ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2023

CONTENTS

These financial statements have been audited in compliance with the applicable requirements of the Companies Act of 71 of 2008 of South Africa.

Preparer
The financial statements have been prepared under the supervision of Stephen Lucas CA(SA).

Published
19 June 2023

Corporate information
Registration number: 2015/168454/06
ISIN: ZAE000208963
Share code: SSS

DIRECTORS' RESPONSIBILITY STATEMENT
for the year ended 31 March 2023

The directors are responsible for the preparation and fair presentation of the group and company annual financial statements of Stor-Age Property REIT Limited, comprising the statements of financial position at 31 March 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

Approval of group and company annual financial statements

The group and company annual financial statements of Stor-Age Property REIT Limited, as identified in the first paragraph, were approved by the board of directors on 19 June 2023 and signed on their behalf by:

GA Blackshaw
Chairman

GM Lucas
Chief Executive Officer

CEO and CFO responsibility statement

Each of the directors, whose names are stated below, hereby confirm that:

- The annual financial statements set out on pages 117 to 184 fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements of the issuer;
- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementing and execution of controls;
- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated any deficiencies; and
- We are not aware of any fraud involving directors.

SC Lucas
Chief Financial Officer

GM Lucas
Chief Executive Officer

DECLARATION BY COMPANY SECRETARY

In terms of Section 88(2)(e) of the Companies Act 71 of 2008 of South Africa, as amended, I certify that the company has lodged with the Companies and Intellectual Property Commission of South Africa all the returns required by a public company in terms of this Act and that all such returns appear to be true, correct and up to date.

HH-O Steyn CA(SA)
Company Secretary

19 June 2023

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the "audit committee") takes pleasure in presenting its report for the year ended 31 March 2023.

1. Terms of reference

The audit committee is a formal committee of the board of the company and its subsidiaries and has adopted written terms of reference. These terms of reference include the statutory requirements of the Companies Act 71 of 2008 of South Africa ("the Act"), the recommendations of the King Code on Governance ("King IV") and certain responsibilities delegated by the board.

The main responsibilities of the audit committee include:

- Reviewing the ongoing effectiveness of the internal financial controls
- Reviewing the interim and preliminary results, the annual financial statements and other content in the integrated annual report, and making a formal recommendation to the board to adopt the same
- Ensuring compliance with IFRS and the relevant requirements of the Act and the Johannesburg Stock Exchange ("JSE") with respect to financial reporting
- Overseeing the appointment and independence of the external auditors and reviewing their external audit reports
- Determining a policy for the provision of non-audit services by the external auditors
- Monitoring the risk management framework adopted by the company and its subsidiaries (the "group") and reviewing any risk management reports in this regard
- Reviewing management's assessment of the group and company to continue as a going concern

The audit committee confirms that it has fulfilled all its statutory obligations as well as its terms of reference for the year under review.

The audit committee has monitored and confirms that it is in compliance with the risk management policy which is in accordance with the industry practice and prohibits the company from entering into speculative derivative transactions not in the ordinary course of business.

2. Members of the audit committee, attendance of meetings and evaluation

The audit committee comprises three independent non-executive directors:

KM de Kock CA(SA), CFA, MBA (UCT)

MPR Morojele MBA (UCT), CA (Lesotho), MSA (Georgetown),BSc (Charlestown)

P Mbikwana BCom, IEDP (Duke Corporate)

Certain executive directors, senior management as well as the external auditors attended audit committee meetings by invitation.

The terms of reference require an annual evaluation of the performance of the audit committee and its members as well as confirmation of the members' independence in terms of King IV and the Act. The evaluation performed covers the year ended 31 March 2023. The outcome of the annual evaluation and confirmation of independence performed was satisfactory.

3. External auditors

The audit committee nominated BDO South Africa Inc. as external auditors for the current year, having satisfied itself that they are independent of the group. The audit committee noted Bradley Jackson as the designated auditor and confirmed that both he and BDO South Africa Inc. are accredited with the JSE as required and that following an assessment of the external auditor, their appointment is in accordance with paragraph 3.84(g)(iii) of the JSE Listings Requirements.

The audit committee approved the terms of the auditor's engagement letter, their audit plan and budgeted audit fees for the audit of the group and company annual financial statements for the year ended 31 March 2023.

The audit committee adopted a formal framework for the pre-approval of allowable non-audit services above certain pre-determined thresholds.

4. Significant matters

Valuation of investment property

The major risk relating to investment property is the valuation of investment properties. This has been highlighted as an area of critical judgement and is detailed in note 3 of the annual financial statements. Where an external valuation is not obtained, the directors determine the fair value of each property, using the valuation methodology in note 3. Through discussion with the executive directors, the audit committee is satisfied with the methodology and critical inputs. A number of non-executive directors have extensive experience in the property industry and the board as a whole approves the valuations. The group's policy is to value 50% of its SA income-producing properties at year end and the other 50% at the interim reporting date. This ensures that each property is valued at least once in a 12-month reporting cycle. In line with this policy, 28 of the 54 income-producing properties in the SA portfolio were externally valued at 31 March 2023 and the remaining properties were valued internally by the board using the same methodology applied by the external valuers. In the UK, all income-producing properties were externally valued at 31 March 2023.

5. Internal audit

In December 2022 the audit committee approved the appointment of an external assurance provider to perform internal audit work. The audit committee has approved the internal audit charter defining the function, purpose, authority and responsibility. A risk based internal audit plan has also been approved by the committee. The status and results of the internal audit plan will be communicated and reviewed at each meeting of the audit committee. The audit committee will continue to assess the requirements of the outsourced internal audit function based on the risk profile of the group.

6. Financial director

In terms of JSE Listings Requirements paragraph 3.84 (g)(I), the audit committee has considered the expertise and experience of the chief financial officer, Stephen Lucas CA(SA), and is satisfied that they are appropriate for his role. The committee is further satisfied regarding the effectiveness of the finance function and composition of the finance team.

7. Proactive monitoring

The audit committee confirms that it has considered the findings contained in the JSE's 2022 Proactive Monitoring report when preparing the annual financial statements for the year ended 31 March 2023.

8. Internal financial controls

The audit committee reviewed the risk management and internal control framework presented by management and matters raised by the external auditors report as to the efficiency of the group's internal financial controls.

In accordance with paragraph 3.84(g)(ii) of the JSE Listings Requirements, the audit committee confirms that no material breakdown of internal financial controls was identified during the current financial year.

9. Discharge of responsibilities

The audit and risk committee determined that during the financial year under review it had discharged its legal and other responsibilities as governed in the board-approved terms of reference.

10. Approval of annual financial statements

The audit committee confirms that it formally recommended the adoption of the group and company annual financial statements to the board of directors.

KM de Kock CA(SA)
Audit and Risk Committee Chair

19 June 2023

DIRECTORS' REPORT
for the year ended 31 March 2023

TO THE SHAREHOLDERS OF STOR-AGE PROPERTY REIT LIMITED

We have pleasure in presenting the financial statements of the Stor-Age Property REIT Limited group and company for the year ended 31 March 2023.

Nature of business

Stor-Age Property REIT Limited is a fully integrated and internally managed real estate investment trust which owns, operates and develops self storage facilities. The group and company operate in South Africa and in the United Kingdom through its subsidiary Betterstore Self Storage Holdings Limited (refer to note 6).

Financial results

The financial results for the year ended 31 March 2023 are set out in the accompanying financial statements and notes. The financial statements are prepared in terms of International Financial Reporting Standards and interpretations adopted by the IASB, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements.

Stated capital

The company's authorised stated capital consists of 1 000 000 000 ordinary shares of no par value. The issued stated capital at 31 March 2023 is 474 610 430 (2022: 474 610 430) ordinary shares of no par value. Refer to note 11 for further information on the shares in issue.

All of the shares in issue rank for the dividends declared for the year ended 31 March 2023.

Dividend distribution

A dividend of 60.05 cents per share was declared by the directors for the interim period ended 30 September 2022. A further dividend of 58.09 cents per share was declared for the six month period ended 31 March 2023. The dividend for the full year amounts to 118.14 cents per share (2022: 111.90 cents per share).

The dividend has been declared from distributable earnings and meets the requirements of a REIT "qualifying distribution" for purposes of section 25BB of the Income Tax Act, No 58 of 1962 (as amended). The company has chosen dividend per share as its measurement metric as per the JSE Listings Requirements.

