real estate portfolio. Debentures are excluded from the long-term borrowings for the purpose of this calculation.

Acquisitions, developments and disposals

The below table provides a summary of the major capital expenditure incurred during the year:

	2024 N$'000	2023 N$'000
Baines Retail Centre	1,369	689
Erf 422, Elisenheim	514	623
Maerua Mall Retail and Offices	13,318	10,015
Gustav Voigts Retail Centre	4,652	22,589
Maerua Park Retail and Offices	14,048	806
Erf 3519, Iscor Street	1,345	30,027
Erf 7827 Julius K. Nyerere Street	240	296
Goreangab Mall development	43,064	–
Dunes Mall acquisition	593,723	–
Erf 6621, Kalie Roodt Street	742	–
Erf 2671, Walvis Bay	616	–
Erf 51, Prosperita	977	–
Erf 698, Edison Street	417	–
Seven (7) Lafrenz Ervens	27,423	–
Maerua Mall Phase Two Retail	27,113	3,596
Erf 6406, Solingen Street	–	873
Erf 135, Scania	–	1,776
Other	1,784	886
Total acquisitions/developments for the year	731,345	72,176

No disposals were made during the year (2023: nil).

Going concern

The directors have assessed the Group's ability to continue as a going concern. As at 30 June 2024, the Group's net asset value (including debentures and debenture premium) amounted to N$2.772 billion (2023: N$2.093 billion), and available funding of N$384 million (2023: N$409 million) excluding its Domestic Medium Term Note Programme amounting to N$251.5 million (2023: N$251.5 million) and specific ring-fenced facilities (Maerua Mall Development Loan amounting to N$200 million). The following were considered as part of the Group's going concern assessment:

Maturity of facilities during the next 12 months

The Group is pleased to report that only one facility amounting to N$163 million matures during the next financial year. Only N$198 thousand is drawn down on the specific facility at year-end, representing 0.01% of the total drawn down value. The aforementioned can be repaid out of existing available facilities, should the Group be unable to refinance.

Access to liquidity

The suppressed economic environment may impact debt funders' risk appetite and limit access to the Group's liquidity. The Group's liquidity improved to 2.9 times (2023: 1.1 times). The Group continuously reviews its funding, including the maturity profile, and monitors the debt capital markets to ensure that it is well positioned in relation to refinancing opportunities. During the previous financial year, the Group's N$83.3 million bond matured and it was increased to a N$248.5 million bond, which bolstered the Group's liquidity and it was confirmed that access to liquidity is available. The Group is therefore satisfied that access to liquidity is available.

Covenants

The current Group SA REIT Loan to Value of 34.8% (2023: 35.0%) is well below the maximum loan-to-value bank covenants that the Group is exposed to, despite the acquisition of Dunes Mall (Pty) Ltd during the year. The Group is exposed to a 50% Loan to Value covenant for OMIGNAM, RMB and ABSA, and 55% covenant for Standard Bank.

The ABSA, RMB and Standard Bank Corporate interest cover ratios calculated at 2.3 times at year-end are above the minimum interest cover ratio covenants of not below 2.0 which the Group is exposed to. The necessary stress testing for the 2025 financial year was performed in order for the directors to gain comfort on the Group's going concern in this regard. The current ABSA bonded portfolio vacancy of 4.2% is below the covenant of 10%. The Group can confirm that the company and its subsidiaries comply with all relevant borrowing covenants.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Subsequent events

The directors are not aware of any other material subsequent events after year end.

Consolidated and separate statements of financial position

For the year ended 30 June 2024

	Notes	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
ASSETS					
Non-current assets					
Investment properties	6	4,076,872	3,019,424	747,370	727,852
– At valuation		4,167,445	3,095,052	758,597	735,956
– Straight-line adjustment		(90,573)	(75,628)	(11,227)	(8,104)
Furniture and equipment	7	1,040	625	898	564
Interest in subsidiaries	8	–	–	1,679,315	1,474,075
Investment in associate	9	318,257	359,046	318,257	359,046
Deferred expenditure	10.1	26,519	6 912	113	253
Rental receivable straight-line adjustment	13	81,888	70,107	10,174	9,377
Derivative asset	25	1,074	7,424	1,074	7,424
Deferred taxation asset	17	26,992	–	2,036	–
		4,532,642	3,463,538	2,759,237	2,578,591
Current assets					
Taxation receivable	29	–	2,478	–	2,466
Trade and other receivables		45,366	31,128	11,874	14,188
– Trade and other receivables	10.2	36,681	25,607	8,140	12,297
– Rental receivable straight-line adjustment	13	8,685	5,521	3,734	1,891
Dividend receivable	9	–	4,260	–	4,260
Deferred expenditure	10.1	4,254	3,337	230	266
Derivative asset	25	6,321	10,166	6,321	10,166
Cash and cash equivalents	10.3	16,162	17,033	9,128	8,116
		72,103	68,402	27,553	39,462
TOTAL ASSETS		4,604,745	3,531,940	2,786,790	2,618,053
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	1,137	869	1,143	874
Non-distributable reserves	14	1,688,803	1,343,334	554,224	497,295
Distributable reserves		167,741	128,416	92,105	130,868
		1,857,681	1,472,619	647,472	629,037
Non-current liabilities					
Debentures	15.1	510,270	390,057	513,323	392,330
Debenture premium	15.1	404,437	230,133	406,566	231,774
Interest-bearing borrowings	15.2	1,585,186	781,263	1,085,186	781,263
Deferred taxation liability	17	72,301	61,329	8,739	19,293
Lease liability	30	6,867	6,943	6,867	6,943
Derivative liability	16	1,327	–	1,327	–
		2,580,388	1,469,725	2,022,008	1,431,603
Current liabilities					
Trade and other payables	18	94,661	67,319	45,288	35,136
Deferred income	19	3	1,486	–	1,486
Interest-bearing borrowings	15.2	198	461,273	198	461,273
Linked unitholders for distribution	28	60,103	58,789	60,103	58,789
Lease liability	30	798	729	798	729
Taxation payable	29	75	–	85	–
Cash and cash equivalents	10.3	10,838	–	10,838	–
		166,676	589,596	117,310	557,413
TOTAL EQUITY AND LIABILITIES		4,604,745	3,531,940	2,786,790	2,618,053

Consolidated and separate statements of comprehensive income

For the year ended 30 June 2024

		Group		Company	
	Notes	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
REVENUE	5	451,249	356,330	121,143	115,889
– Rental – operating income		455,039	356,907	118,503	115,902
– Rental – straight-line adjustment		(3,790)	(577)	2,640	(13)
Property expenses		(148,128)	(120,898)	(33,036)	(33,884)
NET RENTAL INCOME		303,121	235,432	88,107	82,005
Share of profit from associate after tax	9	38,328	53,464	38,328	53,464
Investment income	20	12,049	214	144,812	158,058
Amortisation of debenture premium	15.1	13,751	8,300	13,751	8,300
Other income	21.2	32,993	–	36,246	–
Changes in fair value of investment property		344,838	100,322	14,158	29,877
– As per valuations	6	341,048	99,745	17,281	29,411
– Straight-line adjustment	6	3,790	577	(3,123)	466
Changes in fair value of derivative instruments		(11,522)	1,519	(11,522)	1,519
Exchange differences on foreign loan		7,899	(14,118)	7,899	(14 118)
Changes in fair value of listed investments		(748)	(652)	–	–
Impairment loss on investment in subsidiaries	8	–	–	(27,893)	(6,148)
Other expenses	21.1	(48,600)	(26,755)	(50,742)	(31,858)
OPERATING PROFIT BEFORE FINANCE COSTS AND DEBENTURE INTEREST		692,109	357,726	253,144	281,099
Less: Finance costs	22	(157,591)	(102,703)	(116,283)	(103,349)
OPERATING PROFIT BEFORE DEBENTURE INTEREST		534,518	255,023	136,861	177,750
Less: Debenture interest expense	28	(117,756)	(91,966)	(118,377)	(92,365)
PROFIT BEFORE TAXATION		416,762	163,057	18,484	85,385
Taxation	23	(19,381)	(4,546)	12,269	(5,091)
PROFIT FOR THE YEAR		397,381	158,511	30,753	80,294
OTHER COMPREHENSIVE INCOME		(12,587)	32,412	(12,587)	32,412
Items that may be reclassified subsequently to (loss)/profit: Foreign exchange differences on associate	9	(12,587)	32,412	(12,587)	32,412
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		384,794	190,923	18,166	112,706
PROFIT ATTRIBUTABLE TO:					
Owners of the Company		397,381	158,511	30,753	80,294
Non-controlling interest		–	–	–	–
		397,381	158,511	30,753	80,294
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		384,794	190,923	18,166	112,706
Non-controlling interest		–	–	–	–
		384,794	190,923	18,166	112,706
BASIC AND DILUTED EARNINGS PER SHARE (CENTS)	24	355.62	182.14		
BASIC AND DILUTED EARNINGS PER LINKED UNIT (CENTS)	24	461.00	287.82		

Consolidated and separate statements of changes in equity

For the year ended 30 June 2024

	Share capital N$'000	Distributable Reserves N$'000	Non-distributable reserves N$'000	Total N$'000
Group				
Balance at 30 June 2022	871	97,711	1,183,116	1,281,698
Net profit attributable to linked unitholders	–	158,511	–	158,511
Other comprehensive income	–	32,412	–	32,412
Transfer profit to non-distributable reserves	–	(160,218)	160,218	–
Share repurchase	(2)	–	–	(2)
Balance at 30 June 2023	869	128,416	1,343,334	1,472,619
Net profit attributable to linked unitholders	**–**	**397,381**	**–**	**397,381**
Other comprehensive loss	**–**	**(12,587)**	**–**	**(12,587)**
Transfer profit to non-distributable reserves	**–**	**(345,469)**	**345,469**	**–**
Issue of linked units (Refer to note 15)	**269**	**–**	**–**	**269**
Share repurchase	**(1)**	**–**	**–**	**(1)**
Balance at 30 June 2024	**1,137**	**167,741**	**1,688,803**	**1,857,681**
Company				
Balance at 30 June 2022	874	108,582	406,875	516,331
Net profit attributable to linked unitholders	–	80,294	–	80,294
Other comprehensive income	–	32,412	–	32,412
Transfer profit to non-distributable reserves	–	(90,420)	90,420	–
Balance at 30 June 2023	874	130,868	497,295	629,037
Net profit attributable to linked unitholders	**–**	**30,753**	**–**	**30,753**
Other comprehensive loss	**–**	**(12,587)**	**–**	**(12,587)**
Transfer profit to non-distributable reserves	**–**	**(56,929)**	**56,929**	**–**
Issue of linked units (Refer to note 15)	**269**	**–**	**–**	**269**
Balance at 30 June 2024	**1,143**	**92,105**	**554,224**	**647,472**

Consolidated and separate statements of cash flows

For the year ended 30 June 2024

	Notes	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
OPERATING ACTIVITIES					
Cash generated by operating activities	27	**270,124**	235,551	**167,304**	229,707
Investment income received	20	**12,049**	214	**11,567**	212
Finance costs paid	22	**(167,712)**	(106,324)	**(117,172)**	(106,325)
Distribution paid to linked unitholders	28	**(102,968)**	(97,287)	**(103,589)**	(97,686)
Taxation received/(paid)	29	**2,089**	(1,051)	**2,230**	(1,023)
Net cash inflow/(outflow)		**13,582**	31,103	**(39,660)**	24,885
INVESTING ACTIVITIES					
Acquisition of and additions to investment properties		**(319,259)**	(72,176)	**(5,360)**	(33,717)
– Additions		**(29,800)**	(20,240)	**(3,160)**	(2,558)
– Acquisitions/developments		**(289,459)**	(51,936)	**(2,200)**	(31,159)
Acquisition of other asset		**(34,936)**	–	**–**	–
Acquisition of furniture and equipment	7	**(823)**	(182)	**(822)**	(182)
Dividends received from associates	9	**31,131**	16,637	**31,131**	16,637
Capital return from investment in associate	9	**39,659**	–	**39,659**	–
Investment in subsidiary companies	8	**–**	–	**(280,777)**	(41,335)
Purchase of notarial agreement of lease	30	**–**	(6,000)	**–**	(6,000)
Net cash outflow		**(284,228)**	(61,721)	**(216,169)**	(64,597)
FINANCING ACTIVITIES					
Repayments of loans		**(96,154)**	(230,600)	**(88,255)**	(230,600)
Additional facilities drawn		**61,852**	262,560	**39,002**	262,560
Rights issue		**296,053**	–	**296,053**	–
Repurchase of linked units		**(2,017)**	(2,307)	**–**	–
Payment of principal portion of lease liabilities	30	**(797)**	(129)	**(797)**	(129)
Net cash inflow		**258,937**	29,524	**246,003**	31,831
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(11,709)**	(1,094)	**(9,826)**	(7,881)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**17,033**	18,127	**8,116**	15,997
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10.3	**5,324**	17,033	**(1,710)**	8,116

Notes to the consolidated and separate Annual Financial Statements

For the year ended 30 June 2024

1 General information

Oryx Properties Limited (the Company) is a company incorporated in Namibia. The address of its registered office is disclosed in the directors' report. The principal activities of the Company and its subsidiaries (the Group) are described in the directors' report.

The financial statements are presented in Namibia Dollar (N$) and are rounded to the nearest thousand. Foreign currency transactions/investments are included in accordance with the policies set out in note 3.7.

2 Adoption of new and revised standards

2.1 New and amended IFRS Accounting Standards that are effective for the current year

The Group adopted the following revised accountings standards during the current year:

Standards and interpretations which have become effective and been adopted by the Group during the year include:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The directors have assessed the impact of the above standards and interpretations on the business and have determined their impact to be immaterial.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

Certain new accounting standards and IFRIC interpretations have been published that are applicable for future accounting periods. These new standards and interpretations have not been early adopted by the Group. The directors do not expect that the adoption of the standards listed below will have a material impact on the financial statements of the Group in future periods, except as noted below:

IFRS Accounting Standards

Standard	Pronouncement	Effective date	Currently applicable
IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)	Jan-24	No
IAS 7 and IFRS 7	Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Jan-24	No
IFRS 16	Lease Liability in a Sale and Leaseback	Jan-24	No
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	Jan-24	No
IFRS S2	Climate-related Disclosures	Jan-24	No
IFRS 18	Presentation and Disclosure in Financial Statements	Jan-27	No

3 Accounting policies

The financial statements incorporate the principal accounting policies set out below and apply to the consolidated (Group) and separate (Company) financial statements.

3.1 Statement of compliance

The Group financial statements comprise the consolidated and separate financial statements. The Annual Financial Statements are prepared in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act of Namibia. All accounting policies applied in the preparation of these annual consolidated financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the previous consolidated and separate financial statements.

3.2 Basis of preparation

The annual consolidated financial statements are prepared on the historical cost basis, except for investment properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

Fair value adjustments do not affect the calculation of distributable earnings; however, they do affect the net asset value per linked unit to the extent that the adjustments are made to the carrying value of the assets and liabilities.

The functional currency of the Group is the N$ and all amounts are rounded to the nearest thousand.

The material accounting policies adopted are set out below.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. An investor determines whether it is a parent by assessing whether it controls one or more investees.

An investor controls an investee only if the investor has all the following elements:

- Has power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of the investor's returns

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

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous unitholders' meetings

3 Accounting policies (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below)
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard

Before recognising a gain on a bargain purchase, the acquirer shall re-assess whether it has correctly identified all the assets acquired and all the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated, except for inter-Company interest during the period of construction or refurbishment, which is capitalised to the cost of the property. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group applies the operational concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

3.4 Investment in associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. The Company has elected to apply the equity method to the investment, which is in line with the Group.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3 Accounting policies (continued)

3.4 Investment in associate (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after re-assessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date, and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate, but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.5 Investment properties

The Group applies the fair value model to all the investment properties. Investment property consists of land and buildings, installed equipment and undeveloped land held to earn rental income for the long-term and subsequent capital appreciation (including property under construction for such purposes).

Investment properties are initially recorded at cost, including transaction costs. Subsequent expenditure, other than tenant installation costs, relating to investment properties is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment properties are measured at fair value. Fair values are determined bi-annually. Gains or losses arising from changes in the fair values are included in net profit or loss for the period in which they arise and are excluded in determining the distributable income. Unrealised gains are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised losses are transferred against a non-distributable reserve to the extent that the decrease does not exceed the amount held in the non-distributable reserve. Investment property is maintained, upgraded and refurbished, where necessary, to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against the statement of comprehensive income.

Properties purchased by the Group and settled by the issuing of shares are recorded at the fair value of the properties acquired.

The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying value is charged or credited to the statement of comprehensive income and then transferred from/to non-distributable reserves, provided that such transfer shall not result in an accumulated loss.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

3 Accounting policies (continued)

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7 Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The financial statements are presented in N$.

Foreign currency exchange rates used in converting Euro to N$ are:

	2024	2023
Spot Euro rate	**19.72**	20.38
Average Euro rate	**20.22**	18.60

3 Accounting policies (continued)

3.8 Furniture and equipment

Items of furniture and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the Group, and they have a cost that can be measured reliably. Subsequent expenditure is capitalised when it is measurable and will result in probable future economic benefits. Expenditure incurred to replace a component of an item of furniture or equipment is capitalised to the cost of the item of furniture and equipment and the part replaced is derecognised.

All other expenditure is recognised in profit or loss as an expense when incurred. Subsequent to initial recognition, furniture and equipment are stated at cost less accumulated depreciation and impairment losses. Furniture and equipment are depreciated on a straight-line basis over the period over which the assets are expected to be available for use by the Group. Depreciation is recognised in the statement of comprehensive income. The following depreciation rates have been used:

Equipment	33.33% per annum
Furniture	20.00% per annum

Items of furniture and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The gain or loss arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The useful lives and residual values of equipment are reviewed annually.

3.9 Taxation

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. Income tax expense represents the sum of tax currently payable and deferred tax. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company, supported by previous experience in respect of such activities and, in certain cases, based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Accounting policies (continued)

3.9 Taxation (continued)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the sale presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority or the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.10 Impairment of tangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 Investment in subsidiaries

In the Company's separate Annual Financial Statements, investments in subsidiaries are carried at cost less any accumulated impairment. Oryx holds a 100% shareholding in all subsidiaries; therefore, they are controlled by the Company. The management of the subsidiaries is also performed by Oryx. The subsidiary companies comprise investment property which earns rental income (refer to note 8 for more details).

3 Accounting policies (continued)

3.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability (other than the financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

Transaction costs attributable to the acquisition of financial assets and/or liabilities at FVTPL are recognised immediately in profit or loss.

3.12.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or FVTPL, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at FVTPL.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met

i. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECLs), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECLs, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income (FVTOCI). For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and is included in the “investment” line item (note 20).

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Classification of financial assets (continued)

ii. Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so-called accounting mismatch) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “dividends received” line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “exchange differences on foreign loan” line item.
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the “exchange differences on foreign loan” line item. Other exchange differences are recognised in other comprehensive income in the investment’s revaluation reserve.
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the “exchange differences on foreign loan” line item.

Impairment of financial assets

The Group recognises a loss allowance for ECLs on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money, where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Impairment of financial assets (continued)

1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relates to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The Group considers a financial asset to have low credit risk when the asset has an external credit rating of investment grade in accordance with the globally understood definition, or if an external rating is not available, the asset has an internal rating of performing. Performing means the counterparty has a strong financial position and there are no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Impairment of financial assets (continued)

2) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3) Credit-impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

a) Significant financial difficulty of the issuer or the borrower
b A breach of contract, such as a default or past due event (see (2) above)
c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
d) It is becoming probable that the borrower will enter bankruptcy or other financial re-organisation
e) The disappearance of an active market for that financial asset because of financial difficulties

4) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

5) Measurement and recognition of ECLs

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs are consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.1 Financial assets (continued)

Derecognition of financial assets

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 entity. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.12.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent considerations of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "exchange differences on foreign loan" line item in profit or loss (note 15.2) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

3 Accounting policies (continued)

3.12 Financial instruments (continued)

3.12.2 Financial liabilities and equity (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between:

(1) The carrying amount of the liability before the modification; and
(2) The present value of the cash flows after modification,
(3) should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3.13 Ordinary shares

Ordinary shares are classified as equity. Each ordinary share is linked to a debenture and together comprise a linked unit. Shares issued by the Group are recognised at the proceeds received, net of direct issue cost.

3.14 Debentures and debenture premium

Debenture and debenture premium are classified under borrowings. Debentures are recognised at nominal value.

Debenture premium is separately disclosed and is recognised at the proceeds net of nominal value of debenture and transaction costs of issue. Debenture premium is amortised on a straight-line basis over the minimum contractual term of the debt instrument, namely the remaining portion from December 2002. An amendment to the Debenture Trust Deed was approved during the 2022 financial year, whereby it was extended for a further 25 years, and the debentures will therefore mature in December 2052.

At a general meeting held on 20 May 2021, an amendment to the Debenture Trust Deed was approved whereby the minimum interest distribution pay-out ratio was decreased to 75% until the 2024 financial year. At the Annual General Meeting held on 28 November 2023, unitholders approved to extend the 75% minimum pay-out ratio for a further 3-year period (2025, 2026 and 2027), after which it will revert to 90% from the 2028 financial year. In terms of the Debenture Trust Deed, the interest entitlement on each debenture is based on the pay-out percentage of the IFRS Accounting Standards profit/(loss) for the year of the Company adjusted for:

- Debenture interest
- Depreciation/amortisation
- Straight-line adjustments
- Any fair value adjustments
- Profit/loss on sale of investment property and investments
- Any exchange gains/losses due to translation from a foreign currency
- Income received from associate other than by way of dividends, and with, all capital items noted above being transferred to any non-distributable reserve.

Any interest remaining unclaimed for a period of three years from its declaration may, provided notice of the declaration has been sent to the last registered address of the person entitled thereto, be forfeited by resolution of the directors for the benefit of the Company. The directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed interest may be invested or otherwise made use of by the directors for the benefit of the Company. Monies other than interest due to debenture holders must be held in trust by the Company indefinitely until lawfully claimed by the debenture holder.

3 Accounting policies (continued)

3.15 Treasury linked units

Linked units in Oryx held by Oryx LTI Trust are held for employee participants in the Executive Incentive Scheme and are classified as treasury linked units. The book value of these linked units, together with related transaction costs, is deducted from equity and liabilities and disclosed separately in the statement of changes in equity and statement of financial position, respectively. The issued and weighted average number of linked units is reduced by the treasury linked units for the purposes of the basic and headline earnings per linked unit calculations.

The issued number of linked units is not reduced by the treasury linked units for the purpose of the interest distribution per linked unit calculations. Interest distribution received on treasury shares is recognised as income in the Trust and is utilised in meeting operational costs of the Trust. When treasury linked units held for employee participants vest in such participants, the linked units will no longer be classified as treasury linked units, their cost will no longer be deducted from equity and their number will be taken into account for the purposes of basic and headline earnings per linked unit calculations.

3.16 LTI accrual

The Group's bonus and LTI accrual is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as accrual is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3.17 Revenue recognition

Rental income

Revenue comprises of gross rental income, including all recoveries from tenants. Rental income and fixed operating costs recoveries are recognised on a straight-line basis in accordance with IFRS 16 Leases. Turnover rental income is recognised on the accrual basis and measured at fair value.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by references to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividends are recognised when the right to receive them is established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3.18 Deferred expenses

Deferred expenses comprise tenant installation costs and letting commissions that are amortised on a straight-line basis over the lease period to which they relate.

3 Accounting policies (continued)

3.19 Segment reporting

Information reported to the Group's Chief Operating Decision Maker for the purpose of resource allocation and assessment of its performance is based on the economic sectors in which the investment properties operate. Each sector has an associated risk profile and is managed separately. The Group has determined that its Chief Operating Decision Maker is the CEO.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions.

The CEO considers the business based on the following operating segments:

- Office – comprises commercial properties
- Retail – comprises shopping centres
- Industrial – comprises industrial properties
- Residential – comprises residential properties
- Fund – comprises head office and administration function

The operating segments derive their revenue primarily from revenue income from lessees. All of the Group's business activities and operating segments are reported within the above segments.

The Group considers the below segments for geographical reporting purposes as secondary business segments:

1. Namibian
2. Non-Namibian

3.20 Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Rental income from operating leases is 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 recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

Group as a lessee

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of the line item "Investment property" in the statement of financial position. The Group elects to apply the fair value model to measure an investment property that is held as a right-of-use asset. Further details on the measurement of investment property at fair value are provided in Note 6.

Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in lease term. IFRS 16 requires certain adjustments to be expensed, while others are added to the cost of the related right-of-use asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment which is considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 Accounting policies (continued)

3.21 Dividend declared

Dividends are recognised when the right to pay them is established.

3.22 Employee benefits

Short-term benefits

The cost of all short-term employee benefits is recognised in the statement of comprehensive income during the period in which the employee renders the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff incentive schemes and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of employees' services provided up to the reporting date.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service during the incentive cycle in respect of the linked units allocated to executives in accordance with the performance and award criteria set out in the Trust deed. The loan to the Trust for the purchase of the linked units was accounted for under IAS 19 Employee Benefits and eliminated upon consolidation.

3.23 Non-distributable reserve

The non-distributable reserve relates to items that are not distributable to unitholders, such as fair value adjustments on the revaluation of investment property, derivatives and treasury linked units, derivatives, the straight-line lease income adjustment, non-cash charges, capital items, deferred tax and bargain purchases.

3.24 Cash and cash equivalents

Cash and cash equivalents comprise petty cash, cash balances and call deposits with maturities of three months or less from the acquisition date. 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 fair value.

Cash and cash equivalents are measured at amortised cost, which approximates fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

3.25 Deferred income

Deferred income comprises rental and recoveries received in advance and is recorded on a straight-line basis over the underlying contract period.

4 Critical accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical accounting estimates and assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed on the next page.

Notes to the consolidated and separate Annual Financial Statements
(continued)
For the year ended 30 June 2024

4 Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

I. Current prices in an active market for properties of a different nature, condition or location (or subject to a different lease or other contracts), adjusted to reflect those differences
II. Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices
III. Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using pretax discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows

Refer to note 6 for the valuation techniques as well as the inputs into the model and note 35 detailing sensitivities of key estimates.

Principal assumptions for management's estimation of fair value

If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow and income capitalisation method valuation techniques, costs capitalised to date on developments and the purchase price for similar land where vacant land needs to be valued. The Group uses assumptions that are mainly based on market conditions existing at each statement of financial position date (refer to note 33 for financial disclosure).

The methodology applied for the different valuation methods is as follows:

1. Discounted cash flow method: in determining the valuation, the project income (based on the receipt of contractual rentals or expected future market rentals), adjusted for forecasted expenses discounted at appropriate discount rates, is determined for a period of 5 to 10 years. The present values are combined with the residual values, which is the anticipated selling value at present value.
2. Income capitalisation method: net property income is discounted at appropriate discount rate into perpetuity.
3. Vacant land: purchase price of similar land at market-related rental.

Parameters which are applied during the valuation are: market rental growth, expenses inflation, period of cash flows, discount rate, capitalisation rate and reversionary rate. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

4.2 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Allocation of share premium and debenture premium

The Group has determined, in terms of the requirements of accounting standards, that the linked unit premium should be classified as debenture premium and not share premium. Debenture premium will be amortised over the minimum contractual period of the debentures, namely the remaining portion from December 2002, which was extended from 25 to 50 years during the 2022 financial year (refer to note 15.1 for financial disclosure).

Deferred taxation on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but rather through sale.

Therefore, in determining the Group's deferred tax on the investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties in Namibia as the Group is not, other than for its South African properties, subject to any income taxes on the fair value changes of the investment properties on disposal.

4 Critical accounting estimates and judgements (continued)

4.2 Critical judgements in applying the Group's accounting policies (continued)

Acquisition of property subsidiaries

The Group's acquisitions of property subsidiaries are assessed to determine whether these transactions constitute a business combination or an asset acquisition under IFRS 3 Business Combinations. This assessment involves determining whether the acquired subsidiary constitutes a business, which includes evaluating whether the acquired set of activities and assets incorporates inputs and substantive processes capable of producing outputs.

In making this judgement, the Group considers factors such as:

- The nature of the assets acquired, particularly whether the transaction primarily involves the acquisition of investment property or other tangible assets.
- The presence or absence of substantive processes within the acquired entity, including management, leasing, and property maintenance functions.
- The existence of leases or other contracts that provide a source of income from the property.

After careful evaluation, the Group concluded that all acquisitions of property subsidiaries during the current financial year did not constitute a business combination as defined by IFRS 3. Instead, these transactions were classified as asset acquisitions in terms of IAS 40 Investment Properties. This conclusion was reached based on the assessment that the acquired entities did not contain substantive processes that would meet the definition of a business.

Going concern

The directors have assessed the Group's ability to continue as a going concern. As at 30 June 2024, the Group's net asset value (including debentures and debenture premium) amounted to N$2.772 billion (2023: N$2.093 billion), and available funding of N$384 million (2023: N$409 million) excluding its Domestic Medium Term Note Programme amounting to N$251.5 million (2023: N$251.5 million) and specific ring-fenced facilities (Maerua Mall Development Loan amounting to N$200 million). The following were considered as part of the Group's going concern assessment:

Maturity of facilities during the next 12 months

The Group is pleased to report that only one facility amounting to N$163 million matures during the next financial year. Only N$198 thousand is drawn down on the specific facility at year-end, representing 0.01% of the total drawn down value. The aforementioned can be repaid out of existing available facilities, should the Group be unable to refinance.

Access to liquidity

The suppressed economic environment may impact debt funders' risk appetite and limit access to the Group's liquidity. The Group's liquidity improved to 2.9 times (2023: 1.1 times). The Group continuously reviews its funding, including the maturity profile, and monitors the debt capital markets to ensure that it is well positioned in relation to refinancing opportunities. During the previous financial year, the Group's N$83.3 million bond matured and it was increased to a N$248.5 million bond, which bolstered the Group's liquidity and it was confirmed that access to liquidity is available. The Group is therefore satisfied that access to liquidity is available.

Covenants

The current Group SA REIT Loan to Value of 34.8% (2023: 35.0%) is well below the maximum loan-to-value bank covenants that the Group is exposed to, despite the acquisition of Dunes Mall (Pty) Ltd during the year. The Group is exposed to a 50% Loan to Value covenant for OMIGNAM, RMB and ABSA, and 55% covenant for Standard Bank.

The ABSA, RMB and Standard Bank Corporate interest cover ratios calculated at 2.3 times at year-end are above the minimum interest cover ratio covenants of not below 2.0 which the Group is exposed to. The necessary stress testing for the 2025 financial year was performed in order for the directors to gain comfort on the Group's going concern in this regard. The current ABSA bonded portfolio vacancy of 4.2% is below the covenant of 10%. The Group can confirm that the company and its subsidiaries comply with all relevant borrowing covenants.

Conclusion

After due consideration, the directors have concluded that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

5 Revenue

The directors have assessed the following:

- Rental and recovery income falls outside the scope of IFRS 15. This is included in the scope of IFRS 16 Leases (2023: IFRS 16 Leases).
- Interest, dividend and other income fall outside of the scope of IFRS 15, as this is included in the scope of IFRS 9 Financial Instruments.
- The amounts that are included in income, which falls within the scope of IFRS 15, are recognised when the performance obligations have been fulfilled and the customer obtains control of the goods or services. The performance obligations are distinct and stipulated in the agreement with the various parties. The amount recognised as revenue is stipulated in or calculated based on the agreement.

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Basic rental income	331,686	260,210	90,277	89,004
Turnover rental	3,075	1,570	439	52
Late payment interest and penalties on operating income	607	536	332	342
Bad debt recovered	281	617	75	180
Total operating income	335,649	262,933	91,123	89,578
Straight-line adjustments	(3,790)	(577)	2,640	(13)
Recovery of property expenses	119,390	93,974	27,380	26,324
Total rental income	451,249	356,330	121,143	115,889

The above is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 31).

6 Investment properties

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Reconciliation of investment property				
Balance at fair value at beginning of the year	3,019,424	2,763,340	727,852	580,673
Investment properties at valuation	3,095,052	2,839,545	735,956	589,243
Cumulative rental straight-line adjustments	(75,628)	(76,205)	(8,104)	(8,570)
Additions	29,800	20,240	3,160	2,558
Acquisitions/developments	701,545	51,936	2,200	31,159
Fair value adjustments	341,048	99,745	17,281	29,411
Rental straight-line adjustment – Dunes Mall (Pty) Ltd acquisition	(18,735)	–	–	–
Rental straight-line adjustment	3,790	577	(3,123)	466
Investment property no longer held for sale	–	70,000	–	70,000
Properties acquired under lease	–	13,586	–	13,586
Balance at fair value at end of the year	4 076,872	3,019,424	747,370	727,852
Investment properties at valuation	4 167,445	3,095,052	758,597	735,956
Cumulative rental straight-line adjustments	(90,573)	(75,628)	(11,227)	(8,104)

6 Investment properties (continued)

Properties of the Group are as follows

	Fair value 2024 N$'000	Fair value 2023 N$'000	Subsidiary name
INDIRECTLY OWNED PROPERTIES			
Maerua Mall	**693,250**	584,400	Maerua Mall (Proprietary) Limited
Maerua Park	**230,620**	226,860	Maerua Park Properties (Proprietary) Limited
Maerua Phase Two Retail	**529,500**	476,425	Phase Two Properties (Proprietary) Limited
Deloitte Office Building	**52,400**	50,500	Maerua Mall (Proprietary) Limited
Methealth Office Building	**64,600**	63,000	Maerua Mall (Proprietary) Limited
Triple A	**3,100**	3,100	Triple A (Proprietary) Limited
Engedi Residential Complex	**44,980**	42,240	Engedi Properties (Proprietary) Limited
Inyati Residential Complex	**68,500**	68,500	Inyati Estates Seven (Proprietary) Limited
Penuel Residential Complex	**26,375**	24,450	Capital Grow Number Seven (Proprietary) Limited
Erf 6977, Newcastle Street	**28,000**	25,600	Allied Cargo (Proprietary) Limited
Family Entertainment Retail Centre	**38,000**	30,000	Maerua Family Entertainment Centre (Proprietary) Limited
Gustav Voigts Retail Centre	**634,800**	556,500	Gustav Voigts Centre (Proprietary) Limited
Erf 8081, Solingen Street	**138,900**	128,500	CIC Property Holding Trust (Proprietary) Limited
Erf 6621, Kalie Roodt Street	**41,150**	40,000	CIC Property Holding Trust (Proprietary) Limited
Erf 2671, Walvis Bay	**11,550**	10,500	CIC Property Holding Trust (Proprietary) Limited
Erf 334, Keetmanshoop	**1,720**	1,520	CIC Property Holding Trust (Proprietary) Limited
Erven 6660/6661/7780, Joule Street	**27,500**	27,000	Verona Investments (Proprietary) Limited
Dunes Mall	**706,920**	–	Dunes Mall (Proprietary) Limited
Goreangab Mall	**43,064**	–	Luxury Investments Four One Three (Proprietary) Limited
Erf 267, Lafrenz	**5,134**	–	Lafrenz Erf Two Six Seven (Proprietary) Limited
Erf 268, Lafrenz	**3,025**	–	Lafrenz Erf Two Six Eight (Proprietary) Limited
Erf 272, Lafrenz	**1,325**	–	Lafrenz Two Seven Two (Proprietary) Limited
Erf 310, Lafrenz	**2,968**	–	Lafrenz Three One Zero (Proprietary) Limited
Erf 308, Lafrenz	**3,280**	–	Lafrenz Three Zero Eight (Proprietary) Limited
Erf 265, Lafrenz	**3,551**	–	Lafrenz Erf Two Six Five (Proprietary) Limited
Erf 266, Lafrenz	**4,636**	–	Lafrenz Erf Two Six Six (Proprietary) Limited
Total	3,408,848	2,359,095	
DIRECTLY OWNED PROPERTIES			
Baines Retail Centre	**135,350**	114,600	
Channel Life Office Tower	**78,000**	76,600	
Erf 132, Rendsburger Street	**29,395**	26,715	
Erf 7827, Julius K. Nyerere Street	**52,600**	49,100	
Erf 698, Edison Street	**37,000**	42,000	
Erf 6601, Tal Street	**71,700**	66,050	
Erf 51, Platinum Street	**75,800**	74,500	
Erf 441, Platinum Street	**29,300**	25,150	
Erf 175, Rendsburger Street (Erven 135 and 139 were consolidated during the year)	**76,106**	69,206	
Urban Village @ Elisenheim	**76,000**	91,650	
Erf 3519, Iscor Street	**43,760**	40,400	
Erf 972 and 973, Constantia Kloof, Roodepoort	**40,000**	46,400	
Erf 8317 Maerua Crossings, Windhoek*	**13,586**	13,586	
Total	758,597	735,957	

* Property held under lease.