Borrowings

The group has maintained its debt levels below 60% of its gross asset value in accordance with the JSE requirements for REITs. The group is also subject to certain financial covenants with the strictest being a 45% loan-to-value covenant on its bank borrowings. The group's overall borrowings were R3.550 billion (2022: R2.759 billion) at the reporting date as detailed in note 13 to the consolidated annual financial statements.

Subsidiaries

Details of the company's interest in its subsidiaries are set out in note 6.

Directorate

During the year ended 31 March 2023 the following directors held office:

	Appointment date		Appointment date
Executive:		*Non-executive:*	
GM Lucas (Chief executive officer)	25 May 2015	A Varachhia#	4 January 2021
SC Lucas (Chief financial officer)+	25 May 2015	GA Blackshaw (Chairman)	2 September 2015
SJ Horton	25 May 2015	JAL Chapman#	2 January 2020
		KM de Kock#	2 May 2018
		AC Menigo#	23 January 2023
		MPR Morojele#	1 September 2020
		P Mbikwana#	2 May 2018

\# *Independent*
\+ *British citizen*

In terms of the Memorandum of Incorporation, Mr GA Blackshaw, Ms KM de Kock and Mr A Varachhia are due to retire by rotation from the board at the forthcoming annual general meeting and, all being eligible, have offered themselves for re-election. Mr AC Menigo will be proposed for election.

Details regarding the directors' shareholding in the company and remuneration are set out in notes 27.3 and 27.4.

Subsequent events

Information on material events that occurred after 31 March 2023 is included in note 31 to the financial statements.

Going concern

The company has reasonably satisfied the liquidity and solvency test as required by the Companies Act 71 of 2008 of South Africa and the directors have satisfied themselves that the company and group are in a sound financial position and that it has access to sufficient facilities to meet its foreseeable cash requirements.

The directors consider that the company and group have adequate resources to continue operating for the foreseeable future and realise its assets and settle its liabilities in the ordinary course of business. As such it is appropriate to adopt the going concern basis in preparing the consolidated and separate financial statements.

Details of the directors' assessment of going concern is set out in note 30.

Secretary

The Company Secretary is HH-O Steyn CA(SA)
Business address: 216 Main Road, Claremont, 7708
Postal address: PO Box 53154, Kenilworth, 7745

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Stor-Age Property REIT Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Stor-Age Property REIT Limited ("the group and company") set out on pages 117 to 184, which comprise the consolidated and separate statements of financial position as at 31 March 2023, and the consolidated and separate statements of profit or loss and other 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of Stor-Age Property REIT Limited as at 31 March 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Properties (Consolidated and Separate Financial Statements - Notes 3 and 25 to the consolidated and separate financial statements, and the critical accounting estimates, assumptions and judgements and investment property accounting policy contained in the significant accounting policies section of the consolidated and separate financial statements) It is the group's policy that investment properties are recognised at their fair values. In South Africa, 50% of the portfolio is valued by independent external valuers at each reporting period (i.e. 31 March and 30 September), whilst the remaining 50% is valued by the board of directors. In the United Kingdom, 100% of the portfolio is valued externally by independent external valuers at the year end reporting period. The valuation of the group's and company's investment properties portfolio is inherently subjective due to the estimates and judgements used in determining the property fair values. These include the capitalisation rates, discount rates, forecasted rentals, lease up period, property expenses, and the notional sale of the assets at the end of the 10th year of the discounted cash flow period used in the valuation model. Among other factors, the individual nature of the properties, their location and expected future rentals, also affect the valuation of the investment property. In addition, the board of directors apply assumptions for yields and estimated market rent to arrive at the final valuation. The valuation of investment properties was considered to be a matter of most significance to the current year audit of the consolidated and separate financial statements, due to the significance of the balances, the significance of the estimation uncertainty and the level of judgement involved.	The audit procedures we performed included, amongst others, the following: • We assessed the design and tested the implementation of relevant controls over the valuations process; • We assessed the competency, capabilities and objectivity of the board of directors' and management's external valuers ("management's experts"). This included inspecting professional qualifications and registrations and making an assessment of the objectivity and appropriateness of management's experts; • We inspected the valuation reports for the properties valued by the board of directors, and management's expert in the current year, to assess whether the valuation approach was in accordance with International Financial Reporting Standards, was consistent with the previous financial year, and was suitable for use in determining the fair value. • We agreed all investment property fair values, valued by the board of directors and management's experts, to the underlying calculations and reports where applicable. • We tested the key assumptions used in the determination of fair values in respect of both management's experts, as well as the valuations performed by the board of directors, as follows: – The forecast revenue applied in the 1st year of the discounted cash flow ("DCF") was assessed for reasonability. This was performed by agreeing the occupancy and rental rate assumptions underpinning the forecast revenue in the DCF model to the property management system. For a sample, the inputs within the property management system used to generate the revenue forecast was agreed to underlying signed rental agreements and compared to the current year revenue for reasonability ; – The projected property expenses applied in the 1st year of the DCF model was assessed for reasonability by comparing to available relevant data provided by external persons with specialised expertise; – We assessed the reasonability of revenue and expense growth rates subsequent to the initial forecast year based on our knowledge of the properties, obtained through research, and by comparing to available industry data for similar investment properties; – We assessed the reasonability of the discount and capitalisation rates applied by comparing it to available industry data for similar investment properties; and • We tested the mathematical accuracy of the DCF models, by reperforming the calculations. • In addition to the above, we also selected key valuation reports, and requested an external, independent auditor's valuation expert to assess the reasonability of the: ° Forecast revenue applied in the 1st year of the DCF models; ° Projected property expenses applied in the 1st year of the DCF models; ° Revenue and expense growth rates in the DCF models subsequent to the initial forecast year; and ° Discount, exit and capitalisation rates applied by either the board of directors or management's external experts. • We evaluated the adequacy of the disclosures in the consolidated and separate financial statements relating to the valuation of investment properties in accordance with International Financial Reporting Standards

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Stor-Age Property REIT Limited Annual Financial Statements for the year ended 31 March 2023", which includes the Directors' Report, the Audit and Risk Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Stor-Age Property REIT Limited for 3 years.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

Bradley Jackson
Director
Registered Auditor

19 June 2023

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

STATEMENTS OF FINANCIAL POSITION
as at 31 March 2023

	Note	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
ASSETS					
Non-current assets		11 555 079	10 148 725	5 545 549	5 361 113
Investment properties	3	10 731 243	9 535 000	916 785	767 463
Property and equipment		32 320	19 975	14 834	5 382
Stor-Age share purchase scheme loans	4	80 460	84 135	80 460	84 135
Goodwill and intangible assets	5	156 029	145 706	81 507	81 320
Investment in subsidiaries	6	–	–	4 372 643	4 370 922
Investment in joint ventures	7	422 020	246 580	39 149	39 090
Unlisted investment	8	27 566	10 838	27 566	10 838
Deferred taxation	20	12 814	6 650	–	–
Derivative financial assets	14	92 627	99 841	12 605	1 963
Current assets		501 124	356 911	1 028 652	996 578
Trade and other receivables	9	138 638	127 350	32 078	50 715
Inventories		6 955	7 228	1 522	3 215
Intercompany receivable	6	–	–	530 227	577 037
Cash and cash equivalents	10	355 531	222 333	155 685	82 209
Dividend receivable	22.5	–	–	309 140	283 402
Total assets		12 056 203	10 505 636	6 574 201	6 357 691
EQUITY AND LIABILITIES					
Total equity		7 194 619	6 643 187	4 813 404	4 827 521
Stated capital	11	5 362 339	5 374 681	5 362 339	5 374 681
Retained earnings/(accumulated loss)		1 350 847	1 186 969	(575 694)	(580 433)
Share-based payment reserve	12	26 759	33 273	26 759	33 273
Foreign currency translation reserve		396 258	2 051	–	–
Total equity attributable to shareholders		7 136 203	6 596 974	4 813 404	4 827 521
Non-controlling interest		58 416	46 213	–	–
Non-current liabilities		4 075 662	3 135 260	1 199 416	1 009 615
Loans and borrowings	13	3 390 198	2 598 851	1 188 514	1 004 253
Derivative financial liabilities	14	6 618	5 579	2 695	5 309
Deferred taxation	20	369 118	287 436	–	–
Lease obligations	28	309 728	243 394	8 207	53
Current liabilities		785 922	727 189	561 381	520 555
Loans and borrowings	13	160 000	160 000	160 000	160 000
Trade and other payables	15	259 379	221 050	20 368	21 699
Provisions	16	16 609	15 711	14 905	7 846
Lease obligations	28	35 100	29 279	2 054	1 360
Intercompany payable	6	–	–	88 353	67 191
Taxation payable	22.6	39 133	38 690	–	–
Dividends payable	22.4	275 701	262 459	275 701	262 459
Total equity and liabilities		12 056 203	10 505 636	6 574 201	6 357 691