Refer to note 35 for fair value disclosures.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

6 Investment properties (continued)

Investment properties were independently valued at 30 June 2024 by Michael Robert Barry Gibbons (Nat.Dip. Prop.Val. and MRICS MIV (SA)) of Mills Fitchet Magnus Penny, who is not connected to the Group. The valuation conforms to International Valuation Standards. The valuator has extensive experience in commercial, retail, residential and industrial valuations throughout South Africa and Namibia.

The fair value of the retail, office and industrial portfolios of the investment properties was based on various valuation methods based on specific considerations to the properties. Significant judgement is required when evaluating the inputs into the fair value determination and hence this is seen as critical to the estimation uncertainty. A 10-year cash flow was used for Maerua Mall, Maerua Park Properties, Dunes Mall, Gustav Voigts Centre and Maerua Mall Phase Two properties and is considered to be appropriate based on lease agreements in place. The remainder of the portfolio was based on either a five-year cash flow or capitalisation of the net income earnings into perpetuity. Some of the smaller industrial companies were valued using the discounted cash flow model. The vacant industrial land was valued based on the purchase price for similar land and after taking into account the size, location and physical attributes. The residential portfolio was valued by taking into account the market values of similar properties, and then applying a reasonable discount to these figures.

The assumptions that have the most significant impact on the valuations are listed in note 35. Refer to this note where the sensitivity analyses were performed.

The fair value was approved by the directors on 9 September 2024.

The below table summarises the discount, capitalisation, rental growth and vacancy rates per sector as determined by the external valuer on the properties which are also considered to be our significant assumptions.

	2024			
	Pre-tax Discount Rate %	**Capitali-sation Rate %**	**Rental growth %**	**Vacancy rate %**
Retail	**13.59**	**8.59**	**5.00**	**2.44**
Industrial	**14.53**	**9.53**	**5.00**	**0.37**
Office	**14.05**	**9.05**	**5.00**	**1.80**
Residential	**N/A**	**N/A**	**N/A**	**N/A**

	2023			
	Pre-tax Discount Rate %	Capitali-sation Rate %	Rental growth %	Vacancy rate %
Retail	13.61	8.61	5.00	2.2
Industrial	14.60	9.60	5.00	0.5
Office	14.05	9.05	5.00	1.8
Residential	N/A	N/A	N/A	N/A

6 Investment properties (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Properties encumbered are as follow:				
Standard Bank facilities (note 15.2)	**273,244**	292,763	**273,244**	292,763
Secured by:				
Gustav Voigts Retail Centre	**634,800**	556,500	**–**	–
Engedi Residential Complex	**44,980**	42,240	**–**	–
Inyati Residential Complex	**68,500**	68,500	**–**	–
Penuel Residential Complex	**26,375**	24,450	**–**	–
	774,655	691,690	**–**	–
ABSA facilities (note 15.2)	**473,640**	436,273	**473,640**	436,273
Secured by:				
Maerua Mall Retail Node	**1,611,470**	1,434,285	**–**	–
Erf 6601, Tal Street	**71,700**	66,050	**71,700**	66,050
Erf 7827, Julius K. Nyerere Street	**52,600**	49,100	**52,600**	49,100
Erf 51, Platinum Street	**75,800**	74,500	**75,800**	74,500
	1,811,570	1,623,935	**200,100**	189,650
Old Mutual Investment Group Namibia Promissory Notes (note 15.2)	**90,000**	90,000	**90,000**	90,000
Secured by:				
Erf 175, Rendsburger Street (Erven 135 and 139 were consolidated during the year)	**76,106**	69,206	**76,106**	69,206
Erf 132, Rendsburger Street	**29,395**	26,715	**29,395**	26,715
	105,501	95,921	**105,501**	95,921
Nedbank facilities (note 15.2)	**–**	75,000	**–**	75,000
Secured by:				
Channel Life Office Tower and Baines Retail Centre (unencumbered during the year)	**–**	191,200	**–**	191,200
RMB facilities (note 15.2)	**500,000**	100,000	**–**	100,000
Secured by:				
Dunes Mall	**706,920**	–		
Erf 6977, Newcastle Street	**28,000**	25,600	**–**	–
Erf 6621, Kalie Roodt Street	**41,150**	40,000	**–**	–
Erf 8081, Solingen Street	**138,900**	128,500	**–**	–
Erf 6660, 6661 and 7780, Joule Street	**27,500**	27,000	**–**	–
Erf 698, Edison Street	**37,000**	42,000	**37,000**	42,000
	979,470	263,100	**37,000**	42,000
Total investment property balance (Including property held under lease)	**4,167,445**	3,095,052	**758,597**	735,956
Total properties encumbered	**3,671,196**	2,865,846	**342,601**	518,771
Total properties unencumbered	**496,249**	229,206	**415,996**	217,185

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

6 Investment properties (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Seventeen properties (2023: seven) are unencumbered, valued at N$496 million (2023: N$229 million), consisting of:				
Erf 2671, Walvis Bay	**11,550**	10,500	**–**	–
Erf 334, Keetmanshoop	**1,720**	1,520	**–**	–
Erf 972 and 973, Constantia Kloof, Roodepoort	**40,000**	46,400	**40,000**	46,400
Erf 441, Platinum Street	**29,300**	25,150	**29,300**	25,150
Urban Village @ Elisenheim	**76,000**	91,650	**76,000**	91,649
Erf 3519 Iscor Street	**43,760**	40,400	**43,760**	40,400
Channel Life Office Tower	**78,000**	–	**78,000**	–
Baines Retail Centre	**135,350**	–	**135,350**	–
Lafrenz Erf 310	**2,968**	–	**–**	–
Lafrenz Erf 308	**3,280**	–	**–**	–
Lafrenz Erf 272	**1,325**	–	**–**	–
Lafrenz Erf 268	**3,025**	–	**–**	–
Lafrenz Erf 265	**3,551**	–	**–**	–
Lafrenz Erf 267	**5,134**	–	**–**	–
Lafrenz Erf 266	**4,636**	–	**–**	–
Goreangab Mall	**43,064**	–	**–**	–
Erf 8317, Maerua Crossing Leasehold	**13,586**	13,586	**13,586**	13,586
	496,249	229,206	**415,996**	217,185

During the year, the Group acquired Dunes Mall for a total consideration of N$628.25 million. The Group further acquired vacant land (Goreangab Mall) which is earmarked for development. Seven erven in the Lafrenz area were further obtained through the conclusion of a headlease settlement agreement. During 2023, the Group acquired a lease to Erf 8317 (Maerua Crossing Leasehold), Windhoek, measuring 32,926 Hectares. The land has been classified as investment property. The lease term is for 82 years (initial 33 years, with an option to extend for another 49 years), the Group intends to exercise the extension option. As at 30 June 2024, the right of use asset amounts to N$13,586,000 (2023: N$13,586,000).

The Channel Life Office Tower and Baines Retail Centre was unencumbered during the year, following the settlement of the Nedbank Namibia facilities.

Refer to note 15.2 for details on the changes in the facilities during the year.

7 Furniture and equipment

	Cost N$'000	Accumulated depreciation N$'000	Carrying value N$'000
Group			
Balance at 30 June 2022	2,509	(1,621)	888
Additions/(depreciation)	182	(445)	(263)
Balance at 30 June 2023	2,691	(2,066)	625
Additions/(depreciation)	**823**	**(531)**	**292**
Acquired at no cost (Dunes acquisition)	**282**	**(159)**	**123**
Balance at 30 June 2024	**3,796**	**(2,756)**	**1 040**
Company			
Balance at 30 June 2022	2,186	(1,401)	785
Additions/(depreciation)	182	(403)	(221)
Balance at 30 June 2023	2,368	(1,804)	564
Additions/(depreciation)	**822**	**(488)**	**334**
Balance at 30 June 2024	**3,190**	**(2,292)**	**898**

8 Interest in subsidiaries

	Company	
	2024 N$'000	2023 N$'000
Details of the Company's subsidiaries are as follows:		
Total interest in subsidiaries/shares at cost and loans	**1,679,315**	1,474,075

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

8 Interest in subsidiaries (continued)

Comprising:

Name of subsidiary	Place of incorpo-ration and operation	Issued share capital N$	% Holding	Number of properties held
2024				
Allied Cargo (Proprietary) Limited	Namibia	15,000	100	1
CIC Property Holding Trust (Proprietary) Limited	Namibia	10,000	100	4
Maerua Mall (Proprietary) Limited	Namibia	20,000	100	1
Maerua Park Properties (Proprietary) Limited	Namibia	400	100	1
Phase Two Properties (Proprietary) Limited	Namibia	100	100	1
Triple A (Proprietary) Limited	Namibia	200	100	1
Gustav Voigts Centre (Proprietary) Limited	Namibia	200	100	1
Maerua Family Entertainment Centre (Proprietary) Limited	Namibia	1	100	1
Verona Investments (Proprietary) Limited	Namibia	100	100	1
Engedi Properties (Proprietary) Limited	Namibia	100	100	1
Inyati Estates Seven (Proprietary) Limited	Namibia	100	100	1
Capital Grow Number Seven (Proprietary) Limited	Namibia	100	100	1
Dunes Mall (Proprietary) Limited	Namibia	100	100	1
Luxury Investments Four One Three (Proprietary) Limited	Namibia	100	100	1
Lafrenz Erf Two Six Seven (Proprietary) Limited	Namibia	100	100	1
Lafrenz Erf Two Six Eight (Proprietary) Limited	Namibia	100	100	1
Lafrenz Two Seven Two (Proprietary) Limited	Namibia	100	100	1
Lafrenz Three One Zero (Proprietary) Limited	Namibia	100	100	1
Lafrenz Three Zero Eight (Proprietary) Limited	Namibia	100	100	1
Lafrenz Erf Two Six Five (Proprietary) Limited	Namibia	100	100	1
Lafrenz Erf Two Six Six (Proprietary) Limited	Namibia	100	100	1

Name of subsidiary	Place of incorpo-ration and operation	Issued share capital N$	% Holding	Number of properties held
2023				
Allied Cargo (Proprietary) Limited	Namibia	15,000	100	1
CIC Property Holding Trust (Proprietary) Limited	Namibia	10,000	100	4
Maerua Mall (Proprietary) Limited	Namibia	20,000	100	1
Maerua Park Properties (Proprietary) Limited	Namibia	400	100	1
Phase Two Properties (Proprietary) Limited	Namibia	100	100	1
Triple A (Proprietary) Limited	Namibia	200	100	1
Gustav Voigts Centre (Proprietary) Limited	Namibia	200	100	1
Maerua Family Entertainment Centre (Proprietary) Limited	Namibia	1	100	1
Verona Investments (Proprietary) Limited	Namibia	100	100	1
Engedi Properties (Proprietary) Limited	Namibia	100	100	1
Inyati Estates Seven (Proprietary) Limited	Namibia	100	100	1
Capital Grow Number Seven (Proprietary) Limited	Namibia	100	100	1

8 Interest in subsidiaries (continued)

Name of subsidiary	Loan accounts N$'000	Share investment N$'000	Indebtedness N$'000
2024			
Allied Cargo (Pty) Ltd	–	1,187	4,925
CIC Property Holding Trust (Pty) Ltd	–	26,062	24,184
Maerua Mall (Pty) Ltd	(56,394)	7,230	536,650
Maerua Park Properties (Pty) Ltd	28,411	7,818	202,738
Phase Two Properties (Pty) Ltd	(153,487)	–	413,380
Triple A (Pty) Ltd	–	1,573	1,527
Gustav Voigts Centre (Pty) Ltd	(55,220)	13,967	366,078
Maerua Family Entertainment Centre (Pty) Ltd	24,376	168	11,238
Verona Investments (Pty) Ltd	–	–	9,751
Engedi Properties (Pty) Ltd	351	–	24,112
Inyati Estates Seven (Pty) Ltd	(249)	–	31,042
Capital Grow Number Seven (Pty) Ltd	3,112	–	17,292
Oryx Long-Term Incentive Trust	(889)	–	–
Dunes Mall (Pty) Ltd	(9,831)	–	128,474
Luxury Investments Four One Three (Pty) Ltd	–	–	45,798
Lafrenz Erf Two Six Seven (Pty) Ltd	–	–	5,135
Lafrenz Erf Two Six Eight (Pty) Ltd	–	–	3,026
Lafrenz Two Seven Two (Pty) Ltd	4	–	1,325
Lafrenz Three One Zero (Pty) Ltd	4	–	2,968
Lafrenz Three Zero Eight (Pty) Ltd	4	–	3,280
Lafrenz Erf Two Six Five (Pty) Ltd	4	–	3,551
Lafrenz Erf Two Six Six (Pty) Ltd	4	–	4,636
	(219,800)	58,005	1,841,110
Total interest in shares and loan accounts			1,679,315

Name of subsidiary	Loan accounts N$'000	Share investment N$'000	Indebtedness N$'000
2023			
Allied Cargo (Pty) Ltd	–	1,188	4,618
CIC Property Holding Trust (Pty) Ltd	–	26,062	23,218
Maerua Mall (Pty) Ltd	(48,591)	7,230	534,263
Maerua Park Properties (Pty) Ltd	(12,870)	7,818	230,521
Phase Two Properties (Pty) Ltd	(160,722)	–	401,527
Triple A (Pty) Ltd	–	1,573	1,527
Gustav Voigts Centre (Proprietary) Limited	(34,995)	13,967	363,321
Maerua Family Entertainment Centre (Proprietary) Limited	18,612	168	11,221
Verona Investments (Pty) Ltd	–	–	9,201
Engedi Properties (Pty) Ltd	677	–	23,983
Inyati Estates Seven (Pty) Ltd	137	–	31,005
Capital Grow Number Seven (Pty) Ltd	1,892	–	17,292
Oryx Long-Term Incentive Trust	232	–	–
	(235,628)	58,006	1,651,697
Total interest in shares and loan accounts			1,474,075

All the subsidiary companies noted above except for the Oryx Long Term-Share Incentive Trust are property investment companies. No subsidiaries were disposed of during the year.

8 Interest in subsidiaries (continued)

	Company	
	2024 N$'000	2023 N$'000
Directors' valuation	**3,126,184**	2,583,752

The valuation has been calculated based on the net asset value of the subsidiary companies, inclusive of any adjustments necessary for deferred tax on revaluation of investment properties.

All the investments in subsidiaries were tested for impairment during the year, and impairment losses amounting to N$27,893,247 were recorded for the seven Lafrenz subsidiaries and Maerua Park Properties (Pty) Ltd. Recoverable amounts were calculated, being the higher between the value in use and fair value.

During the 2023 financial year, an impairment loss was recorded for Maerua Family Entertainment Centre (Proprietary) Limited, amounting to N6,147,656. As the subsidiaries are primarily property owning entities, the impairment calculations were based on similar pretax discounted cash flows and rates used for the valuation of the underlying properties (see note 6 for more details on rates used).

Total cumulative impairment to the investments in subsidiaries amounts to N$24,389,894 (2023: N$nil) for Maerua Park Properties (Proprietary) Limited, NN64,960,892 (2023: N$64,960,892) for Maerua Family Entertainment Centre (Proprietary) Limited, N$10,898,048 (2023: N$10,898,048) for Capital Grow Number Seven (Proprietary) Limited, N$1,225,336 (2023: N$1,225,336) for Triple A (Proprietary) Limited, N$5,014,646 (2023: N$5,014,646) for Engedi Properties (Proprietary) Limited, N$27,893,247 (2023: N$nil) for Maerua Park Properties (Proprietary) Limited, N$434,702 (2023: N$nil) for Lafrenz Erf Three One Zero (Proprietary) Limited, N$480,336 (2023: N$nil) for Lafrenz Erf Three Zero Eight (Proprietary) Limited, N$193,971 (2023: N$nil) for Lafrenz Erf Two Seven Two (Proprietary) Limited, N$443,162 (2023: N$nil) for Lafrenz Erf Two Six Eigth (Proprietary) Limited, N$752,087 (2023: N$nil) for Lafrenz Erf Two Six Seven (Proprietary) Limited, N$679,022 (2023: N$nil) for Lafrenz Erf Two Six Six (Proprietary) Limited and N$520,072 (2023: N$nil) for Lafrenz Erf Two Six Five (Proprietary) Limited.

Oryx does not intend to call on any of the loans during the new financial year and any loans with subsidiaries are settled on a net basis.

	Company	
	2024 N$'000	2023 N$'000
Profit of subsidiaries attributable to the holding company	**366,628**	78,217

Interest is charged on the net outstanding loan amount and indebtedness at 8.53% (2023:11.50%), except where companies are dormant in which case no interest is charged (2023: 0%).

9 Investment in associate

The Group holds an investment in TPF International Limited (TIL) incorporated in Mauritius. Below are the key items around the associate. The Group does not hold any other interests as disclosed below.

			Proportion of ownership interest and voting rights held by the Group	
Name of associate	Principal activity	Principal place of business	**2024**	2023
TIL	Property	Croatia	26%	26%

The above associate is accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies note 3.4. Refer to note 36 for the related party transaction disclosure for the investment in associate. The percentage voting rights is equal to the percentage of ownership of the associate and there has been no change in the percentage of ownership during the year.

9 Investment in associate (continued)

For the purposes of applying the equity method of accounting, the financial records of TIL for the year ended 31 December 2023 were used, and appropriate adjustments have been made for the effects of significant transactions between that date and 30 June 2024. As at 30 June 2024, the fair value of the Group's interest in TIL was based on its price to book value which is based on the fair value of the underlying properties that the entity holds. The valuations of the properties were performed using the income capitalisation method and the average rate used was 6.81% (2023: 6.99%). TIL is not listed on a stock exchange and therefore has no quoted market price available for its shares.

The risks associated with the investment in associate include:

- Geographical location
- Economic and regulatory environment
- Exposure to foreign currency
- Unlisted investment

The Group manages the geographical, economic and regulatory environment risks through the appointment of an appropriately qualified team within Croatia to oversee the properties and manage the relationships with the tenants and any regulatory bodies. Where deemed necessary, experts are used for specific regulatory requirements with the costs carried by TIL. The exposure to foreign currency is partially managed through natural hedges by way of keeping the dividends received in Euro to service the Euro loan interest. In addition, foreign exchange contracts are taken out from time to time, to mitigate our risk of foreign exchange fluctuations. Refer to note 34.6 for more detail on foreign currency risk management. The risk of the investment being unlisted is managed by ensuring the properties in the portfolio are of good quality to ensure adequate interest in acquiring the assets, should the requirement arise for disposal.

Dividends received from the associate below represent the actual amounts attributable and hence received by or accrued to the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS Accounting Standards financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

There were no impairment indicators present for the investment in associate.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards (adjusted by the Group for equity purposes).

	Group/Company	
	2024 N$'000	2023 N$'000
Carrying value of investment in associate		
Opening balance	**359,046**	290,111
Share of current year's retained income	**38,328**	53,464
– Profit before tax	**19,562**	22,700
– Current and deferred tax	**(5,143)**	(10,357)
– Changes in fair value of investment property	**23,909**	41,121
Dividends received	**(26,871)**	(12,681)
Dividends receivable	**–**	(4,260)
Capital return from investment in associate	**(39,659)**	–
Foreign exchange (loss)/gain on translation of associate	**(12,587)**	32,412
	318,257	359,046

An average exchange rate calculated at N$20.22 (2023: N$18.60) for every Euro was used to translate transactions relating to the investment in associate. An exchange rate of N$19.72 (2023: N$20.38) for every Euro at year end was used to translate the investment in the associate's carrying value. The carrying value of the investment equates the Group's share of the net assets of the associate.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

9 Investment in associate (continued)

	Group/Company	
	2024 N$'000	2023 N$'000
Directors' valuation	**318,257**	359,046

The directors' valuation was determined using its price to book value.

	Group/Company	
	2024 N$'000	2023 N$'000
Summarised financial information associate:		
Summarised statement of comprehensive income:		
Revenue	**133,564**	117,106
Changes of fair value of investment property	**91,959**	158,159
Fair value losses/income on derivative instruments	**(13,620)**	5,735
Net expenses	**(44,703)**	(35,535)
Profit before tax	**167,200**	245,465
Tax	**(19,782)**	(39,833)
Foreign currency translation reserve	**(74,718)**	113,701
Total comprehensive income for the year	**72,700**	319,333
Summarised statement of financial position:		
Non-current assets	**1,864,767**	1,852,802
Current assets	**49,764**	82,892
Cash and cash equivalents	**31,664**	50,448
Other current assets	**18,100**	32,444
Non-current liabilities	**(869,877)**	(713,620)
Current liabilities	**(8,940)**	(10,210)
NET ASSET VALUE	**1,035,714**	1,211,864
Interest in associate (26%)	**318,257**	359,046

10 Other assets

10.1 Deferred expenditure

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Balance at beginning of the year	10,249	9,509	519	973
Additions	24,396	4,265	93	3
Amortisation	(3,872)	(3,525)	(269)	(457)
Balance at year end	30,773	10,249	343	519
Closing balance of long-term portion	26,519	6,912	113	253
Closing balance of short-term portion	4,254	3,337	230	266

Leasing commissions and tenant installations are capitalised to deferred expenditure and are amortised over the remaining lease period of the respective tenant on a straight-line basis.

10.2 Receivables

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Financial instruments at amortised cost:				
Trade receivables	17,617	16,159	5,031	7,169
Less: Allowance for doubtful debts	(6,069)	(9,110)	(2,676)	(4,538)
Trade receivables net of allowance for doubtful debts	11,548	7,049	2,355	2,631
Council deposits	4,558	1,821	484	483
Other receivables	12,150	10,612	2,259	4,355
Non-financial instruments:				
NamRA – value added tax (VAT)	4,297	2,705	–	1,415
Prepayments	4,128	3,420	3,042	3,413
	36,681	25,607	8,140	12,297

Other receivables mainly consist of withholding tax on interest refunds receivable from ABSA, electricity recovery receivables and accruals.

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Impaired (excluding VAT)	6,069	9,110	2,676	4,538
Past due but not impaired	11,548	7,049	2,355	2,631
Total trade receivables	17,617	16,159	5,031	7,169
Allowance for doubtful debts	(6,069)	(9,110)	(2,676)	(4,538)
Trade receivables net of allowance for doubtful debts	11,548	7,049	2,355	2,631
Allowance for doubtful debts				
Balance at beginning of the year	9,110	36,906	4,538	19,617
(Decrease)/increase in provisions recognised	(784)	(2,739)	2,291	3,677
Amounts written off during the year	(2,257)	(25,057)	(4,153)	(18,756)
Balance at year end	6,069	9,110	2,676	4,538

10 Other assets (continued)

10.2 Receivables (continued)

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of the current and forecast direction of conditions at the reporting date. The Group also assessed loss rate for individual debtors where credit risk has decreased subsequent to COVID-19. The Group has recognised a loss allowance of 100% against all receivables over 90 days past due as historical experience has indicated that the recoverability of these debtors become difficult.

The Group writes off a trade receivable balance when there is evidence indicating that the debtor is in severe financial difficulty, there is no realistic prospect of recovery, and the legal process has indicated little possibility of success or the debt is older than two years. Examples include when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier.

The calculation of the allowance for doubtful debts as a percentage of arrear rentals is shown in the table below. The provision is carried exclusive of VAT, while the arrear rentals include VAT. This has been taken into account in the calculation below:

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Provisions excluding VAT	6,069	9,110	2,676	4,538
VAT thereon	910	1,367	401	681
Provisions including VAT	6,979	10,477	3,077	5,219
Trade receivables	17,617	16,159	5,031	7,169
Provision as a % of trade receivables	40%	65%	61%	73%

Management and the Board consider the provision for any material credit risk exposure to be adequate.

The following table details the risk profile of trade receivables based on the Group's provision matrix. The provision matrix has been done per primary business segment as the Group believes, based on historical experience and data, that the loss patterns differ between the business segments as these industries are affected differently by economic conditions:

	Total	Retail	Industrial	Offices	Residential
Group					
2024					
Total trade debtors	17,617	13,626	560	2,121	1,310
ECL	34%	35%	25%	50%	11%
Total ECL provision	6,069	4,714	140	1,067	148

	Total	Retail	Industrial	Offices
Company				
2024				
Total trade debtors	5,031	3,597	560	874
ECL	53%	53%	25%	72%
Total ECL provision	2,676	1,909	140	627

10 Other assets (continued)

10.2 Receivables (continued)

	Total	Retail	Industrial	Offices	Residential
Group					
2023					
Total trade debtors	16,159	11,161	2,015	1,724	1,259
ECL	56%	61%	38%	71%	24%
Total ECL provision	9,110	6,810	772	1,224	304

	Total	Retail	Industrial	Offices
Company				
2023				
Total trade debtors	7,169	4,136	2,015	1,018
ECL	63%	74%	38%	71%
Total ECL provision	4,538	3,045	771	722

10.3 Cash and cash equivalents

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Balances with banks	**16,160**	17,032	**9,126**	8,115
Bank overdraft	**(10,838)**	–	**(10,838)**	–
Cash	**2**	1	**2**	1
	5,324	17,033	**(1,710)**	8,116
Cash and cash equivalents balance is made up as follows:				
Cash in local currency (Namibian Dollar)	**5,324**	17,033	**(1,710)**	8,116

During the year, the N$15 million Nedbank overdraft facility was terminated and the N$20 million Bank Windhoek overdraft facility was refinanced for a further one-year period.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

11 Share capital

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Authorised				
200,000,000 (2023: 200,000,000) ordinary shares of 1 cent each	**2,000**	2,000	**2,000**	2,000
1,000 Class A variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class B variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class C variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class D variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class E variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class F variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
	2,006	2,006	**2,006**	2,006
Issued				
114,325,868 (2023: 87,378,835) ordinary shares of 1 cent each	**1,137**	869	**1,143**	874

The Long-Term Share Incentive Trust owns 608,140 (2023: 434,386) shares and the related linked units as detailed in note 12.

The Group has one class of ordinary shares that carry no right to fixed income.

Unissued shares are under the control of the unitholders. A rights issue was concluded during the year during which 26,947,033 linked units (2023: nil) were issued, raising N$312.85 million. The majority of the funds were allocated to the acquisition of Dunes Mall in Walvis Bay. Refer to note 15.1 for more detail on the rights issue.

12 Treasury linked units

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Balance at beginning of the year	**(3,915)**	(2,262)	**–**	–
173,754 debentures acquired (2023: 223,575)	**(780)**	(1,004)	**–**	–
Debenture premium	**(488)**	(649)	**–**	–
Balance at year end	**(5,183)**	(3,915)	**–**	–

The Remuneration and Nomination Committee concluded and awarded linked units to the value of N$2,894,354 (2023: N$2,751,194) to the management team (D-upper Paterson grades and above based on KPIs of internal and external factors. 173,754 (2023: 223,575) debentures were acquired during the year at N$11.61 per share (2023: N$10.26 per share). No shares vested during the year (2023: 71,950). The portion of the debenture premium eliminated upon purchase of the treasury linked units is determined based on the remaining debenture premium at time of purchase divided by the total number of linked units in issue. The total number of units held at year end amounted to 608,140 (2023: 434,386). Refer to note 36 where the directors' remuneration is disclosed.

13 Rental receivable straight-line adjustment

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Balance at beginning of the year	**75 628**	76 205	**11 268**	11 281
Straight-lining charge to the income statement	**(3 790)**	(577)	**2 640**	(13)
Rental straight-line adjustment – Dunes Mall acquisition	**18 735**	–	**–**	–
Balance at year end	**90 573**	75 628	**13 908**	11 268
Less: rental receivable straight-line adjustment classified as current assets	**(8 685)**	(5 521)	**(3 734)**	(1 891)
Non-current portion of the rental receivable straight-line adjustment	**81 888**	70 107	**10 174**	9 377

14 Non-distributable reserves

The Group transfers realised and unrealised capital profits and losses to non-distributable reserves as per the Debenture Trust Deed as these do not impact distributable income.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Opening balance at beginning of the year	**1,343,334**	1,183,116	**497,295**	406,875
Movement during the year	**345,469**	160,218	**56,929**	90,420
Balance at year end	**1,688,803**	1,343,334	**554,224**	497,295
Comprising:				
Capital reserves				
– Realised capital profits	**62,524**	29,531	**56,861**	20,615
– Unrealised capital profits (net of deferred tax)	**1,626,279**	1,313,803	**497,363**	476,680
– Rental straight–line adjustment (note 5, 13)	**4,103**	6,723	**(2,371)**	(4,123)
– Amortisation of debenture premium (note 15.1)	**263,575**	249,824	**263,575**	249,824
– Fair value adjustments (notes 6, 9, 15.2 and 24)	**1,358,601**	1,057,256	**236,159**	230,979
Balance at year end	**1,688,803**	1,343,334	**554,224**	497,295

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

15 Borrowings

15.1 Debentures and debenture premium

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Debentures				
87,378,835 (2023: 87,378,835) debentures of 449 cents each at beginning of the year	390,057	391,061	392,330	392,330
Debentures purchased by the Oryx Long Term-Share Incentive Trust	(780)	(1 004)	–	–
2024 rights issue: issue of 26,947,033 linked units (note 11)	120,993	–	120 993	–
114,325,868 (2023: 87,378,835) debentures of 449 cents each	510,270	390,057	513,323	392,330
Debenture premium				
Balance at beginning of the year comprising:	230,133	252,560	231,774	253,551
Costs on issuance of linked units	(3,051)	–	(3,051)	–
Premium arising on 2024 rights issue	191,594	–	191,594	–
Antecedent debenture interest	–	(13,478)	–	(13,477)
Treasury linked units (note 12)	(488)	(649)	–	–
Current year amortisation of debenture premium	(13,751)	(8,300)	(13,751)	(8,300)
Balance at year end	404,437	230,133	406,566	231,774

During the year, the Group concluded a rights issue to acquire Dunes Mall (Pty) Ltd. The total purchase consideration amounted to N$628.25 million (investment property amounting to N$593.4 million and deferred tax asset of N$ 34.9 million) which was funded through a combination of equity and debt. N$312,855,053 was raised during the rights issue during which 26,947,033 linked units were issued at an issue price of N$11.61. The share price included an antecedent interest of N$0.50 per linked units, and the total antecedent interest amounting to N$13,473,517 was paid to unitholders in October 2023. The consideration comprised of N$269,470 share capital (N$0.01 per linked unit), N$120,992,178 debentures (N$4.49 per linked unit) and N$178,119,888 debenture premium (N$6.61 per linked unit).

Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a straight-line basis over the minimum contractual term of the investment, namely the remaining portion from December 2002. The debentures' redeemable date was approved at the 2021 Annual General Meeting to be extended by an additional 25 years and will therefore mature on 2 November 2052.

At a general meeting held on 20 May 2021, an amendment to the Debenture Trust Deed was approved whereby the minimum interest distribution pay-out ratio was decreased to 75% until the 2024 financial year. At the Annual General Meeting held on 28 November 2023, unitholders approved to extend the 75% minimum pay-out ratio for a further 3-year period (2025, 2026 and 2027), after which it will revert to 90% from the 2028 financial year. In terms of the Debenture Trust Deed, the interest entitlement on each debenture is based on the pay-out percentage of the IFRS Accounting Standards profit/(loss) for the year of the Company adjusted for:

- Debenture interest
- Depreciation/amortisation
- Straight-line adjustments
- Any fair value adjustments
- Profit/loss on sale of investment property and investments
- Any exchange gains/losses due to translation from a foreign currency
- Income received from associate other than by way of dividends, and with, all capital items noted above being transferred to any non-distributable reserve.

15 Borrowings (continued)

15.1 Debentures and debenture premium (continued)

Debentures are required to be discounted in terms of IFRS 7; however, due to the nature of a property loan stock company, it is impractical to do so. Returns on debentures are paid in the form of debenture interest, which is calculated based on the profits in the Group at the end of the reporting period. Such profits cannot be reliably estimated to the maturity date of the debentures.

Debentures at Group-level are disclosed after deducting 608,140 (2023: 434,386) debentures held by the Oryx Long Term-Share Incentive Trust.