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2023

	Note	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Property revenue	17	1 070 788	910 682	71 737	49 429
Rental income		996 635	849 716	68 844	44 895
Other income		74 153	60 966	2 893	4 534
Expected credit losses recognised on tenant debtors	24.3.2	(6 273)	(3 738)	(460)	(134)
Direct property costs		(273 920)	(221 280)	(20 041)	(11 180)
Net property operating income		790 595	685 664	51 236	38 115
Other revenue		35 950	14 594	640 604	565 463
Management fees		35 950	14 594	52 504	42 286
Dividend income from subsidiaries		–	–	588 100	523 177
Insurance proceeds from building claim		–	51 725	–	–
Administration expenses	19	(152 781)	(103 489)	(103 674)	(73 341)
Net property operating profit		673 764	648 494	588 166	530 237
Restructure of loans and borrowings		–	(6 377)	–	(326)
Fair value adjustment to investment properties		244 026	642 313	18 793	13 765
Other fair value adjustments to financial instruments	18	(9 626)	121 505	12 984	11 742
Foreign exchange gains/(losses)		5 468	(3 565)	5 570	(954)
Depreciation and amortisation		(8 596)	(8 309)	(5 217)	(4 033)
Profit from operations		905 036	1 394 061	620 296	550 431
Net finance cost		(140 201)	(90 934)	(54 852)	(32 868)
Interest income		30 419	25 904	20 833	17 506
Interest expense		(170 620)	(116 838)	(75 685)	(50 374)
Share of profit/(loss) of joint ventures, net of tax		30 246	(471)	–	–
Profit before taxation		795 081	1 302 656	565 444	517 563
Taxation expense	20	(63 415)	(271 413)	–	–
Normal taxation		(32 747)	(35 986)	–	–
Deferred taxation		(30 668)	(235 427)	–	–
Profit for the year		731 666	1 031 243	565 444	517 563
Other comprehensive income net of tax					
Items that may be reclassified to profit or loss					
Translation of foreign operations		400 126	(137 946)	–	–
Items that may not be reclassified to profit or loss					
Share of other comprehensive income of joint ventures		1 350	(7)	–	–
Other comprehensive income/(loss) for the year		401 476	(137 953)	–	–
Total comprehensive income for the year		1 133 142	893 290	565 444	517 563
Profit attributable to:		731 666	1 031 243		
Owners of the company		724 583	1 019 737		
Non-controlling interest		7 083	11 506		
Total comprehensive income attributable to:		1 133 142	893 290		
Owners of the company		1 118 790	884 214		
Non-controlling interest		14 352	9 076		
		Cents	Cents		
Earnings per share	21				
Basic earnings per share		152.67	231.49		
Diluted earnings per share		151.35	228.73		

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 March 2023

Group	Stated capital (note 11) R'000	Retained earnings R'000	Foreign currency translation reserve R'000	Share-based payment reserve (note 12) R'000	Total attributable to parent R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2021	4 783 903	674 702	137 574	21 966	5 618 145	38 608	5 656 753
Total comprehensive income for the year	–	1 019 737	(135 523)	–	884 214	9 076	893 290
Profit for the year	–	1 019 737	–	–	1 019 737	11 506	1 031 243
Other comprehensive income	–	–	(135 523)	–	(135 523)	(2 430)	(137 953)
Transactions with shareholders							
Issue of shares	590 778	–	–	–	590 778	–	590 778
Proceeds	596 577	–	–	–	596 577	–	596 577
Share issue costs	(5 799)	–	–	–	(5 799)	–	(5 799)
Equity settled share-based payment charge	–	–	–	11 307	11 307	–	11 307
Dividends	–	(507 470)	–	–	(507 470)	(1 471)	(508 941)
Total transactions with shareholders	590 778	(507 470)	–	11 307	94 615	(1 471)	93 144
Balance at 31 March 2022	5 374 681	1 186 969	2 051	33 273	6 596 974	46 213	6 643 187
Total comprehensive income for the year	–	724 583	394 207	–	1 118 790	14 352	1 133 142
Profit for the year	–	724 583	–	–	724 583	7 083	731 666
Other comprehensive income	–	–	394 207	–	394 207	7 269	401 476
Shares repurchased for conditional share plan	(21 692)	–	–	–	(21 692)	–	(21 692)
Shares awarded in terms of conditional share plan	9 350	–	–	(24 226)	(14 876)	–	(14 876)
Equity settled share-based payment charge	–	–	–	17 712	17 712	–	17 712
Dividends	–	(560 705)	–	–	(560 705)	(2 149)	(562 854)
Total transactions with shareholders	(12 342)	(560 705)	–	(6 514)	(579 561)	(2 149)	(581 710)
Balance at 31 March 2023	5 362 339	1 350 847	396 258	26 759	7 136 203	58 416	7 194 619

Company	Stated capital (note 11) R'000	Accumulated loss R'000	Share-based payment reserve (note 12) R'000	Total R'000
Balance at 1 April 2021	4 783 903	(590 526)	21 966	4 215 343
Total comprehensive income for the year	–	517 563	–	517 563
Profit for the year	–	517 563	–	517 563
Other comprehensive income	–	–	–	–
Transactions with shareholders				
Issue of shares	590 778	–	–	590 778
Proceeds	596 577	–	–	596 577
Share issue costs	(5 799)	–	–	(5 799)
Equity settled share-based payment charge	–	–	11 307	11 307
Dividends	–	(507 470)	–	(507 470)
Total transactions with shareholders	590 778	(507 470)	11 307	94 615
Balance at 31 March 2022	5 374 681	(580 433)	33 273	4 827 521
Total comprehensive income for the year	–	565 444	–	565 444
Profit for the year	–	565 444	–	565 444
Other comprehensive income	–	–	–	–
Shares repurchased for conditional share plan	(21 692)	–	–	(21 692)
Shares awarded in terms of conditional share plan	9 350	–	(24 226)	(14 876)
Equity settled share-based payment charge	–	–	17 712	17 712
Dividends	–	(560 705)	–	(560 705)
Total transactions with shareholders	(12 342)	(560 705)	(6 514)	(579 561)
Balance at 31 March 2023	5 362 339	(575 694)	26 759	4 813 404

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2023

	Note	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Cash flows from operating activities					
Cash generated/(utilised) from operations	22.1	702 117	651 628	154 895	(13 044)
Interest received	22.2	18 994	20 989	8 095	9 819
Interest paid	22.3	(178 884)	(132 975)	(80 214)	(59 191)
Dividends paid	22.4	(549 612)	(480 584)	(547 463)	(479 113)
Taxation paid	22.6	(32 526)	(852)	–	–
Net cash (outflow)/inflow from operating activities		(39 911)	58 206	(464 687)	(541 529)
Cash flows from investing activities					
Additions to investment properties	3	(373 282)	(1 040 387)	(98 345)	(46 765)
Surplus in share purchase scheme paid to participants	4	(8 042)	(22 232)	(8 042)	(22 232)
Repayment of share purchase scheme loans	4	13 319	80 083	13 319	80 083
Acquisition of property and equipment		(6 852)	(9 765)	(2 173)	(2 324)
Additional investment in subsidiaries	6	–	–	–	(469 999)
Advance of loan to subsidiaries	6	–	–	(95 114)	(749 052)
Proceeds from subsidiaries		–	–	387 326	1 032 820
Acquisition of intangible assets	5	(3 053)	(5 391)	(2 304)	(3 365)
Acquisition of unlisted investment		(17 000)	(5 500)	(17 000)	(5 500)
Additional investment in joint ventures		(117 747)	(219 481)	(32 175)	(15 325)
Repayment of joint venture loan advanced		283 835	–	271 253	–
Disposal of subsidiary, net of cash		(2 910)	–	–	–
Net cash (outflow)/inflow from investing activities		(231 732)	(1 222 673)	416 745	(201 659)
Cash flows from financing activities					
Proceeds from loans and borrowings	13.1	752 165	2 143 008	532 150	656 744
Repayment of loans and borrowings	13.1	(372 492)	(1 474 329)	(372 492)	(497 553)
Proceeds from the issue of shares	11	–	596 577	–	596 577
Purchase of shares to settle conditional share plan		(36 568)	–	(36 568)	–
Share issue costs	11	–	(5 799)	–	(5 799)
Repayment of lease obligations		(37 284)	(32 331)	(1 672)	(1 522)
Net cash inflow from financing activities		305 821	1 227 126	121 418	748 447
Net cash inflow for the year		34 178	62 659	73 476	5 259
Effects of movements in exchange rate on cash held		99 020	(11 399)	–	–
Cash and cash equivalents at beginning of year		222 333	171 073	82 209	76 950
Cash and cash equivalents at end of year	10	355 531	222 333	155 685	82 209

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2023

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

Stor-Age Property REIT Limited (the "company") is a company domiciled in South Africa. The address of the company's registered office is 216 Main Road, Claremont, Cape Town.