15.2 Interest-bearing borrowings

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
SECURED				
ABSA GROUP LIMITED SOUTH AFRICA				
ABSA revolving credit facility	**38,804**	–	**38,804**	–
– N$130 million (2023: N$130 million) facility				
– refinanced during the year, expiring 31 May 2027 (2023: 29 Feb 2024)				
– loan bears variable interest at one-month JIBAR plus 1.8% (2023: one-month JIBAR plus 2.0%)				
ABSA term loan 1	**150,000**	150,000	**150,000**	150,000
– refinanced during the year, expiring 31 May 2029 (2023: 29 Feb 2024)				
– five–year tenure (2023: three-year tenure)				
– loan bears variable interest at one-month JIBAR plus 2.0% (2023: one-month JIBAR plus 2.1%)				
ABSA term loan 2	**150,000**	150,000	**150,000**	150,000
– expires 28 Feb 2026 (2023: 28 Feb 2026)				
– loan bears variable interest at one-month JIBAR plus 2.0% (2023: one-month JIBAR plus 2.0%)				
ABSA Euro loan	**134,638**	136,273	**134,638**	136,273
– €9.7 million (2023: €9.7 million) facility				
– refinanced during the year, expiring 31 Aug 2026 (2023: 31 Aug 2023)				
– loan bears interest at the three-month Euro Inter-bank Offered Rate (EURIBOR) (floored at 0%) plus 2.37% (2023: three-month EURIBOR (floored at 0%) plus 2.37%)				
– refer below for the loan reconciliation displaying the foreign exchange (gain)/loss that is included in the balance				
ABSA Rand loan				
– expires 28 Feb 2025 (2023: 28 Feb 2025)	**198**	–	**198**	–
– loan bears variable interest at one-month JIBAR plus 2.05% (2023: one-month JIBAR plus 2.05%)				

Notes to the consolidated and separate Annual Financial Statements (continued)
For the year ended 30 June 2024

15 Borrowings (continued)
15.2 Interest-bearing borrowings (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
NEDBANK				
Nedbank revolving credit facility – the facility was terminated on 31 Aug 2023 (2023: N$15 million facility, bearing interest at Namibian prime plus 3.5%) – At 30 June 2023 the account was in an overdraft position and reflected under cash and cash equivalents (refer to note 10.3)	**–**	–	**–**	–
Three–year floating interest rate – the facility was repaid on 31 Aug 2023 (2023: N$75 million, bearing variable interest at three-month JIBAR plus 2.85%)	**–**	75,000	**–**	75,000
Old Mutual Investment Group Namibia (OMIGNAM)				
Promissory notes – promissory notes expire 1 Sep 2025 (2023: 1 Sep 2025) – promissory notes bear variable interest at three-month JIBAR plus 2.05% (2023: three-month JIBAR plus 2.05%)	**90,000**	90,000	**90,000**	90,000
RMB Namibia				
Term Loan – loan facility of N$100 million was repaid during the year (2023: N$100 million facility, bearing variable interest at three-month JIBAR plus 2.98%)	**–**	100,000	**–**	100,000
Preference Share Facility – preference share facility of N$500 million (2023: N$nil) – four-year tenure expiring 31 Jul 2027 – facility bearing variable dividends at three-month JIBAR plus 1.39%	**500,000**	–	**–**	–
STANDARD BANK				
Facility A – loan facility of N$197 million (2023: N$197 million) was refinanced during the year – expires 31 May 2027 (2023: 7 Aug 2024) – loan bears variable interest at three-month JIBAR plus 2.0% (2023: three-month JIBAR plus 2.0%)	**197,698**	197,697	**197,698**	197,697
Facility B – facility was increased to N$110 million (2023: N$85 million) and refinanced to expire 30 Jun 2026 (Dec 2024) during the year – loan bears variable interest at three-month JIBAR plus 2.0% (2023: three-month JIBAR plus 2.0%)	**46,278**	65,798	**46,278**	65,798

15 Borrowings (continued)

15.2 Interest-bearing borrowings (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
STANDARD BANK (CONTINUED)				
Facility C	**29,268**	29,268	**29,268**	29,268
– N$29.3 million loan facility was refinanced during the year (2023: N$29.3 million)				
– expire 31 May 2027 (2023: 30 Oct 2024)				
– loan bears variable interest at three-month JIBAR plus 2.0% (2023: three-month JIBAR plus 2.0%)				
UNSECURED				
Domestic Medium–Term Note Programme (DMTNP)	**248,500**	248,500	**248,500**	248,500
– Facility of N$500 million listed on the NSX				
– Bonds in issue expire 18 Nov 2025 (2023: 18 Nov 2025)				
– Bonds bear variable interest at three-month JIBAR plus 2.5% (2023: three-month JIBAR plus 2.5%)				
Total interest–bearing borrowings	**1,585,384**	1,242,536	**1,085,384**	1,242,536
Less: Classified as current liabilities	**198**	461,273	**198**	461,273
– ABSA Euro loan	**–**	136,273	**–**	136,273
– ABSA term loan 1	**–**	150,000	**–**	150,000
– RMB Namibia	**–**	100,000	**–**	100,000
– Nedbank: facility	**–**	75,000	**–**	75,000
– ABSA Rand loan	**198**	–	**198**	–
Total non-current portion of interest-bearing borrowings	**1,585,186**	781,263	**1,085,186**	781,263
Total non-current portion of interest-bearing borrowings, debentures and debenture premium	**2,499,893**	1,401,453	**2,005,075**	1,405,367

Refer to note 6 for details around the bonded properties per facility.

The following facilities were obtained or secured during the year:

- N$500 million RMB Bridge Facility Agreement which was converted to a Preference Share Agreement for a 4-year term at 3M JIBAR plus 1.39%.
- N$200 million ABSA Maerua Mall development loan, priced at Namibian Prime less 1%, which is to be converted to a term loan upon completion of each development phase, priced at one-month JIBAR plus 2%. Phase one of the development commenced during the year, which were funded from existing revolving credit facilities, and therefore no facility draw downs were made during the financial year.

The following facilities were refinanced during the year:

- N$197.7 million Standard Bank Facility A was refinanced on the same terms, expiring 31 May 2027 (2023: 7 Aug 2024)
- Standard Bank Facility B was refinanced and increased to N$110 million (2023: N$85 million) on the same terms, expiring 30 Jun 2026 (2023: Dec 2024)
- N$29.3 million Standard Bank Facility C was refinanced on the same terms, expiring 31 May 2027 (2023: 30 Oct 2024)
- €9.7 million ABSA facility was refinanced on the same terms, expiring 31 Aug 2026 (2023: 31 Aug 2023)
- N$130 million ABSA revolving credit facility was refinanced at one-month JIBAR plus 1.80% (2023: one-month JIBAR plus 2.0%), expiring 31 May 2027 (2023: 29 Feb 2024)
- N$150 million ABSA Term loan 1 was refinanced at one-month JIBAR plus 2.0% (2023: one-month JIBAR plus 2.1%), expiring 31 May 2029 (2023: 29 Feb 2024)

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

15 Borrowings (continued)

15.2 Interest-bearing borrowings (continued)

The following facilities were repaid or terminated during the year:

- N$75 million Nedbank Namibia loan, priced at three-month JIBAR plus 2.85%
- N$15 million Nedbank Namibia overdraft facility, priced at Namibian prime plus 3.5%
- N$100 million RMB term loan, priced at three-month JIBAR plus 2.98%

Covenants remained in place during the year and no covenants are in breach at year end. The key covenants measured are:

- LTV which was measured at 34.8% (2023: 35.0%) compared to financier limits ranging between 50% to 55%
- Group interest cover ratio of 2.3 times (2023: 2.5) (in accordance with the calculation per the Global Criteria for Rating Real Estate Investment Trusts and Other Commercial Property Companies), compared to limits ranging from 1.75 to 2.00, depending on the respective financier's definition of the ratios
- Vacancy rate of 4.2% (2023: 9.8%) for the ABSA bonded portfolio, compared to a limit of 10%, which is condoned to 20% until 30 September 2024

The Company's Articles of Association limit the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets, but due to covenants limiting the overall borrowing capacity to only 50%, this is used to determine the borrowing capacity.

	Group	
	2024 N$'000	2023 N$'000
Borrowing capacity (excluding debentures and debenture premium) up to gearing ratio of 50%	**2,302,373**	1,765,970
Less: Borrowings (excluding debentures)	**(1,585,384)**	(1,242,536)
Unutilised borrowing capacity	**716,989**	523,434
Unutilised funding facilities (excluding DMTNP)	**583,784**	609,305
Reconciliation of interest-bearing borrowings		
Balance at beginning of the year	**1,242,536**	1,196,458
Movement of interest-bearing borrowings	**350,747**	31,960
Non-cash movement: Foreign exchange adjustments	**(7,899)**	14,118
Balance at year end	**1,585,384**	1,242,536

16 Derivative liability

Group/Company	Maturity	Rate Fixed	Capped rate (if applicable)	Non-current liabilities N$'000	Current liabilities N$'000	Total N$'000
2024						
Interest rate swap agreements carried at fair value						
Notional value						
N$100 million	23-Feb-26	6.25%		–*	–*	–
N$250 million	09-Nov-26	8.12%		1,327	–*	1,327
N$170 million	25-May-25	5.02%	7.00%	–*	–*	–
N$100 million	20-Jun-25	6.81%		–*	–*	–
Balance at year end				1,327	–	1,327

* See note 25.

16 Derivative liability (continued)

Group/Company	Maturity	Rate Fixed	Capped rate (if applicable)	Non-current liabilities N$'000	Current liabilities N$'000	Total N$'000
2023						
Interest rate swap agreements carried at fair value						
Notional value						
N$100 million	23-Feb-26	6.25%	n/a	–*	–*	–
N$50 million	13-Oct-23	4.15%	n/a	–*	–*	–
N$170 million	25-May-25	5.02%	7.00%	–*	–*	–
N$50 million	25-May-24	4.68%	6.50%	–*	–*	–
N$100 million	20-Jun-25	6.81%	n/a	–*	–*	–
N$140 million	11-Jan-24	7.15%	n/a	–*	–*	–
Balance at year end				–	–	–

* See note 25.

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Reconciliation of interest rate swaps				
Balance at beginning of the year	–	1,896	–	1,896
Fair value adjustments	1,327	(1,896)	1,327	(1,896)
Balance at year end	1,327	–	1,327	–

Fair value adjustments on the interest rate swaps are recorded in profit and loss, but have no impact on unitholder distribution (note 28). The interest rate swaps are settled on a quarterly basis. The variable rate on the interest rate swaps is three-month JIBAR. The Group will settle the difference between the fixed and floating interest rate swaps on a net basis.

The fair value hierarchy is treated as level 2 as is reflected in note 35. The interest rate swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the various counterparties.

The following table indicates the periods in which the net undiscounted cash flows are expected to occur:

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Later than one year and not later than five years	1,327	–	1,327	–
Expected cash flow	1,327	–	1,327	–

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Deferred taxation asset				
Balance at beginning of the year	**–**	–	**–**	–
Deferred tax asset disclosed as part of deferred tax liability in the prior year	**(401)**	–	**(401)**	–
Deferred taxation asset on acquisition of Dunes Mall (Pty) Ltd	**(34,936)**	–	**–**	–
Deferred taxation charged to profit or loss for the year:				
– building allowance	**6,304**	–	**–**	–
– capital allowances	**(12)**	–	**–**	–
– assessed loss	**5,092**	–	**–**	–
– prepaid expenditure	**73**	–	**–**	–
– deferred income	**267**	–	**–**	–
– provisions	**(106)**	–	**–**	–
– doubtful debts	**244**	–	**–**	–
– investment property revaluations	**(1,382)**	–	**(1,382)**	–
– rental straight-line basis adjustment	**(1,780)**	–	**(231)**	–
– tenant installation costs	**290**	–	**(22)**	–
– deposits received	**(645)**	–	**–**	–
Balance at year end	**(26,992)**	–	**(2,036)**	–
Deferred taxation liability				
Balance at beginning of the year	**61,329**	57,817	**19,293**	15,213
Prior period adjustment	**(940)**	–	**–**	–
Reclassified deferred tax asset	**401**	–	**401**	–
Deferred taxation charged to profit or loss for the year:				
– building allowance	**16,178**	10,769	**2,822**	(2,682)
– capital allowances	**2,498**	1,943	**947**	634
– rental straight-line basis adjustment	**609**	(174)	**1,118**	6
– derivative liability	**(3,687)**	486	**(3,687)**	486
– assessed loss	**(20,999)**	(13,059)	**(13,160)**	3,135
– assessed loss not recognised	**10,289**	–	**–**	–
– tenant installation costs	**6,304**	240	**(30)**	(141)
– prepaid expenditure	**227**	(79)	**(8)**	(79)
– deferred income	**1,020**	(1,211)	**278**	(130)
– deposits received	**(304)**	(178)	**(99)**	(261)
– provisions	**(1,385)**	(1,896)	**417**	(507)
– doubtful debts	**761**	6,671	**447**	3,619
Balance at end of the year	**72,301**	61,329	**8,739**	19,293
Total balance at year end	**45,309**	61,329	**6,703**	19,293

17 Deferred taxation (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Comprising temporary differences relative to:				
– building allowances	**339,694**	254,221	**35,402**	32,344
– capital allowances	**3,597**	2,168	**1,805**	1,093
– investment property revaluations	**(2,433)**	(1,050)	**(2,433)**	(1,050)
– rental straight-line basis adjustment	**28,906**	24,081	**4,373**	3,486
– derivative liability	**1,942**	5,629	**1,942**	5,629
– tax losses	**(324,488)**	(216,111)	**(31,310)**	(18,150)
– tenant installation costs	**9,843**	3,271	**106**	158
– prepaid expenditure	**1,303**	966	**956**	964
– deferred income	**(2,192)**	(2,694)	**(652)**	(931)
– deposits received	**(4,070)**	(3,121)	**(1,278)**	(1,179)
– provisions	**(5,336)**	(3,845)	**(1,566)**	(1,983)
– doubtful debts	**(1,457)**	(2,186)	**(642)**	(1,088)
	45,309	61,329	**6,703**	19,293

At the reporting date, the Group has unused tax losses of N$1.014 billion (Company N$97.8 million (2023: N$59.7 million)) available for offset against future profits. No deferred tax asset has been recognised for subsidiaries with tax losses where the likelihood of future taxable profits is considered improbable.

18 Trade and other payables

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Financial liabilities at amortised cost:				
Trade payables	**30,260**	22,659	**12 817**	8,212
Tenant deposits	**12,743**	9,779	**4 018**	3,711
Other payables	**645**	4,117	**987**	416
Accruals	**41,681**	25,054	**17 595**	17,086
Non-financial liabilities:				
VAT	**–**	–	**594**	–
Leave accrual	**1,461**	1,178	**1 406**	1,179
LTI bonus accrual	**7,871**	4,532	**7 871**	4,532
	94,661	67,319	**45 288**	35,136

The trade payables comprise amounts outstanding to suppliers and ongoing costs. Other payables comprise amounts outstanding relating to employees tax and social security costs. The Group has cash management policies as in place to ensure that all amounts are paid within the credit time frame. The directors consider the carrying amount of trade payables approximating their fair value.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

19 Deferred income

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Rental received in advance	3	1,486	–	1,486

20 Investment income

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Interest received – cash and bank balances	2,137	214	1,655	212
Interest received – inter-Company loans	–	–	133,245	157,846
Interest received – derivatives	9,912	–	9,912	–
	12,049	214	144,812	158,058

Refer to note 8 for details regarding the interest charged on the inter-Company loans.

21.1 Other expenses

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Other expenses include the following:				
Directors' remuneration – Executive (note 36)	6,650	6,399	6,650	6,399
Directors' fees – Non-executive (note 36)	3,306	2,753	3,306	2,753
External auditors' remuneration:	2,486	2,112	2,102	2,078
– current year audit services	1,957	1,997	1,936	1,963
– tax services	35	96	35	96
– current year non-audit services	131	19	131	19
Internal auditors' remuneration:				
– current year	363	439	363	439
	363	439	363	439
Movement in expected credit loss (ECL) provision	(784)	(2,738)	2,290	3,677
Salaries and other employee benefits (excluding Executive Directors)	9,842	7,741	9,842	7,741
Dunes Mall purchase price adjustment**	17,214	–	17,214	–
Other	9,523	10,049	8,975	8,771
	48,600	26,755	50,742	31,858

** A purchase price adjustment was paid during the year which relates to the filling of vacancies by the seller of Dunes Mall (Pty) Ltd for the vacant gross lettable area within the centre.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000

21.2 Other income

Capital gain realised on settlement of headlease agreement	**32,711**	–	**32,714**	–
Other	**282**	–	**3,532**	–
	32,993	–	**36,246**	–

22 Finance costs

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
ABSA Group Limited	**41,618**	38,279	**41,618**	38,279
Bank Windhoek Limited	**–**	–	**–**	–
Domestic Medium-Term Note Programme	**26,997**	17,369	**26,997**	17,369
First National Bank Limited	**14,584**	9,169	**4,148**	9,170
Nedbank	**2,511**	6,055	**2,511**	6,055
Old Mutual Investment Group Namibia	**9,463**	7,812	**9,463**	7,812
Standard Bank	**28,137**	22,596	**28,137**	22,596
Less: Interest capitalised to investment property, as part of additions	**(1,060)**	(1,788)	**–**	(1,142)
Finance charges	**3,214**	2,992	**2,619**	2,991
Interest on lease liabilities (note 30)	**790**	219	**790**	219
RMB preference share	**31,337**	–	**–**	–
	157,591	102,703	**116,283**	103,349

The above finance costs are incurred on financial liabilities excluding debentures at amortised cost. Interest on debentures is separately disclosed in the statement of comprehensive income.

The interest capitalised during the year relates to the Maerua Park PricewaterhouseCoopers office construction, Maerua Mall development and the Goreangab Mall land acquisition. The interest capitalised during the prior year relates to the Checkers Gustav Voigts Centre upgrade and Erf 3519, Iscor Street. At year end, the total weighted average interest rate was 9.276% (2023: 8.92%). The variable interest rate was 9.80% (2023: 10.19%).

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

23 Taxation

There was no change to the statutory tax rate in Namibia for the current year. Tax for other jurisdictions (South Africa) is calculated at the rates prevailing in the respective jurisdiction.

Exempt income as per the tax rate reconciliation includes dividends received, capital profits on revaluation of listed investments and amortisation of debenture premium.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Namibian taxation				
Deferred tax – building allowance	**22,482**	13,815	**2,822**	364
Deferred tax – capital allowance	**2,486**	1,943	**947**	634
Deferred tax – rental straight-line basis adjustment	**(940)**	(118)	**1,118**	62
Deferred tax – derivative liability	**(3,687)**	486	**(3,687)**	486
Deferred tax – assessed loss	**(40,553)**	(13,059)	**(13,160)**	3,135
Deferred tax – tenant installation costs	**6,616**	262	**(30)**	(119)
Deferred tax – prepaid expenditure	**300**	(79)	**(8)**	(79)
Deferred tax – deferred income	**1,287**	(1,211)	**278**	(130)
Deferred tax – deposits received	**(949)**	(181)	**(99)**	(264)
Deferred tax – provisions	**(1,491)**	(1,896)	**417**	(507)
Deferred tax – doubtful debts	**1,005**	6,671	**447**	3,619
Deferred tax – acquisition of Dunes Mall (Pty) Ltd	**34,936**	–	**–**	–
Prior period adjustment	**(940)**	–	**–**	–
South African taxation				
Prior period adjustment	**–**	–	**–**	–
Deferred tax – revaluation of investment property	**(1,382)**	(3,046)	**(1,382)**	(3,046)
Deferred tax – rental straight–line basis adjustment	**(231)**	(56)	**(231)**	(56)
Deferred tax – tenant installation costs	**(22)**	(22)	**(22)**	(22)
Deferred tax – deposits received	**–**	3	**–**	3
Normal income taxation	**464**	1,034	**321**	1,011
	19,381	4,546	**(12,269)**	5,091
Tax losses available	**(1,014,025)**	(675,347)	**(97,844)**	(56,719)
Less: Applied to reduce deferred tax liability	**385,285**	290,336	**44,584**	43,674
Balance unutilised	**(628,740)**	(385,011)	**(53,260)**	(13,045)
Reconciliation of effective tax rate:	**%**	%	**%**	%
Namibian statutory rate				
Statutory rate	**32.0**	32.0	**32.0**	32.0
Capital gains	**(23.7)**	(20.2)	**(85.7)**	(10.3)
Exempt income	**(4.7)**	(12.2)	**(79.5)**	(21.2)
Disallowable expenditure	**0.8**	3.2	**76.7**	7.0
Prior year adjustment	**0.2**	–	**–**	–
	4.6	2.8	**(56.5)**	7.5
Reconciliation of effective tax rate for South African operations only:				
South African statutory rate	**27.0**	27.0	**27.0**	27.0
Capital gains	**(37.6)**	(7.4)	**(37.6)**	(7.4)
Exempt income	**(152.4)**	(29.4)	**(152.4)**	(29.4)
	(163.0)	(9.8)	**(163.0)**	(9.8)

Exempt income mainly relates to realised capital profits or losses on sale of properties (excluding South Africa), foreign exchange gains and straight-lining of rental income.

Disallowable expenditure mainly relates to impairment losses and foreign exchange losses.

24 Earnings per share

The weighted average number of issued linked units for the year ended 30 June 2024 is 111,742,650 (2023: 87,025,304) in issue at the end of the distribution period. This has been adjusted for the 608,140 (2023: 434,386) units held by the Oryx Long-Term Share Incentive Trust for the year. Earnings per share, earnings per linked unit, headline earnings per share and headline earnings per linked unit per share is calculated as follows:

	2024 N$'000	2023 N$'000	2024 cents per unit/share	2023 cents per unit/share
Group				
Profit for the year	397,381	158,511	355.62	182.14
Debenture interest	117,756	91,966	105.38	105.68
Earnings attributable to linked units	515,137	250,477	461.00	287.82
Adjusted for:				
Amortisation of debenture premium	(13,751)	(8,300)	(12.31)	(9.54)
Fair value gain associate investment property (net of deferred taxation)	(23,909)	(41,121)	(21.40)	(47.25)
Dunes Mall purchase price adjustment	17,214	–	15.41	–
Depreciation on furniture and equipment	690	–	0.62	–
Capital (profit)/loss	(375,211)	(99,919)	(335.78)	(114.82)
– Changes in fair value of investment property as per valuations	(341,048)	(99,745)	(305.21)	(114.62)
– Capital gain realised on cancellation of headlease agreement	(32,993)	–	(29.53)	–
– Deferred tax straight-line adjustments	(1,170)	(174)	(1.05)	(0.20)
– Rental straight-line adjustment to operating income	3,790	577	3.39	0.66
– Rental straight-line adjustment to revaluation	(3,790)	(577)	(3.39)	(0.66)
Headline earnings attributable to linked units	120,170	101,137	107.54	116.21
Debenture interest	(117,756)	(91,966)	(103.00)	(105.25)
Headline earnings attributable to shares	2,414	9,171	4.54	10.96
Distribution attributable to linked unitholders The undistributed income is based on the actual number of units of 114,325,868 (2023: 87,378,835) in issue at year end and is calculated as follows:				
Distribution attributable to linked unitholders				
Interest – interim distribution	58,878	47,403	51.50	54.25
– final distribution	58,878	44,563	51.50	51.00
	117,756	91,966	103.00	105.25

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

24 Earnings per share (continued)

	2024 N$'000	2023 N$'000	2024 cents per unit/share	2023 cents per unit/share
Group				
Headline earnings attributable to shares	2,414	9,171		
Debenture interest	117,756	91,966		
Distributable earnings	120,170	101,137	105.11	115.75
Adjusted for:				
– Dividends received from investment in associate	26,871	16,942	23.50	19.39
– Fair value gain associate investment property (net of deferred taxation)	23,909	41,121	20.91	47.06
– Deferred tax	23,775	3,200	20.80	3.66
– Share of profit from associate after tax	(38,328)	(53,464)	(33.53)	(61.19)
Capital losses not included in headline earnings	684	13,737	0.60	15.73
Unrealised capital loss on investment in listed shares	748	652	0.65	0.75
Deferred tax on swap fair value adjustments (note 24)	(3,687)	486	(3.22)	0.56
Fair value adjustment on financial instruments	11,522	(1,519)	10.08	(1.74)
Exchange differences on foreign loan	(7,899)	14,118	(6.91)	16.16
Adjusted distributable income	157,081	122,673	137.39	140.40
Interim distribution	(58,878)	(47,403)	(51.50)	(54.25)
Final distribution*	(58,878)	(44,563)	(51.50)	(51.00)
Undistributed income for the year and distributable reserves	39,325	30,707	34.39	35.15

* The comparative excludes the antecedent distribution of 50cpu totalling N$13.5 million.

Refer to note 28 for distributions made during the year.

25 Derivative asset

Group/Company	Maturity	Rate Fixed	Capped rate (if applicable)	Non-current assets N$'000	Current assets N$'000	Total N$'000
2024						
Interest rate swap agreements carried at fair value						
Notional value						
N$250 million	09-Nov-26	8.12%	n/a	–	59	59
N$100 million	23-Feb-26	6.25%	n/a	1,074	1,860	2,934
N$170 million	25-May-25	5.02%	7.00%	–	3,212	3,212
N$100 million	20-Jun-25	6.81%	n/a	–	1,190	1,190
Balance at year end				1,074	6,321	7,395

25 Derivative asset (continued)

Group/Company	Maturity	Rate Fixed	Capped rate (if applicable)	Non-current assets N$'000	Current assets N$'000	Total N$'000
2023						
Interest rate swap agreements carried at fair value						
Notional value						
N$50 million	13-Oct-23	4.15%	n/a	–	1,020	1,020
N$100 million	23-Feb-26	6.25%	n/a	3,342	2,153	5,495
N$50 million	25-May-24	4.68%	6.50%	–	877	877
N$170 million	25-May-25	5.02%	7.00%	2,765	3,235	6,000
N$140 million	11-Jan-24	7.15%	n/a	–	1,144	1,144
N$100 million	20-Jun-25	6.81%	n/a	1,317	1,737	3,054
Balance at year end				7,424	10,166	17,590

See note 16 for additional disclosure on derivatives.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Reconciliation of interest rate swap asset				
Balance at beginning of the year	**17,590**	17,966	**17,590**	17,966
Fair value adjustments	**(10,195)**	(376)	**(10,195)**	(376)
Balance at year end	**7,395**	17,590	**7,395**	17,590

Subsequent to year end, on 1 August 2024, a N$200 million capped collar option was entered with Standard Bank where the cap strike was set at 7.65%, the floor strike at 7.00% and the trigger at 8.00%. The option allows the Group to participate if interest rate cuts realise in the next three-year period. The option resulted in an increase to fixed to total interest bearing borrowings of 52%, subsequent to year end.

26 Operating lease arrangements

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
The future minimum lease commitments receivable under non-cancellable operating leases are as follows:				
Not later than one year	**327,475**	247,806	**93,826**	92,665
Later than one year and not later than five years	**791,519**	643,228	**192,969**	206,848
Later than five years	**69,140**	73,644	**33,238**	34,809
	1,188,134	964,678	**320,033**	334,322

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

26 Operating lease arrangements (continued)

The Group conducts its rental activities of its investment properties in Namibia and South Africa under operating leases. Contractual rental income earned during the year amounted to N$455 million (2023: N$357 million) for the Group and N$118 million (2023: N$116 million) for the Company. The properties were managed mainly by Oryx, with the exception of the South African and residential portfolios, which are managed by externally contracted management agents. The costs incurred to independent real estate managers amounted to N$1,332,390 (2023: N$1,342,000).

All of the properties held have a weighted average lease period of 2.9 years (2023: 2.6 years). All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have the option to purchase the property at the end of the lease period.

27 Reconciliation of net income before tax to cash

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
GENERATED FROM OPERATING ACTIVITIES				
Profit before taxation	416,762	163,057	18,484	85,385
Adjustments:	(143,940)	22,687	149,790	111,139
Fair value adjustment to investment property	(341,048)	(99,745)	(17,281)	(29,411)
Fair value adjustment to hedging instruments	11,522	(1,519)	11,522	(1,519)
Fair value adjustment to listed investment	748	652	–	–
Investment income	(12,049)	(214)	(11,567)	(212)
Other income	(27,042)	–	(36,246)	–
Finance costs	168,502	106,543	117,962	106,543
Distributions to linked unitholders	117,756	91,966	118,377	92,365
Straight-line adjustment to revenue	3,790	577	(2,640)	13
Straight-line adjustment to investment property	(3,790)	(577)	3,123	(466)
Exchange differences on loans	(7,899)	14,118	(7,899)	14,118
Share of profit from associate after tax	(38,328)	(53,464)	(38,328)	(53,464)
Impairment loss on investment in subsidiaries	–	–	27,893	6,148
Allowance for doubtful debts	(3,041)	(27,795)	(1,863)	(15,079)
Amortisation of debenture premium	(13,751)	(8,300)	(13,751)	(8,300)
Depreciation	690	445	488	403
Working capital changes:	(2,698)	49,807	(970)	33,183
Movement in trade and other receivables	(8,033)	25,814	6,020	13,556
Movement in deferred expenditure	(20,524)	(740)	176	454
Movement in trade and other payables	25,859	24,733	8,662	5,725
Movement in subsidiary operating balances	–	–	(15,828)	13,448
	270,124	235,551	167,304	229,707

28 Distribution paid to linked unitholders

During 2021, unitholders approved the reduction in the minimum pay-out ratio from 90% to 75% until the 2025 financial year. During the 2024 financial year, unitholders approved to extend the reduction in the pay-out for a further three-year period (2025, 2026 and 2027 financial year), after which the minimum pay-out ratio will revert to 90%. Refer to note 3.14 for the accounting policy. The distributable income generated in the year and which remained unpaid at year end was recognised as a liability at year end.

28 Distribution paid to linked unitholders (continued)

	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
Debenture interest paid is reconciled as follows:				
Amounts unpaid at beginning of the year	**(58,789)**	(50,636)	**(58,789)**	(50,636)
Amounts charged to the income statement	**(117,756)**	(91,966)	**(118,377)**	(92,365)
Antecedent interest capitalised during the year	**13,474**	(13,474)	**13,474**	(13,474)
Amounts unpaid at year end	**60,103**	58,789	**60,103**	58,789
	(102,968)	(97,287)	**(103,589)**	(97,686)

Antecedent interest of 50cpu (N$13.5m) was declared to all units issued subsequent to the 2023 year-end, and was deducted from debenture premium.

29 Taxation received/ (paid)

	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
Amounts due at beginning of the year	**2,478**	2,461	**2,466**	2,454
Taxation charge to the income statement	**(464)**	(1,034)	**(321)**	(1,011)
Amounts due at year end	**75**	(2,478)	**85**	(2,466)
	2,089	(1,051)	**2,230**	(1,023)

30 Leases

	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
Set out below are the carrying amounts of lease liabilities and the movements during the period:				
As at 1 July	**7,672**	–	**7,672**	–
Properties held under lease	**–**	7,801	**–**	7,801
Interest charged for the period	**790**		**790**	
Payments	**(797)**	(129)	**(797)**	(129)
	7,665	7,672	**7,665**	7,672
Current	**798**	729	**798**	729
Non-current	**6,867**	6,943	**6,867**	6,943
Interest expense on lease liabilities (note 22)	**790**	219	**790**	219
Expense relating to leases of low-value assets (included in other expenses)	**136**	116	**136**	116

Lease liabilities

	Group 2024 N$'000	Group 2023 N$'000	Company 2024 N$'000	Company 2023 N$'000
The maturity analysis of lease liabilities is as follows:				
Less than 3 months	**198**	199	**198**	199
Between 3 months and a year	**593**	598	**593**	598
Between 1 and 5 years	**3,160**	3,988	**3,160**	3,988
After 5 years	**52,135**	60,415	**52,135**	60,415
	56,086	65,200	**56,086**	65,200
Less finance charges component	**(48,421)**	(57,528)	**(48,421)**	(57,528)
	7,665	7,672	**7,665**	7,672

During the 2023 financial year, a Notarial Agreement was finalised for the purchase of the lease to Erf 8317 in Windhoek, measuring 32,926 hectares. The purchase was valued at N$6 million.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

31 Segment information

31.1 Information on reportable segments

	Total N$'000	Residential N$'000	Retail N$'000	Industrial N$'000	Offices N$'000	Fund N$'000
Group						
2024						
Statement of comprehensive income						
Revenue						
– Rental – operating income	455,039	12,186	321,145	81,090	40,618	–
– Rental – straight-line adjustment	(3,790)	(2)	(5,944)	(165)	2,321	–
Property expenses	(148,128)	(4,889)	(116,323)	(16,931)	(9,985)	–
Net rental income	303,121	7,295	198,878	63,994	32,954	–
Share of profit from associate after tax	38,328	–	–	–	–	38,328
Investment income	12,049	–	478	325	–	11,246
Amortisation of debenture premium	13,751	–	–	–	–	13,751
Other income	32,993	–	(3,225)	–	–	36,218
Changes in fair value of investment property	344,838	4,383	301,050	22,837	16,085	483
Changes in fair value of derivative instruments	(11,522)	–	–	–	–	(11,522)
Exchange differences on foreign loan	7,899	–	–	–	–	7,89
Changes in fair value of listed investments	(748)	–	–	–	–	(748)
Other expenses	(48,600)	65	(152)	(127)	67	(48,453)
Operating profit before finance costs and debenture interest	692,109	11,743	497,029	87,029,	49,106	37,290
Less: Finance costs	(157,591)	–	(41,308)	(12)	–	(116,271)
Operating profit/(loss) before debenture interest	534,518	11,743	455,721	87,017	49,106	(69,069)
Debenture interest	(117,756)	–	–	–	–	(117,756)
Profit/(loss) before taxation	416,762	11,743	455,721	87,017	49,106	(186,825)
Taxation	(19,381)	549	(32,211)	1,094	(743)	11,930
Profit/(loss) for the year	397,381	12,292	423,510	88,111	48,363	(174,895)
Other comprehensive income	(12,587)	–	–	–	–	(12,587)
Total comprehensive income/(loss) for the year	384,794	12,292	423,510	88,111	48,363	(187,482)
Statement of financial position						
Properties – at valuation	4,167,445	139,855	2,959,840	728,400	339,350	–
Properties – straight-line adjustment	(90,573)	–	(77,695)	(8,655)	(1,543)	(2,680)
Other assets	527,873	1,162	151,392	13,399	71	361,850
Total assets	4,604,745	141,016	3,033,537	733,144	337,878	359,170
Total liabilities	(2,747,064)	(5,658)	(598,044)	(14,190)	(5,183)	(2,123,989)
Improvements and acquisitions	731,345	284	694,973	32,604	3,484	–