The consolidated financial statements include the financial statements of Stor-Age Property REIT Limited, its subsidiary companies and equity-accounted investments (together referred to as the "group").

1.2 Basis of preparation

Statement of compliance

The group and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act 71 of 2008 of South Africa and the JSE Listings Requirements. The financial statements were authorised by the board of directors for release on 19 June 2023.

1.3 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, unlisted investments and derivative financial instruments which are measured at fair value.

The financial statements are prepared on the going concern basis and the accounting policies set out below have been applied consistently across the group and company, unless otherwise stated.

When the reporting period of the holding company is different to that of the subsidiary or joint venture, the subsidiary or joint venture prepares, for the use of the holding company, financial statements as at the same date as the consolidated financial statements of the group.

Functional and presentation currency

These financial statements are presented in South African Rand (R), which is the company's functional currency and group's presentation currency. Amounts have been rounded to the nearest thousand, unless otherwise indicated.

New and amended standards adopted by the group

The amendments made to standards effective for the current financial year, listed below, did not have a material impact on the financial statements.

- Amendment to IFRS 3 Business combinations: Reference to Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets on Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020

Standards, amendments and interpretations issued but not yet effective at the reporting date

A number of new standards, amendments to standards and interpretations have been published that are not mandatory for the current reporting year end and have not been applied in preparing these financial statements. The changes will not have a material impact on the financial statements. All standards will be adopted at their effective date.

Title of standard or interpretation	Nature of change	Effective for reporting period ending
Amendment to IAS 1	The amendment to IAS 1 provides clarity on the requirements for classifying a liability as current or non-current and additional disclosures for liabilities subject to covenants.	31 March 2024
Amendment to IFRS 16	The amendment introduces an accounting model for variable lease payments in a sale-and-leaseback transaction.	31 March 2024

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 Key judgements and sources of estimation uncertainty

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

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

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the following year are discussed in note 26.

1.5 Basis of consolidation

1.5.1 Investment in subsidiaries

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss.

The group has applied a concentration test to determine whether the acquired set of activities and assets is not a business. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is required. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The group financial statements incorporate the financial statements of the company and its subsidiary companies. Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the group financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and all income and expenses arising from intra-group transactions, are eliminated.

The accounting policies of the subsidiary companies are consistent with those of the holding company.

In the company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses.

1.5.2 Investment in joint venture

A joint venture is an arrangement whereby the group has joint control and derives benefits from the net assets of the arrangement.

In the consolidated financial statements the investment in joint venture is recognised using the equity method of accounting. In the separate financial statements the investment in joint venture is accounted for at cost.

Under the equity accounting method the investment is initially recognised at cost, which includes transaction costs. Subsequently the consolidated financial statements include the group's share of profit or loss and other comprehensive income of joint venture until the date on which the group loses joint control.

Unrealised gains and losses arising from transactions with the joint venture are eliminated to the extent of the group's interest in the joint venture. Unrealised losses are only eliminated to the extent that there is no indication of impairment.

Where the group has a long-term loan with a joint venture, whose carrying value has been reduced to nil due to the group's share of losses, the group first recognises any expected credit losses on the long-term loan. The group only recognises further equity accounted losses for the current year to the extent that the remaining long-term loan balance allows.

1.6 Investment properties

Investment properties

Investment properties are properties held to earn rental income and appreciate in capital value.

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

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 Investment properties (continued)

Subsequent to initial recognition investment properties are measured at fair value. Fair values are determined annually on the open market value basis, using the discounted cash flow method. Valuations are performed as at the reporting date, either internally by the directors or externally by professional valuers, who hold recognised and relevant professional qualifications and have recent experience in the location and category of investment properties being valued. These valuations form the basis for the carrying amount in the financial statements. The fair value of investment properties do not reflect purchaser's cost, future capital expenditure that will improve or enhance the property and do not reflect the related future benefits from this expenditure other than those a rational market participant would take into account when determining the value of the property. Realised and unrealised gains or losses arising from changes in fair value are included in profit or loss for the period in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the fair value at the date of the last financial reporting period (plus any subsequent capital expenditure post the reporting date) is charged or credited to profit or loss.

When the group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model.

Investment properties under development

Undeveloped land and property under construction or development for future use as investment properties is classified as investment properties under development and is measured at fair value at each reporting date.

All costs (including salary costs) directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs, are capitalised.

Leasehold investment properties

Leasehold properties, held as right-of-use assets, are classified as investment properties and included at fair value in accordance with the IAS 40 elective. The obligation to the lessor is included in the statement of financial position at the present value of the future lease payments at inception, and is shown within note 28. Lease payments are apportioned between finance charges and a reduction of the outstanding lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Borrowing costs

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities necessary to prepare the asset for its intended use are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings incurred specifically for development purposes, net of any investment income earned on the temporary investment of those borrowings, or, with regard to that part of development cost, financed out of general funds, the weighted average cost of borrowings.

All other borrowing costs are expensed in profit or loss in the period in which they are incurred.

1.7 Property and equipment

Items of equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on the straight-line basis, over the current estimated useful lives of the assets. The estimated useful lives of the assets for the current periods are:

Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	3 years
Computer equipment and software	3 years
Leasehold improvements	Shorter of useful life and the lease term
Leased head office space	Shorter of useful life and the lease term
Fire and safety equipment	3 years
Solar panels	25 years

Depreciation methods, useful lives and residual values are reassessed annually. Subsequent expenditure relating to an item of property and equipment is capitalised when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other subsequent expenditure is expensed in profit or loss in the period in which it is incurred.

Where parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on the disposal of property and equipment are recognised in profit or loss. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments

A financial instrument is recognised when the group becomes a party to the contractual provisions of the instrument.

1.8.1 Non-derivative financial instruments

The group determines the classification of its financial assets on initial recognition when it becomes party to the contractual provisions of the instrument. Financial assets are classified at fair value through profit or loss, fair value through other comprehensive income or at amortised cost depending on the group's business model for managing the assets and the contractual terms of the cash flows. Subsequently financial assets are not reclassified unless the group amends its business model for managing these financial assets.

On initial recognition financial assets are measured at fair value plus, for financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets. Subsequently the group measures financial assets either at amortised cost or fair value through profit or loss.

The group measures financial assets at amortised cost if both of the following conditions are met:

- the objective is to hold assets to collect contractual cash flows, in line with the group's business model, and;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost.

The group's financial assets consist of:

Tenant debtors

Tenant debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowances, as the group holds trade and other receivables with the objective to collect the contractual cash flows. Tenant debtors are amounts due from customers for the leasing of space and are recognised initially at the amount of consideration that is unconditional. Tenant debtors do not have a significant financing component. Tenants predominantly settle their debts within 30 days and are therefore classified as current assets.

The group adopts the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Further details are set out in note 24.3.2.

Staff loans

Staff loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowances. The expected credit losses method applied to interest free loans granted to employees is based on the 12-month expected credit loss basis. Further details are set out in note 24.3.1.

Related party receivables

The group considers the related party receivables to be in default when the related party is unable to settle its credit obligations in full and the amount is unsecured. Related party receivables that are outstanding for more than 90 days are considered as past due. Refer to note 24.3.1 for further details.