31 Segment information (continued)

31.1 Information on reportable segments (continued)

	Total N$'000	Residential N$'000	Retail N$'000	Industrial N$'000	Offices N$'000	Fund N$'000
Group						
2023						
Statement of comprehensive income						
Revenue						
– Rental – operating income	356,907	11,458,	229,097	79,562	36,790	–
– Rental – straight-line adjustment	(577)	(1)	(71)	448	(953)	–
Property expenses	(120,898)	(4,886)	(89,048)	(18,110)	(8,854)	–
Net rental income	235,432	6,571	139,978	61,900	26,983	–
Share of profit from associate after tax	53,464					53,464
Investment income	214					214
Amortisation of debenture premium	8,300					8,300
Changes in fair value of investment property	100,322	4,061	84,517	8,882	3,315	(453)
Changes in fair value of derivative instruments	1,519					1,519
Exchange differences on foreign loan	(14,118)					(14,118)
Changes in fair value of listed investments	(652)					(652)
Other expenses	(26,755)	123	3,660	(564)	(714)	(29,260)
Operating profit before finance costs and debenture interest	357,726	10,755	228,155	70,218	29,584	19,014
Finance costs	(102,703)		646	993		(104,342)
Operating profit/(loss) before debenture interest	255,023	10,755	228,801	71,211	29,584	(85,328)
Debenture interest	(91,966)					(91,966)
Profit/(loss) before taxation	163,057	10,755	228,801	71,211	29,584	(177,294)
Taxation	(4,546)	87	324	1,900	305	(7,162)
Profit/(loss) for the year	158,511	10,842	229,125	73,111	29,889	(184,456)
Other comprehensive income	32,412					32,412
Total comprehensive income/(loss) for the year	190,923	10,842	229,125	73,111	29,889	(152,044)
Statement of financial position						
Properties – at valuation	3,095,052	135,190	1,969,761	672,641	317,460	–
Properties – straight-line adjustment	(75,628)	(2)	(64,905)	(8,336)	778	(3,163)
Other assets	512,516	957	79,184	15,281	(3,160)	420,254
Total assets	3,531,940	136,145	1,984,040	679,586	315,078	417,091
Total liabilities	(2,059,321)	(6,161)	(62,854)	(13,053)	(5,826)	(1,971,427)
Improvements and acquisition	72,176	129	38,434	33,155	458	–

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

31 Segment information (continued)

31.2 Geographical information

The Group's revenue from tenants and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	Namibian N$'000	Non-Namibian N$'000	Total N$'000
Group			
2024			
Total revenue	440 436	10,813	451,249
Property expenses	(146,003)	(2,125)	(148,128)
Share of profit from associate after tax	–	38,328	38,328
Profit for the year	350,758	46,623	397,381
Other information			
Properties at fair value	4,127,445	40,000	4,167,445
Investment in associate		318,257	318,257
Sectoral spread	99%	1%	100%
Total assets	4,244,212	360,533	4,604,745
Total liabilities	2,611,761	135,303	2,747,064

	Namibian N$'000	Non-Namibian N$'000	Total N$'000
Group			
2023			
Total revenue	345,642	10,688	356,330
Property expenses	(118,833)	(2,065)	(120,898)
Share of profit from associate after tax	–	53,464	53,464
Profit for the year	127,331	31,180	158,511
Other information			
Properties at fair value	3,048,652	46,400	3 095,052
Investment in associate		359,046	359,046
Sectoral spread	98%	2%	100%
Total assets	3,119,455	412,485	3,531,940
Total liabilities	1,923,052	136,269	2,059,321

32 Guarantees

A demand guarantee of N$241,635 (2023: N$nil) in favour of the Windhoek Municipal Council is in place with Bank Windhoek for the Maerua Mall Development Project.

33 Statement of financial position

33.1 Categories of financial instruments

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Group						
2024						
ASSETS						
Investment properties	6	–	–	–	4,076,872	4,076,872
Furniture and equipment	7	–	–	–	1,040	1,040
Deferred expenditure	10.1	–	–	–	30,773	30,773
Rental receivable straight-line adjustment	13	–	–	–	90,573	90,573
Trade and other receivables	10.2	–	28,256	–	8,425	36,681
Investment in associate	9	–	–	–	318,257	318,257
Deferred taxation asset	17	–	–	–	26,992	26,992
Derivative asset	25	7,395	–	–	–	7,395
Cash and cash equivalents	10.3	–	16,162	–	–	16,162
Total assets		7,395	44,418	–	4,552,932	4,604,745
LIABILITIES						
Debentures	15.1	–	(510,270)	–	–	(510,270)
Debenture premium	15.1	–	(404,437)	–	–	(404,437)
Interest-bearing borrowings	15.2	–	(1,585,384)	–	–	(1 585,384)
Derivative liability	16	(1,327)	–	–	–	(1,327)
Deferred taxation liability	17	–	–	–	(72,301)	(72,301)
Trade and other payables	18	–	(85,329)	–	(9,332)	(94,661)
Taxation payable	29	–	–	–	(75)	(75)
Cash and cash equivalents	10.3		(10,838)			(10,838)
Lease liability	30	–	–	(7,665)	–	(7,665)
Deferred income	19	–	–		(3)	(3)
Linked unitholders for distribution	28	–	(60,103)	–	–	(60,103)
Total liabilities		(1,327)	(2,656,361)	(7,665)	(81,711)	(2,747,064)

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

33 Statement of financial position (continued)

33.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Group						
2023						
ASSETS						
Investment properties	6	–	–	–	3,019,424	3,019,424
Furniture and equipment	7	–	–	–	625	625
Deferred expenditure	10.1	–	–	–	10,249	10,249
Rental receivable straight-line adjustment	13	–	–	–	75,628	75,628
Trade and other receivables	10.2	–	19,482	–	6,125	25,607
Investment in associate	9	–	–	–	359,046	359,046
Taxation receivable	29	–	–	–	2,478	2,478
Derivative asset	25	17,590	–	–	–	17,590
Cash and cash equivalents	10.3	–	17,033	–	–	17,033
Dividend receivable	9	–	–	–	4,260	4,260
Total assets		17,590	36,515	–	3,477,835	3,531,940
LIABILITIES						
Debentures	15.1	–	(390,057)	–	–	(390,057)
Debenture premium	15.1	–	(230,133)	–	–	(230,133)
Interest-bearing borrowings	15.2	–	(1 242,536)	–	–	(1,242,536)
Derivative liability	16	–	–	–	–	–
Deferred taxation	17	–	–	–	(61,329)	(61,329)
Trade and other payables	18	–	(61,609)	–	(5,710)	(67,319)
Lease liability	30	–	–	(7,672)	–	(7,672)
Deferred income	19	–	–		(1,486)	(1,486)
Linked unitholders for distribution	28	–	(58,789)	–	–	(58,789)
Total liabilities		–	(1,983,124)	(7,672)	(68,525)	(2,059,321)

33 Statement of financial position (continued)

33.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Company						
2024						
ASSETS						
Investment properties	6	–	–	–	747,370	747,370
Furniture and equipment	7	–	–	–	898	898
Interest in subsidiaries	8	–	1,679,315	–	–	1,679,315
Deferred expenditure	10.1	–	–	–	343	343
Rental receivable straight-line adjustment	13	–	–	–	13,908	13,908
Deferred taxation asset	17			–	2,036	2,036
Investment in associate	9	–	–	–	318,257	318,257
Trade and other receivables	10.2	–	5,098	–	3,042	8,140
Derivative asset	25	7,395	–	–	–	7,395
Cash and cash equivalents	10.3	–	9,128	–	–	9,128
Total assets		7,395	1,693,541	–	1,085,854	2,786,790
LIABILITIES						
Debentures	15.1	–	(513,323)	–	–	(513,323)
Debenture premium	15.1	–	(406,566)	–	–	(406,566)
Interest-bearing borrowings	15.2	–	(1,085,384)	–	–	(1,085,384)
Derivative liability	16	(1,327)	–	–	–	(1,327)
Deferred taxation	17	–	–	–	(8,739)	(8,739)
Trade and other payables	18	–	(35,417)	–	(9,871)	(45,288)
Lease liability	30	–	–	(7,665)		(7,665)
Cash and cash equivalents	10.3	–	–	–	(10,838)	(10,838)
Linked unitholders for distribution	28	–	(60,103)	–	–	(60,103)
Taxation payable	29	–	–	–	(85)	(85)
Total liabilities		(1,327)	(2,100,793)	(7,665)	(29,533)	(2,139,318)

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

33 Statement of financial position (continued)

33.1 Categories of financial instruments (continued)

	Notes	At FVTPL N$'000	Financial assets/ (liabilities) at amortised cost N$'000	Lease liabilities N$'000	Non-financial instruments N$'000	Total N$'000
Company						
2023						
ASSETS						
Investment properties	6	–	–	–	727,852	727,852
Furniture and equipment	7	–	–	–	564	564
Interest in subsidiaries	8	–	1,474,075	–	–	1,474,075
Deferred expenditure	10.1	–	–	–	519	519
Rental receivable straight-line adjustment	13	–	–	–	11,268	11,268
Investment in associate	9	–	–	–	359,046	359,046
Trade and other receivables	10.2	–	7,469	–	4,828	12,297
Taxation receivable	29	–	–	–	2,466	2,466
Derivative asset	25	17,590	–	–	–	17,590
Cash and cash equivalents	10.3	–	8,116	–	–	8,116
Dividend receivable	9	–	4,260	–	–	4,260
Total assets		17,590	1,493,920	–	1,106,543	2,618,053
LIABILITIES						
Debentures	15.1	–	(392,330)	–	–	(392,330)
Debenture premium	15.1	–	(231,774)	–	–	(231,774)
Interest-bearing borrowings	15.2	–	(1,242,536)	–	–	(1,242,536)
Derivative liability	16	–	–	–	–	–
Deferred taxation	17	–	–	–	(19,293)	(19,293)
Trade and other payables	18	–	(29,425)	–	(5,711)	(35,136)
Deferred income	19	–	–	–	(1,486)	(1,486)
Linked unitholders for distribution	28	–	(58,789)	–	–	(58,789)
Total liabilities		–	(1,954,854)	(7,672)	(26,490)	(1,989,016)

34 Financial risk management

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, trade and other receivables, trade and other payables, debentures and linked unitholders for distribution. In the normal course of its operations, the Group is inter alia exposed to capital, foreign currency, credit, liquidity and market risk. The Risk, Audit and Compliance Committee is responsible for managing financial risk. In order to manage and minimise these risks, the Group may enter into transactions that make use of derivatives.

The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Risk, Audit and Compliance Committee on a continuous basis. The Group does not speculate on or engage in the trading of derivative instruments.

34 Financial risk management (continued)

34.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to unitholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as disclosed in note 15.2 after deducting cash and bank balances) and equity of the Group. Equity comprises debentures and share capital due to the Group being a property loan stock company and therefore issues linked units.

The Group has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analyses of forecasts, that the Group's capital is managed. The Group has specifically adopted the following capital management policies:

- Maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary
- Maintenance of an appropriate level of liquidity at all times

The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts and any strategic initiatives.

The Group has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analyses and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined.

The Group continuously assesses the need for additional funding through loans. Refer to note 15.2 where the available and new facilities entered into during the year are noted.

As at 30 June 2024, the SA REIT LTV was 34.8% (2023: 35.0%). During the 2022 financial year, the Board approved the increase to the internal gearing limit from 40% to 45%, in order to pursue growth opportunities. No externally imposed limit below 50% exists. The gearing ratio at 30 June 2024 is well within limits.

34.2 Credit risk management

Credit risk is the risk of loss associated with a counterparty's failure or inability to fulfil its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Management monitors the financial position of its tenants on an ongoing basis. The Group does not have significant credit risk exposure to a single tenant. The largest tenant makes up 10% of the operating income, which is in the hospitality industry. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

ECLs

Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to lifetime ECL. In determining the ECLs for these assets, the directors of the Group have taken into account the historical default experience and the financial position of the counterparties.

During previous financial years since the COVID-19 pandemic, the directors considered it necessary to factor in an additional ECL rate within the provision for doubtful debt matrix. The ECL was reviewed and assessed during the current financial year, and the provision for doubtful debt matrix was revised to exclude the impact that the COVID-19 pandemic had on the Group, based on the assessment which indicated the additional ECL rate no longer being relevant. Refer to note 10.2 for further disclosure.

Management has assessed the recoverability of each financial asset, excluding trade receivables, based on historical default experience. An impairment loss was recognised for the investment in certain subsidiaries. Refer to note 8 for details regarding the impairment.

The Group's financial assets that are potentially subject to credit risk include cash resources. The credit risk attached to the Group's cash resources is minimised by its cash resources only being placed with reputable financial institutions, as well as by keeping cash on hand to a relatively low level. The credit risk relating to the subsidiary loans is regarded as insignificant due to the Group structure and loan terms.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

34 Financial risk management (continued)

34.2 Credit risk management (continued)

ECLs (continued)

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Total credit exposure				
Interest in subsidiaries (excluding shares) (note 8)	**–**	–	**1,621,310**	1,416,069
Trade receivables (less impairment) (note 10.2)	**36,681**	25,607	**8,140**	12,297
Cash and cash equivalents (note 10.3)	**5,324**	17,033	**(1,710)**	8,116
	42,005	42,640	**1,627,740**	1,436,482

The total credit exposure relates to cash resources and trade and other receivables. Although the Group does not perceive a credit risk relating to cash resources, the exposure to a single counterparty with respect to tenant receivables could be a potential for risk. The top 10 tenants that contribute 47.5% (2023: 49.9%) of rental income are: Avani Hotel, Checkers, CIC, Pep, Metje & Ziegler Motors, Action Ford, Mr Price Group, Foschini, Methealth and Edgars.

Cash and cash equivalents	Short term	Long term	Outlook	Credit rating agency
Bank Windhoek Limited	A1+(NA)	AA(NA)	Stable	Global

Management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

34.3 Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate movements impact on the value of the Group's short-term cash investments, interest-bearing borrowings, accounts receivable and payable. The exposure to interest rate risk is managed through monitoring cash flows, investing surplus cash at negotiated rates and fixing interest rates on borrowings when appropriate, which enables the Group to maximise returns while minimising risks. Economic activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. 39% (2023: 49%) of interest-bearing borrowings have a fixed interest rate. Refer to notes 16 and 25 for more detail on the interest rate swaps.

The Group is exposed to interest rate fluctuations as not all the debt is fixed at year end.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. The below table illustrates the potential impact that a 1% change in interest rates could have on the profit before debenture interest and equity, assuming the full balance at reporting date attracts interest.

34 Financial risk management (continued)

34.3 Market risk (continued)

Interest rate sensitivity analysis (continued)

	Notes	Group Balance at reporting date N$'000	Group 1% interest impact N$'000	Company Balance at reporting date N$'000	Company 1% interest impact N$'000
2024					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	**1,621,310**	16,213
Derivative assets	25	**1,074**	(2,695)	**1,074**	(2,695)
Current assets					
Trade and other receivables	10.2	**17,617**	176	**5,031**	50
Derivative assets	25	**6,321**	(15,863)	**6,321**	(15,863)
Cash and cash equivalents	10.3	**16,162**	162	**9,128**	91
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	15.2	**(1,585,186)**	(15,852)	**(1,085,186)**	(10,852)
Lease liability	30	**(6,867)**	(69)	**(6,867)**	(69)
Current liabilities					
Interest-bearing borrowings	15.2	**(198)**	(2)	**(198)**	(2)
Lease liability	30	**(798)**	(8)	**(798)**	(8)
		(1,553,202)	(30,821)	**548,488**	(9,805)
2023					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	–	–	**1,416,069**	14,161
Derivative assets	25	**7,424**	(2,861)	**7,424**	(2,861)
Current assets					
Trade and other receivables	10.2	**16,159**	162	**7,169**	72
Derivative assets	25	**10,166**	(3,917)	**10,166**	(3,917)
Cash and cash equivalents	10.3	**17,033**	170	**8,116**	81
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	15.2	**(781,263)**	(7,813)	**(781,263)**	(7,813)
Derivative liability	16	**(6,943)**	(69)	**(6,943)**	(69)
Current liabilities					
Interest-bearing borrowings	15.2	**(461,273)**	(4,613)	**(461,273)**	(4,613)
Derivative liability	16	**(729)**	(7)	**(729)**	(7)
		(1,199,426)	(18,948)	**198,736**	(4,966)

The Group's sensitivity to interest rates has decreased during the current year, mainly due to the decrease in fair value of the derivative assets which offers protection against interest rate risks.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

34 Financial risk management (continued)

34.4 Liquidity risk management

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group proactively manages its liquidity risk by regularly assessing working capital requirements and monitoring cash flows, while ensuring surplus cash is invested in a manner to achieve maximum returns.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the actual settlement amounts of financial liabilities based on the earliest date on which the Group can be required to pay.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Less than three months				
– Trade and other payables	**85,329**	61,609	**35,417**	29,425
– Interest-bearing borrowings	**–**	311,273	**–**	311,273
– Distributions payable	**60,103**	58,789	**60,103**	58,789
– Interest payable*	**26,040**	20,368	**17,923**	20,368
– Interest payable on lease liability	**198**	199	**198**	199
Between three months and one year				
– Interest payable*	**125,079**	77,067	**84,496**	77,067
– Interest-bearing borrowings	**–**	150,000	**–**	150,000
– Interest payable on lease liability	**593**	598	**593**	598
Between one and five years				
– Interest-bearing borrowings	**1,585,186**	781,263	**1,085,186**	781,263
– Interest payable*	**250,615**	79,364	**149,212**	79,364
– Interest payable on lease liability	**3,160**	3,986	**3,160**	3,986
After five years				
– Debentures	**510,270**	390,057	**513,323**	392,330
– Interest payable on lease liability	**52,135**	52,745	**52,135**	52,745
	2,698,708	1,987,318	**2,001,746**	1 957,407

* Includes payments of fixed interest rates inherent in the swap agreements.

Total available unutilised facilities, excluding the DMTNP of N$251.5 million (June 2023: N$251.5 million), unutilised foreign facilities, N$200 million Maerua development loan and cash balances, amounted to N$384 million (June 2023: N$409 million) at year end. The unutilised foreign facilities amounted to €2.9 million (2023: €3.0 million) at year end.

34 Financial risk management (continued)

34.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved parameters. The Group settles its Euro interest from the dividends received in Euro currency. The Group takes out forward covers on dividends received from time to time, to ensure for appropriate cover over the payments when required to unitholders on a bi-annual basis.

The carrying amounts of the Group's foreign currency denominated assets and liabilities at the end of reporting period are as follows:

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Non-current assets				
Investment in associate	**318,257**	359,046	**318,257**	359,046
Interest-bearing borrowings	**(134,638)**	(136,273)	**(134,638)**	(136,273)

The Group is mainly exposed to the Euro relating to the assets and liabilities disclosed above.

The following table details the Group's sensitivity to a 5% weakening of the Namibian Dollar against the Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where currency units strengthen 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Group		Company	
	2024 N$'000	2023 N$'000	**2024 N$'000**	2023 N$'000
Profit on financial assets recorded in other comprehensive income	**15,913**	17,952	**15,913**	17,952
Loss on financial liabilities	**(6,732)**	(6,814)	**(6,732)**	(6,814)
Net impact on other comprehensive income	**9,181**	11,138	**9,181**	11,138

Refer to the accounting policy note that details the exchange rate used for the recording of the foreign currency.

35 Fair value hierarchy

An entity is required in terms of IFRS 13 to disclose for each class of asset or liability that is carried at fair value, the level into which the fair value measurement will be classified in the fair value hierarchy.

The fair value hierarchy quantifies the significance and nature of the inputs that were used in measuring the fair value of each class of asset or liability. The lowest level input used that is significant to the fair value measurement will determine the level into which it is categorised.

The table below provides an analysis of assets or liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly or indirectly
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

Refer to note 6 for the investment properties reconciliation and note 16 for the derivative liability reconciliation.

	Notes	Level 1 N$'000	Level 2 N$'000	Level 3 N$'000	Designated at fair value N$'000
Group					
2024					
ASSETS					
Investment properties – at valuation	6	–	–	**4,167,445**	**4,167,445**
Derivative asset	25	–	**7,395**	–	**7,395**
		–	**7,395**	**4,167,445**	**4,174,840**
LIABILITIES					
Derivative liability	16	–	**(1 327)**	–	**(1,327)**
2023					
ASSETS					
Investment properties – at valuation	6	–	–	3,095,052	3,095,052
Derivative asset	25	–	17,590	–	17,590
		–	17,590	3,095,052	3,112,642
Company					
2024					
ASSETS					
Investment properties – at valuation	6	–	–	**758,597**	**758,597**
Derivative asset	25	–	**7,395**	–	**7,395**
		–	**7,395**	**758,597**	**765,992**
LIABILITIES					
Derivative liability	16	–	**(1,327)**	–	**(1,327)**
2023					
ASSETS					
Investment properties – at valuation	6	–	–	735,956	735,956
Derivative asset	25	–	17,590	–	17,590
		–	17,590	735,956	753,546

There were no transfers between levels 1, 2 or 3 during the year.

35 Fair value hierarchy (continued)

Level 1 asset or liability – valuation technique

The fair value of these assets or liabilities is based on quoted market prices, industry bank or pricing service.

Level 2 asset or liability – valuation technique

Liabilities	Valuation technique	Key inputs
Derivative liability	Discounted cash flow model	Discount rates

Level 3 asset or liability – valuation technique

Assets	Valuation technique	Key inputs
Investment properties – at valuation	Discounted cash flow model	Discount rates, capitalisation rates, market rental growth, vacancy rates
	Reversionary rate method	Capitalisation rates, reversionary capitalisation rates, market rental growth, vacancy rates
	Perpetuity method	Capitalisation rates
	Direct comparable sales	Sales in the relevant market

An appropriate valuation technique for estimating the fair value of a particular asset or liability would incorporate observable market data about the market conditions and other factors that are likely to affect the instrument's fair value. Inputs are selected on a basis that is consistent with the characteristics of the instrument that market participants would take into account in a transaction for that instrument. Principal inputs to valuation techniques applied by the Group include, but are not limited to, the following:

Discount rate: Where discounted cash flow techniques are used, estimates, reversionary capitalisation rates and discount rates used are market-related at the reporting date for instruments with similar terms and conditions

The carrying amount is considered to approximate the fair value of investment properties. The value consists of market rentals less impairment for bad debts and interest on late receipts from tenants as quoted per contract.

35 Fair value hierarchy (continued)

Level 3 asset or liability – valuation technique (continued)

Sensitivity analysis

Various market conditions may affect the assumptions applied to the key inputs to the valuation model. A 0.25% increase or decrease to the key inputs was considered an appropriate significant change to the sensitivity analysis. The estimated impact of a change in the following significant unobservable inputs would result in a change in the valuation as follows:

	Group			
	2024			
	Average capitalisation rate	Average pretax discount rate	Average rental growth	Average vacancy rate
Portfolio value				
0.25% increase	3,970,693,640	4,008,983,579	4,295,023,158	4,071,749,737
0.25% decrease	4,196,070,023	4,154,141,646	3,885,973,333	4,088,794,263
Change in value				
0.25% increase	(109,578,360)	(71,288,421)	214,751,158	(8,522,263)
0.25% decrease	115,798,023	73,869,646	(194,298,667)	8,522,263

	2023			
	Average capitalisation rate	Average pretax discount rate	Average rental growth	Average vacancy rate
Portfolio value				
0.25% increase	2,995,930,797	3,024,682,487	3,240,385,263	3,071,776,218
0.25% decrease	3,165,466,089	3,133,989,547	2,931,777,143	3,084,955,782
Change in value				
0.25% increase	(82 435 203)	(53,683,513)	162 019 263	(6,589,782)
0.25% decrease	87 100 089	55,623,547	(146 588 857)	6,589,782

35 Fair value hierarchy (continued)

Level 3 asset or liability – valuation technique (continued)

Sensitivity analysis (continued)

	Company			
	2024			
	Average capitalisation rate	Average pretax discount rate	Average rental growth	Average vacancy rate
Portfolio value				
0.25% increase	**738,367,747**	**745,517,741**	**821,105,483**	**756,326,638**
0.25% decrease	**779,965,930**	**772,143,375**	**704,932,448**	**760,867,362**
Change in value				
0.25% increase	**(20,229,253)**	**(13,079,259)**	**62,508,483**	**(2,270,362)**
0.25% decrease	**21,368,930**	**13,546,375**	**(53,664,552)**	**2,270,362**

	2023			
	Average capitalisation rate	Average pretax discount rate	Average rental growth	Average vacancy rate
Portfolio value				
0.25% increase	716,631,116	723,285,308	774,690,526	733,559,383
0.25% decrease	756,352,009	749,078,544	700,910,476	738,352,617
Change in value				
0.25% increase	(19,324,884)	(12,670,692)	38,734,526	(2,396,617)
0.25% decrease	20,396,009	13,122,544	(35,045,524)	2,396,617

The time value of money: The business may use well-accepted and readily observable general interest rates or an appropriate swap rate as the benchmark rate to derive the present value of a future cash flow.

Notes to the consolidated and separate Annual Financial Statements (continued)

For the year ended 30 June 2024

36 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

		Group		Company	
		2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
PARTY CONCERNED	**TRANSACTION**				
Key management personnel	– Executive remuneration	4,314	4,042	4,314	4,042
	– Short-Term Incentive bonus	1,078	1,010	1,078	1,010
	– Long-Term Incentive bonus	1,258	1,347	1,258	1,347
	– Expense re-imbursements	76	71	76	71
Directors' fees	– Non-executive	3,306	2,753	3,306	2,753
Subsidiary companies	– Inter-Company interest received	–	–	133,245	157,846
TPF International	– Dividends received from investment in associate	26,871	12,682	26,871	12,682
Non-executive Director: Mr MH Muller	– Expense re-imbursement	22	33	22	33
Non-executive Director: Ms A Angula	– Rental operating income	172	31	172	31

Refer to the directors' report for detail regarding remuneration of directors which is determined by the Board.

Refer to note 12 for the disclosure around the LTI bonus allocated during the year as well as vesting requirements.

Refer to note 8 for disclosure around transactions with subsidiaries.

Refer to note 9 for transactions with associate.

Refer to the directors' report relating to the related parties' interest in Oryx.

37 Capital commitments

	Group		Company	
	2024 N$'000	2023 N$'000	2024 N$'000	2023 N$'000
Authorised but not contracted	225,795	72,665	–	–
Authorised and contracted	48,459	–	–	–
	274,254	72,665	–	–

38 Subsequent events

The directors are not aware of any other material subsequent events after year end.

39 Approval of Annual Financial Statements

The Annual Financial Statements set out on pages 1 to 82, which have been prepared on a going concern basis, were approved by the Board on 13 September 2024.

SA REIT best practice ratios (unaudited)

SA REIT Funds from Operations (SA REIT FFO) per share	2024 N$'000	2023 N$'000
Profit or loss per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	397,381	158,511
Adjusted for:		
Accounting/specific adjustments:	(321,441)	(95,788)
Fair value adjustments to:		
– Investment property	(341,048)	(99,745)
– Debt and equity instruments held at fair value through profit or loss	–	–
Depreciation and amortisation of intangible assets	690	445
Deferred tax movement recognised in profit or loss	18,917	3,512
Foreign exchange and hedging items:	3,623	12,599
Fair value adjustments on derivative financial instruments employed solely for hedging purposes	11,522	(1,519)
Foreign exchange gains or losses relating to capital items – realised and unrealised	(7,899)	14,118
Other adjustments:	(38,328)	(53,464)
Adjustments made for equity-accounted entities	(38,328)	(53,464)
SA REIT FFO:	41,235	21,858
Number of shares outstanding at end of period (net of treasury shares)	113,717,868	86,944,835
SA REIT FFO per share:	36.26	25.14
Company-specific adjustments (per share)	101.26	115.95
Dividend received from investment in associate	23.63	19.48
Debenture interest	103.54	105.78
Depreciation	(0.61)	(0.51)
Changes in fair value of listed investments	0.65	0.75
Amortisation of debenture premium	(12.09)	(9.55)
Dunes Mall purchase price adjustment	15.15	–
Capital gain realised on cancellation of headlease agreement	(29.01)	–
Distributable income per share (DIPS) (cents)	137.52	141.09

SA REIT best practice ratios (unaudited) (continued)

SA REIT Net Asset Value (SA REIT NAV)	2024 N$'000	2023 N$'000
Reported NAV (including debentures and debenture premium) attributable to the parent	2,772,388	2,092,809
Adjustments:		
Fair value of certain derivative financial instruments	(3,920)	(17,590)
Deferred tax	340,735	255,214
SA REIT NAV:	3,109,203	2,330,433
Shares outstanding		
Number of shares in issue at period end (net of treasury shares)	113,718	86,945
Dilutive number of shares in issue	113,718	86,945
SA REIT NAV per share:	27.34	26.80

SA REIT cost-to-income ratio	2024 N$'000	2023 N$'000
Expenses		
Operating expenses per Statement of Comprehensive Income (includes municipal expenses)	148,128	120,898
Administrative expenses per Statement of Comprehensive Income	48,600	26,755
Exclude:		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	(690)	(445)
Operating costs	196,038	147,208
Rental income		
Contractual rental income per Statement of Comprehensive Income (excluding straight-lining)	335,649	262,933
Utility and operating recoveries per Statement of Comprehensive Income	119,390	93,974
Gross rental income	455,039	356,907
SA REIT cost-to-income ratio	43.1%	41.2%

SA REIT best practice ratios (unaudited) (continued)

93,974	2024 N$'000	2023 N$'000
Expenses		
Administrative expenses as per Statement of Comprehensive Income	48,600	26,755
Other identified administrative expenses:	(15,452)	3,416
Depreciation	690	445
Provision for doubtful debts & Bad debts	784	2,739
Bank charges and License fees	288	232
Dunes purchase price adjustment	(17,214)	–
Administrative costs	33,148	30,171
Rental income		
Contractual rental income per Statement of Comprehensive Income (excluding straight-lining)	335,649	262,397
Utility and operating recoveries per Statement of Comprehensive Income	119,390	93,974
Gross rental income	336,256	356,907
SA REIT administrative cost-to-income ratio	7.3%	8.5%

SA REIT GLA vacancy rate	2024 N$'000	2023 N$'000
Gross lettable area of vacant space	8,612	11,417
Gross lettable area of total property portfolio (Excl. Croatia & Residential)	206,183	168,809
SA REIT GLA vacancy rate	4.2%	6.8%

SA REIT cost of debt	2024 N$'000	2023 N$'000
Variable interest-rate borrowings		
Floating reference rate plus weighted average margin	9.80%	10.19%
Pre-adjusted weighted average cost of debt	9.80%	10.19%
Adjustments:		
Impact of interest rate derivatives	-0.54%	-1.27%
All-in weighted average cost of debt	9.26%	8.92%

SA REIT best practice ratios (unaudited) (continued)

SA REIT loan-to-value	2024 N$'000	2023 N$'000
Gross debt	1,594,376	1,250,208
Less:		
Cash and cash equivalents	(5,324)	(17,033)
Less:		
Derivative financial instruments	(6,068)	(17,590)
Net debt	1,582,984	1,215,585
Total assets – per Statement of Financial Position	4,604,745	3,531,940
Less:		
Cash and cash equivalents	(5,324)	(17,033)
Derivative financial assets	(7,395)	(17,590)
Trade and other receivables	(40,935)	(28,944)
Carrying amount of property-related assets	4,551,091	3,468,373
SA REIT loan-to-value ("SA REIT LTV")	34.8%	35.0%

Net initial yield	2024 N$'000	2023 N$'000
Investment property	4,076,872	3,019,424
Less:		
Properties under development	(80,569)	(13,586)
Grossed up property value	3,996,303	3,005,838
Property income		
Contractual cash rentals	327,475	247,806
Less:		
Non-recoverable property expenses	(12,584)	(14,803)
Annualised net rental	314,891	233,003
Net initial yield	7.9%	7.8%

Corporate information

Company registration number: 2001/673
Web: www.oryxprop.com

REGISTERED OFFICE
Maerua Mall Office Tower
2nd Floor
Corner of Jan Jonker and
Robert Mugabe Avenue
Windhoek
P O Box 97723
Maerua Park, Windhoek,
Namibia

COMPANY SECRETARY
Bonsai Secretarial
Compliance Services
Tel: +264 61 305072
Fax: +264 61 305073
Email: annelie@bscs.com.na

CHIEF EXECUTIVE OFFICER
Ben Jooste
Tel: +264 61 423201
Email: ben@oryxprop.com.na

CHIEF FINANCIAL OFFICER
Francis Heunis
Tel: +264 61423201
Email: francis@oryxprop.com.na

CHIEF ASSET MANAGER
Conrad van der Westhuizen
Tel: +264 61 423201
Email: conrad@oryxprop.com.na

TRUSTEE
Christiaan Johan Gouws as
nominee of
Fisher Quarmby & Pfeifer
Corner of Robert Mugabe and
Thorer Street
(entrance in Burg Street)
Windhoek
P O Box 37
Windhoek, Namibia

TRANSFER SECRETARIES
Transfer Secretaries
(Proprietary) Limited
4 Robert Mugabe Avenue
(entrance in Dr Theo Ben
Gurirab Street)
Windhoek
P O Box 2401
Windhoek, Namibia

LEGAL ADVISORS
H D Bossau & Co
49 Feld Street
Windhoek
P O Box 1975
Windhoek, Namibia

COMMERCIAL BANKS
Absa Bank Limited
7th Floor
Barclays Towers West
15 Troye Street
Johannesburg, South Africa,
2001

Bank Windhoek Limited
Maerua Mall Branch
Maerua Park – Shop 0036
Corner of Jan Jonker and
Robert Mugabe Avenue
Windhoek
P O Box 15
Windhoek, Namibia

Nedbank Namibia Limited
Corporate Branch
Business Centre
55 Rehobother Road
Ausspannplatz
P O Box 15
Windhoek, Namibia

RMB a division of
FirstRand Bank Limited
@Parkside, 130 Independence
Avenue
Windhoek
Private Bag 13239
Windhoek
Namibia

Standard Bank Namibia Limited
1 Chasie Street, Kleine Kuppe,
Windhoek

OTHER FINANCIERS
Old Mutual Investment Group
(Namibia) Limited
Mutual Tower
10th Floor, Windhoek
P O Box 165
Windhoek, Namibia

SPONSOR: NSX AND DOMESTIC MEDIUM-TERM NOTE PROGRAMME SPONSOR
IJG Securities (Proprietary) Limited
4th Floor 1@steps, Corner of Grove and
Chasie Streets
Kleine Kuppe
Windhoek
P O Box 186
Windhoek
Namibia

Dr Weder Kauta & Hoveka Inc.
WKH House
Jan Jonker Road, Windhoek
P O Box 864 / 822
Windhoek, Namibia

Koep & Partners
33 Schanzen Road, Windhoek
P O Box 3516
Windhoek, Namibia

Michelle Saaiman Inc
Unit 5, Trift Place, Corner of Trift
and Schinz Street
P O Box 997104 Maerua Mall
Windhoek, Namibia

Notes

REGISTERED OFFICE

Maerua Mall Office Tower
2nd Floor
Corner of Jan Jonker and
Robert Mugabe Avenue
Windhoek
P O Box 97723
Maerua Park, Windhoek,
Namibia

www.oryxprop.com

Oryx is a leading Namibian property fund with high-quality assets and ambitious growth plans.