Sundry receivables

The group considers sundry receivables to be in default when the external party is unable to settle its credit obligations in full and the amount is unsecured. Sundry receivables that are outstanding for more than 90 days are considered as past due. Refer to note 24.3.1 for further details.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents are carried at amortised cost which approximates fair value.

Intercompany receivables

The company considers intercompany receivables to be in default when the party is unable to settle its credit obligations in full when called on by the company. Further details are set out in note 24.3.1.

Stor-Age share purchase scheme loans

The group considers the share purchase scheme loans to be in default when the fair value of the shares is lower than the carrying amount of the loan and the participant is unable to repay the balance. Further details are set out in note 24.3.1.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Financial instruments (continued)

1.8.1 Non-derivative financial instruments (continued)

Unlisted investment

The group measures the unlisted investment initially at fair value and subsequently at cost through profit or loss with the option to present changes in fair value in other comprehensive income. Transaction costs incurred on initial recognition is expensed to profit or loss. Any returns earned on the investment is recognised in profit or loss as income when the group's right to receive payment is established.

Derecognition of financial assets

The group derecognises financial assets when its rights to receive cash flows from the financial assets have expired or substantially all of the risks and rewards of ownership of the financial asset are transferred.

1.8.1.1 Financial liabilities

Initial recognition of financial liabilities is at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method except for the derivative financial liabilities which are measured at fair value through profit or loss. A financial liability is derecognised when the contractual obligation under the liability is discharged, cancelled or expires.

1.8.1.2 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statements of financial position only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expense items are offset only to the extent that their related instruments have been offset in the statements of financial position.

1.8.2 Derivative financial instruments and hedge accounting

The group's derivative financial instruments comprise interest rate swaps, cross currency interest rate swaps and forward exchange contracts that are either assets or liabilities. The group utilises the derivative instruments to hedge its exposure to interest rate and foreign currency risks arising from operational, financing and investment activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading or speculative purposes. The group does not apply hedge accounting.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. Both realised and unrealised gains and losses arising from changes in the fair value of derivative financial instruments are included in fair value adjustments in profit or loss.

1.9 Goodwill and intangible assets

Goodwill

Goodwill only arises on acquisition of a business and represents the difference between the consideration transferred for the acquisition and the fair value of the net identifiable assets acquired on acquisition date.

Goodwill is stated at cost less any accumulated impairment losses and is not amortised. Goodwill is allocated to cash generating units and is tested annually for impairment and whenever there is an indication of impairment. A gain on bargain purchases arising on acquisition is recognised directly in profit or loss.

Intangible assets

Intangible assets acquired are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure incurred on intangible assets are capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date and whenever there is an indication of impairment. Intangible assets with a finite useful life is tested for impairment at any point when indicators of impairment are present.

The estimated useful lives for the period is as follows:

Intangible asset relating to the amalgamation and merger of Stor-Age Self Storage Proprietary Limited	Indefinite
Storage King UK and European brand*	Indefinite
Website	3 years

** Storage King owns the UK and European brand rights in perpetuity.*

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.10 Leases as lessee

The group leases certain properties classified as investment properties and head office space.

On the lease commencement date the right-of-use assets and related lease liabilities are recognised. The lease liability is measured by including fixed payments from the commencement date, certain variable payments, residual value guarantees and termination penalties. The lease payments are discounted at the group's incremental borrowing rate. To determine the incremental borrowing rate the group utilised its weighted average incremental borrowing rate adjusted for specific terms of each lease. On initial recognition the right-of use asset is measured the same amount as the lease liability adjusted for any initial direct costs less any lease incentives received. Lease payments are allocated between interest expense, recognised in profit or loss, and reducing the lease liability.

Subsequently the right-of-use asset for leasehold properties is measured in terms of IAS 40 Investment Property and recognised at fair value. The right-of-use asset for leased office space is recognised in terms of IAS 16 Property, Plant and Equipment and depreciated using the straight-line method from the inception of the lease to the earlier of the end of the useful life of the asset or the end of the lease term.

Lease payments made under short-term contracts for equipment and low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out (FIFO) principle.

The cost of inventories includes the costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition for sale.

Inventories relate to packaging materials.

1.12 Impairment

1.12.1 Financial assets

For financial assets recognised at amortised cost, the group recognises a loss allowance for expected credit losses.

In performing a significant increase in credit risk assessment the group considers reasonable and supportable information that is available without undue cost or effort. This includes forward-looking information, historical experience, quantitative and qualitative experience. The following indicators are considered:

- actual or anticipated significant adverse changes in business or economic conditions that is expected to cause a significant change to the related party's ability to meet its obligations.
- actual or anticipated significant changes in the operating results of the borrower
- significant increase in credit risk on other financial instruments of the related party
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

The group measures the loss allowance at an amount equal to lifetime expected credit losses except for cash and cash equivalents for which credit risk has increased significantly since initial recognition. The group adopts the policy for loss allowances for trade receivables and contract assets to be measured at an amount equal to the lifetime expected credit losses using the simplified approach. The group estimates the expected credit losses over the maximum contractual period it has exposure to credit risk.

The group defines the default on a financial asset when the counterparty fails to make contractual payments within 60 days of when they fall due. The group also considers a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation that the contractual cash flows will be recovered. For tenant debtors, the outstanding balance is only written off after proceeds are received from the auction of the tenant's goods.

Expected credit losses are discounted at the effective interest rate of the financial asset and represent a probability-weighted estimate of credit losses.

Financial assets subsequently measured at amortised cost are disclosed net of a loss allowance.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Impairment (continued)

1.12.2 Non-financial assets

The carrying amount of the group's non-financial assets, other than investment property and investment property under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of the other assets or groups of assets (the "cash generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses in respect of cash generating units are first allocated to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amount of the other assets on a pro-rata basis. Impairment losses in respect of goodwill are not reversed.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill and intangible assets with indefinite useful lives are tested at least annually for impairment. Impairment of goodwill is never reversed.

1.13 Provisions

Provisions are recognised when the group has present legal or constructive obligations arising from past events, from which outflows of economic benefits are probable, and where reliable estimates can be made of the amount of the obligations. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A bonus provision is raised as the amount payable is uncertain. Details pertaining to the group's provisions are set out in note 16.

1.14 Revenue

Property revenue

Rental income is measured based on the consideration set out in the lease agreements with tenants. The contractual terms of the leases are month-to-month. Payment is due by the 15th of the month or depending on when the tenant moved in. A late fee is charged to the tenant if payment is not received by the due date.

Revenue from the sale of packaging materials (other income) is recognised when the group satisfies the performance obligation by transferring the packaging materials to the customer. Revenue from the sale of packaging material is recognised at the transaction price, excluding Value Added Tax.

Other revenue

Other revenue comprises management fees and dividend income from subsidiaries. Management fees include property management fees, asset management fees, licence fees, acquisition fees and development fees.

Property management fees, asset management fees and development fees are recognised in profit or loss when the performance obligations are met. The performance obligations are satisfied over a period of time and therefore revenue is recognised in profit or loss over a period of time. Acquisition fees are recognised in revenue once the performance obligations are settled at a point in time when earned.

Property management fees are based on a fixed percentage of rental income per month subject to a minimum. Asset management and development management fees are based on a fixed percentage of development costs subject to a maximum.

Dividends income from subsidiaries are recognised in profit or loss when the shareholder's right to receive payment has been established. Revenue for the company also includes dividends income from subsidiary companies, which is recognised in the period in which they are declared.

1.15 Direct property costs

Direct property costs include all expenses incurred in the daily operations of the investment property such as repairs and maintenance, marketing expenses, rates charges as well as other utility costs. Direct property costs are expensed in the period in which they are incurred.

1.16 Interest expense

Interest expense comprises interest on borrowings. Interest expense incurred on qualifying investment property assets are capitalised until the assets are substantially ready for use. All other interest expense is recognised in profit or loss at the effective interest rate of the instrument.

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17 Interest income

Interest income is recognised in profit or loss as it accrues, using the effective interest method for financial assets measured at amortised cost. Interest income is calculated on the gross carrying amount of the financial assets by applying the effective interest rate unless subsequently the financial asset is credit-impaired. Interest income on credit-impaired financial assets are calculated by applying the effective interest rate to the carrying amount of the financial asset, less the loss allowance.

1.18 Operating profit

Operating profit is defined as profit before fair value adjustments, restructure of loans and borrowings, unrealised foreign exchange movements, impairments of assets (excluding tenant debtors), amortisation, depreciation, interest and taxation.

1.19 Net property operating income

Net property operating income is defined as revenue from rental income and other income less direct property costs.

1.20 Tax

The tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent it relates to a business combination, or items recognised directly in equity or other comprehensive income.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

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

The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are only offset if certain criteria are met.

In terms of the applicable REIT legislation, the distribution to shareholders qualifies as a deduction against its taxable income provided that not less than 75% of its total income relates to rental income. Each company is assessed individually as to whether it meets the qualifying criteria. Should the qualifying distribution exceed the taxable income, the deduction is limited to the taxable income. Should the qualifying distribution be less than the taxable income then the remaining taxable income will be taxed at normal tax rates as applicable.

In terms of the REIT legislation, any capital gains/losses determined in respect of the sale by a REIT or a controlled property company of (1) investment property, (2) a share in a REIT or (3) a share in a controlled company, will be disregarded for capital gains. The capital gains/losses will vest in the shareholders hands upon sale of the shares.

1.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segments of an entity. The chief operating decision maker reviews the internal management reports monthly. The group has determined that its chief operating decision maker is the chief executive officer of the company.

Segmental information is based on the nature of the business activities for which the properties are used. The group earns revenue in the form of rentals from the tenants of its investment properties.

The group comprises the following main geographical operating segments:

- South Africa
  - Western Cape
  - Gauteng
  - Free State
  - Kwazulu-Natal
  - Eastern Cape
- United Kingdom

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.21 Segment reporting (continued)

IFRS has been used for measurement and recognition of the segment results. Segment results include revenue and expenses directly attributable to a segment and the relevant portion of enterprise revenue and expenses that can be allocated on a reasonable basis to a segment. Segment assets and liabilities comprise those assets and liabilities that are directly attributable to the segment on a reasonable basis.

1.22 Employee benefits

The cost of all short term employee benefits is recognised as an expense 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 and annual leave represent the amount which the group has a present obligation to pay as a result of employees' services provided to the reporting date.

1.23 Stated capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown as a deduction of the issue proceeds, net of tax, within equity.

1.24 Foreign currency

1.24.1 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the average exchange rates for the relevant month. These average exchange rates approximate the spot rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in the statement of profit or loss and other comprehensive income.

1.24.2 Foreign currency translation reserve

Foreign operation assets and liabilities are translated into the group's presentation currency at the exchange rates at the reporting date. The statement of profit or loss and other comprehensive income of foreign operations are translated into the group's presentation currency at the exchange rates at the dates of the transaction (the group uses an average exchange rate per month).

On consolidation, exchange rate differences arising from the translation of foreign controlled subsidiaries are recognised in other comprehensive income. These exchange differences are accumulated in the foreign currency translation reserve, except where the translation differences are allocated to non-controlling interests. The cumulative amount is reclassified to profit or loss when the foreign operation is disposed of.

1.25 Share-based payment

The share-based payment reserve relates to the grant-date fair value of the equity-settled share-based payment arrangement granted to executive directors and employees over the vesting period of the awards. The corresponding share-based payment charge is recognised in administration expenses in profit or loss.

The group's conditional share plan comprises performance awards and retention awards, which are classified as equity-settled share based payment arrangements. The awards are granted to employees in exchange for services to be rendered to the group over the vesting period. The share-based payment charge recognised in profit or loss is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met. At the reporting date, the group revises its estimate of the number of shares granted that are expected to vest.

Diluted earnings and diluted headline earnings per share is calculated by taking into account the impact of conditional shares granted.

1.26 Non-controlling interest

The non-controlling interest reserve represents the portion of equity ownership in the subsidiary that is not attributable to the parent company.

The group makes the election to measure non-controlling interest either at fair value or at the non-controlling interest's proportionate share of the investee's' identifiable net assets at the acquisition date. The policy choice for the measurement of non-controlling interest is made on a combination-by-combination basis.

Changes in the group's ownership of the subsidiary that do not result in a gain or loss of control are accounted for as equity transactions.

1.27 Dividends declared

Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the date of declaration.

1.28 Earnings and headline earnings per share

Earnings per share is calculated on the weighted average number of shares in issue, net of shares that are not entitled to receive dividends, in the current year and is based on the profit after tax for the year attributable to the parent. Headline earnings per share is calculated in terms of the requirements set out in Circular 1/2021, issued by SAICA.

2 FINANCIAL RISK MANAGEMENT

The group and company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements (refer to note 24).

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has delegated the responsibility for developing and monitoring the group's risk management policies to the executive directors. The executive directors report to the board of directors on their activities. The group audit and risk committee oversees how the executive directors monitor compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

The group's risk management policies are established to identify and analyse the risks faced by the group and company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the group's and company's activities.

2.1 Credit risk

Credit risk is the risk of financial loss to the group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's trade and other receivables, loans, derivative financial assets and cash and cash equivalents. Credit risk to the company is the risk of financial loss to the company if a subsidiary for whose loans security has been provided, fails to meet its contractual obligations.

Trade and other receivables

Trade and other receivables relate mainly to the group's tenants, related party receivables, staff loans, sundry receivables and deposits with municipalities and local councils. The group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant or client in the case of the group's Digital First initiative. The diversified tenant base and client base ensures that there is no significant concentration risk.

Management has established a credit policy for tenant debtors whereby the terms and conditions of the rental agreement require, in the majority of the cases, the provision of a deposit of at least one month's rental (South Africa only). Tenant's goods are also pledged as security for the fulfilment of the tenant's payment obligations in terms of the rental agreement.

Stor-Age share purchase scheme loans

The group's and company's exposure to credit risk is influenced by the security provided for the loans and also the characteristics of each borrower who is an employee of the group. The risk of defaults on the repayment of the loans is low as the loans are only issued via the scheme to directors and employees and the shares are pledged as security. The group recognises an impairment loss allowance based either on the 12-month expected credit loss or lifetime expected credit loss depending on the outcome of the significant increase in credit risk assessment.

Cash and cash equivalents

The group and company limits its exposure to credit risk by only placing funds with reputable financial institutions for investing and cash handling purposes. The Moody's credit ratings for these financial institutions are as follows:

	Long-term rating
HSBC Bank	A1
First National Bank	Ba2
Investec Bank	Ba2
Santander	A1
Standard Bank of South Africa	Ba2
Nedbank	Ba2
Royal Bank of Scotland	A1
Lloyds Bank	A1

Impairment losses on cash and cash equivalents is measured on a 12-month expected credit loss basis. The group considers that its cash and cash equivalents have low credit risk based on the Moody's external credit ratings of these financial institutions.

2 FINANCIAL RISK MANAGEMENT (CONTINUED)

2.1 Credit risk (continued)

Derivative financial assets

The group and company mitigates its exposure to credit risk by entering into derivative contracts with reputable counterparties. The Moody's credit ratings for these counterparties are as follows:

	Long-term rating
HSBC Bank	A1
Santander	A1
Investec Bank	Ba2
Standard Bank of South Africa	Ba2
Nedbank	Ba2

2.2 Liquidity risk

Liquidity risk is the risk that the group and company will not be able to meet its financial obligations as they fall due. The group's and company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group and company monitor cash flow requirements taking account of forecast rentals receivable and operating expenditure on a monthly basis. Surplus funds are utilised to reduce borrowings or are placed in deposit accounts at the best possible interest rate. Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition the group has negotiated certain lines of credit with financial institutions, as set out in note 24.4.

2.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the group's and company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The group and company is mainly exposed to interest rate risk and adopts a policy of ensuring that an appropriate amount of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk. All such transactions are carried out within the guidelines set by the board of directors.

Currency risk

The group is exposed to currency risk on its initial capital exposure as well as the underlying earnings as a result of operations in the United Kingdom. The group uses cross-currency interest rate swaps as part of its treasury management, effectively matching the currency of debt with the currency of an asset. Cashflows from its operations in the United Kingdom are exposed to movements in the Rand/Pound exchange rate. To manage the impact of currency volatility, the group has adopted a progressive policy of hedging projected forward net cashflow derived in foreign currency. The group does not enter into any further arrangements to hedge the impact of currency fluctuations on distributable earnings.

Price risk

The group is exposed to price risk due to its investment in an unlisted investment. The risk to the group is not material and no hedges have been put in place to manage this risk.

2.4 Capital risk management

The group and company policy is to maintain a strong capital base, comprising its shareholders' interest so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the group and company's stated purpose to deliver long-term sustainable growth in dividends per share.

The capital structure of the group consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents disclosed in note 10, and share capital as disclosed in note 11. In order to maintain or adjust the capital structure, the group may adjust the amount of distributions paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt if required.

As a Real Estate Investment Trust ("REIT"), the company is required to declare 75% of its distributable profit as a distribution to maintain its REIT status. The board has elected (subject to the availability of cash resources and legislative requirements) to declare 100% of the distributable profit of the group as a distribution on a bi-annual basis.

As a result of the group's distribution policy, capital expansion is funded through a combination of debt and equity funding. The group is subject to various loan covenants as disclosed in note 13.3 with the most onerous limit on loan to value ("LTV") of 45%. The group comfortably complied with these covenants. Refer to note 13.4 which sets out the group's LTV calculation.

The board of directors assesses the distribution policy on an ongoing basis and ensures compliance with regulations and that no profits of a capital nature are distributed. There were no changes in the group's approach to capital management during the year.

3 INVESTMENT PROPERTIES

3.1 Fair value of investment properties

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Historical cost	7 026 282	6 996 528	514 891	422 435
Subsequent expenditure capitalised	995 353	798 013	383 494	345 421
Fair value adjustment	2 014 487	1 770 461	18 400	(393)
Remeasurement of lease obligations	46 180	393	–	–
Exchange differences	648 941	(30 395)	–	–
Carrying amount at end of year	10 731 243	9 535 000	916 785	767 463
Movement in investment properties:				
Carrying amount at start of year	9 535 000	7 869 321	767 463	620 544
Additions to investment property	146 820	1 065 150	92 456	109 531
Disposal of investment property	–	–	–	(32 500)
Deconsolidation of subsidiaries	(191 041)	–	–	–
Remeasurement of lease obligations	45 787	–	–	–
Subsequent expenditure capitalised*	271 315	220 873	38 073	56 123
Fair value adjustment	244 026	642 313	18 793	13 765
Exchange differences	679 336	(262 657)	–	–
Carrying amount at end of year	10 731 243	9 535 000	916 785	767 463
Properties held for development	137 675	237 135	109 441	73 754
Trading properties	10 593 568	9 297 865	807 344	693 709
Carrying amount at end of year	10 731 243	9 535 000	916 785	767 463

* *Includes interest capitalised of R26.7 million (2022: R15.9 million) for the group and R9.8 million (2022: R10.8 million) for the company.*

A register of investment properties is available for inspection at the company's registered office. Details pertaining to the group's leasehold properties are set out in note 28.

The group acquired a trading self storage property in Parklands, Cape Town and a property for development in Sandton, Johannesburg for R65.0 million and R23.1 million respectively. In the UK, the group acquired a property adjacent to its existing property in Crewe for R55.0 million (£2.8 million).

The group entered into joint venture agreements with Nedbank Property Partners to develop two properties in Cape Town and two properties in Gauteng. The properties were owned by two of the group's wholly-owned subsidiaries, SSS JV 1 Proprietary Limited and SSS JV 2 Proprietary Limited. On conclusion of the joint venture agreements, the group's shareholding reduced to 50%. On derecognition of the companies' net assets, the carrying value of the four properties was R191.0 million. Further details of the group's investment in joint ventures is set out in note 7.

All investment properties, except for those held for development, have generated rental income during the current year. Repairs and maintenance arising from investment properties that generated rental income during the year amounted to R12.6 million (2022: R9.6 million). The carrying amount of investment properties held for development amount to R137.7 million (2022: R237.1 million).

Investment properties with a fair value (net of lease obligations) of R9.37 billion (2022: R8.42 billion) at the reporting date are pledged as security for the loans and borrowings set out in note 29.

3 INVESTMENT PROPERTIES (CONTINUED)

3.1 Fair value of investment properties (continued)

Capital commitments pertaining to improvements to existing investment properties and new property developments are set out in note 3.2.

The fair value measurement for investment properties has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique used. There have been no transfers to or from level 3 in the year.

In line with the group's policy, a minimum of 50% of income-producing SA properties were externally valued at year end and a minimum of 50% at the interim reporting date of 30 September 2022. The properties not valued independently on each reporting date are valued internally by the directors using the same methodology as the external valuers.

All properties in the UK portfolio were externally valued at year end. At the interim reporting date, properties are valued internally by the directors using the same methodology as the external valuers. However in the current year, all properties were also valued externally at the interim reporting date.

In line with this policy, the table below sets out the details of the number of trading properties the board elected to have externally valued:

	South Africa		United Kingdom		Total	
	Number of properties	Value R million	Number of properties	Value R million	Number of properties	Value R million
31 March 2023						
Internally valued	26	2 385.7	–	–	26	2 385.7
Externally valued	28	2 691.5	26	5 516.3	54	8 207.8
	54	5 077.2	26	5 516.3	80	10 593.5
31 March 2022						
Internally valued	26	2 238.1	–	–	26	2 238.1
Externally valued	27	2 615.2	26	4 444.6	53	7 059.8
	53	4 853.3	26	4 444.6	79	9 297.9

Properties under construction take approximately 12 months to complete and the costs incurred would equate to the fair value of the development. The fair value of vacant land is determined by assessing comparable land values.

Measurement of fair value of investment properties

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

Details of valuation – South Africa

Mr M Gibbons (NDPV, MIVSA) of Mills Fitchet Magnus Penny independently valued 18 properties in the South African portfolio at 31 March 2023.

Mr O Saunders (MRICS) of Jones Lang LaSelle Limited independently valued 10 properties in the South African portfolio at 31 March 2023.

3 INVESTMENT PROPERTIES (CONTINUED)

3.1 Fair value of investment properties (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties in South Africa, as well as the significant unobservable inputs used:

South African properties		
Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
The valuation methodology for freehold and long leasehold properties is based on a discounted cash flow of the net operating income over a 10 year period and notional sale of the asset at the end of the tenth year. Net operating income is based on the projected revenue less projected direct operating costs, including a notional property management fee based on a percentage of revenue, subject to a cap and collar. For properties that have not reached a stabilised mature occupancy level, the growth in occupancy in future periods is calculated assuming a straight-line lease up to stabilised mature occupancy. The number of months to achieve stabilised mature occupancy is based on an estimate taking account of the historical lease up of the property being valued and experience from similar properties in the portfolio. The projected revenue and costs are adjusted for estimated revenue growth and cost inflation. The exit capitalisation rates and discount rates applied to future net cash flow have been estimated by reference to underlying yields for asset types such as industrial, distribution and retail warehousing, inflation and available evidence of transactions in the sector. Any outstanding costs to take an investment property from its current state to completion and full fit-out is deducted from the valuation. For short leasehold properties, the same methodology has been used as for freehold and long leasehold properties, except that the cash flows reflect only the unexpired lease period from the valuation date. For investment properties held for development the same methodology is used on the basis of the cash flow projection expected for the property at opening and allowing for the outstanding costs to take the property from its current state to completion and full fit-out including a contingency where appropriate.	(a) Financial information used to calculate forecast net income – e.g. stabilised occupancy levels, expected future growth in revenue and operating costs. (b) Discount rate – between 13.00% and 15.00% (2022: between 13.00% and 15.00%). (c) Exit capitalisation rate (freehold and long leasehold properties) – between 8.25% and 9.25% (2022: between 8.00% and 9.25%). (d) Rental rate growth rates – between 6.0% and 10.0% (2022: between 5.0% and 9.0%), subject to a maximum rental in certain instances. (e) The operating costs inflation assumption is between 6.0% and 6.6% (2022: between 5.5% and 6.0%). (f) Stabilised occupancy – between 87.5% and 95.0% (2022: between 87.5% and 95.0%).	All other factors being equal, higher net operating income would lead to an increase in the valuation of an investment property and an increase in the capitalisation rate or discount rate would result in a lower valuation, and vice versa. Higher assumptions for stabilised occupancy, lease up rates and rental rates and a lower assumption for operating costs, would result in an increase in projected net operating income, and thus an increase in valuation.

Details of valuation – United Kingdom

In the UK, the entire portfolio was valued independently by CBRE Limited (CBRE – 22 properties) and Cushman and Wakefield (C&W – four properties). The valuations were prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement ("the Red Book") current as at the valuation date. The properties were valued reflecting purchaser's costs with full Stamp Duty Land Tax on a property transaction, as if they were sold directly as property assets. CBRE and C&W were also instructed to prepare an additional valuation using a Special Assumption of purchaser's costs of 0% in accordance with the group's accounting policy for the valuation of investment properties.

The valuation of each investment property has been prepared on the basis of fair value as a fully equipped operational entity, having regard to trading potential.

The valuations have been provided for annual financial statements purposes and, as such, is a Regulated Purpose Valuation as defined in the Red Book (subject to the Special Assumption noted above).

In compliance with the disclosure requirements of the Red Book, CBRE and C&W have confirmed that:

- CBRE does not provide other significant professional or agency services to the group;
- in relation to the preceding financial year of CBRE and C&W, the proportion of the total fees payable by the group to the total fee income of the firm is less than 5%; and
- the fee payable to CBRE is a fixed amount per property and is not contingent on the appraised value.

3 INVESTMENT PROPERTIES (CONTINUED)

3.1 Fair value of investment properties (continued)

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment properties in the United Kingdom, as well as the significant unobservable inputs used:

United Kingdom properties		
Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
The valuation of the properties has been prepared having regard to trading potential. Cash flow projections have been prepared for all of the properties reflecting estimated lease-up, revenue growth and expense inflation. A discounted cash flow method of valuation based on these cash flow projections has been used by the valuers to arrive at their opinion of fair value for these properties. For freehold and long leasehold, properties the valuation is based on a discounted cash flow of the net operating income over a 10 year period and a notional sale of the asset at the end of the tenth year. The same DCF methodology is used for short leasehold properties, except that the cash flows reflect only the unexpired lease period from the date of valuation. Net operating income is based on projected revenue received less projected operating costs, including a property management fee based on a percentage of revenue, subject to a cap and collar. The initial net operating income is calculated by estimating the net operating income in the first twelve months following the valuation date. The net operating income in future years is calculated assuming either straight line lease-up from day one actual occupancy or variable line lease-up over years one to four of the cash flow period, to an estimated stabilised/mature occupancy level. The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth. The capitalisation rates applied to existing and future net cash flows have been estimated by reference to underlying yields for industrial and retail warehouse property, yields for other trading property types such as purpose-built student housing and hotels, bank base rates, ten-year money rates, inflation and the available evidence of transactions in the sector. The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each property.	(a) Financial information used to calculate forecast net income – e.g. stabilised occupancy levels, expected future growth in revenue and operating costs. (b) Discount rate – Freehold and long leasehold properties between 8.500% and 9.750%; Short leasehold properties between 10.250% and 11.000% (2022: Freehold and long leasehold properties between 8.10% and 9.375%; Short leasehold properties between 10.125% and 10.875%). (c) Exit capitalisation rate (freehold and long leasehold properties) – between 5.750% and 7.000% (2022: between 5.50% and 6.750%). (d) Rental rate growth ranges between 2.50% and 3.00% (2022: between 2.50% and 3.50%). (e) The operating costs inflation assumption is 2.75% (2022: ranges from 2.50% to 2.75%). (f) Stabilised occupancy – between 83.0% and 95.0% (2022: between 85.0% and 94.0%).	All other factors being equal, higher net operating income would lead to an increase in the valuation of an investment property and an increase in the capitalisation rate or discount rate would result in a lower valuation, and vice versa. Higher assumptions for stabilised occupancy, lease-up rates and rental rates and a lower assumption for operating costs, would result in an increase in projected net operating income, and thus an increase in valuation.

Sensitivity of fair values to changes in significant key unobservable inputs

	South Africa		United Kingdom		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Valuation in R million	5 214.9	5 090.4	5 516.3	4 444.6	10 731.2	9 535.0
Change in exit capitalisation rates by -0.1%	28.1	25.2	34.0	34.0	62.1	59.2
Change in exit capitalisation rates by +0.1%	(27.6)	(27.6)	(32.7)	(32.7)	(60.3)	(60.3)
Change in market rentals by -1%	(55.6)	(62.9)	(57.0)	(57.0)	(112.6)	(119.9)
Change in market rentals by +1%	54.9	62.8	57.3	57.3	112.2	120.1
Change in discount rates by -0.1%	32.3	29.8	26.2	26.2	58.5	56.0
Change in discount rates by +0.1%	(32.1)	(31.3)	(26.8)	(26.8)	(58.9)	(58.1)

3 INVESTMENT PROPERTIES (CONTINUED)

3.2 Capital commitments authorised

	Group 2023 R'000	Group 2022 R'000
Contracted for	153 674	188 947
Authorised but not contracted for	102 867	245 790
	256 541	434 737

The capital commitments relate to improvements to investment properties and new property developments. The commitments will be funded from the group's cash resources and borrowing facilities (see note 13).

4 STOR-AGE SHARE PURCHASE SCHEME LOANS

At the inaugural meeting held on 20 October 2015, shareholders approved and adopted the Stor-Age Share Purchase and Option Scheme (the 'Scheme'). The rules of the Scheme were amended in 2018 to increase the maximum number of shares which may be granted to the participants from 17 687 634 shares to 20 000 000 shares in the company at any time. No new shares were granted to participants under the Scheme in the current and prior year.

The Scheme serves as a mechanism to create ownership opportunities for the executive directors and selected employees whereby they are offered the opportunity to acquire Stor-Age shares by way of an interest-bearing loan.

	2023 Number of shares	2022 Number of shares
Maximum number of shares available for the Scheme	20 000 000	20 000 000
Shares issued to participants		
At start of year	7 547 850	12 638 154
Sold during the year	(355 123)	(5 090 304)
Issued during the year	–	–
At end of year	7 192 727	7 547 850
Shares available for the Scheme	3 280 560	3 280 560

The shares sold by scheme participants may not be reissued under the scheme limit to other participants.

Reconciliation of shares owned by participants

	Number of shares at 1 April 2022	Shares issued	Shares sold by participants	Number of shares at 31 March 2023
Issue 1	5 234 407	–	(225 000)	5 009 407
Issue 2	57 000	–	(33 680)	23 320
Issue 4a	62 000	–	(32 000)	30 000
Issue 4b	750 000	–	–	750 000
Issue 5	800 000	–	–	800 000
Issue 6	644 443	–	(64 443)	580 000
	7 547 850	–	(355 123)	7 192 727

	Number of shares at 1 April 2021	Shares issued	Shares sold by participants	Number of shares at 31 March 2022
Issue 1	9 125 754	–	(3 891 347)	5 234 407
Issue 2	124 360	–	(67 360)	57 000
Issue 3	70 000	–	(70 000)	–
Issue 4a	338 040	–	(276 040)	62 000
Issue 4b	900 000	–	(150 000)	750 000
Issue 5	1 100 000	–	(300 000)	800 000
Issue 6	980 000	–	(335 557)	644 443
	12 638 154	–	(5 090 304)	7 547 850

4 STOR-AGE SHARE PURCHASE SCHEME LOANS (CONTINUED)

Reconciliation of movement in loan owed by participants (R'000)

	Opening balance at 1 April 2022	Interest charged	Dividends received	Settlement of loan	Withdrawal of surplus	Closing balance at 31 March 2023
Issue 1	55 248	4 339	(6 023)	(3 016)	2 373	52 921
Issue 2	535	23	(33)	(433)	139	231
Issue 4a	676	33	(44)	(362)	57	360
Issue 4b	9 063	672	(865)	–	199	9 069
Issue 5	10 471	750	(923)	–	213	10 511
Issue 6	8 142	597	(705)	(915)	249	7 368
	84 135	6 414	(8 593)	(4 726)	3 230	80 460

	Opening balance at 1 April 2021	Interest charged	Dividends received	Settlement of loan	Withdrawal of surplus	Closing balance at 31 March 2022
Issue 1	96 296	5 175	(6 346)	(53 857)	13 980	55 248
Issue 2	1 213	68	(84)	(861)	199	535
Issue 3	772	7	–	(866)	87	–
Issue 4a	4 017	146	(200)	(3 931)	644	676
Issue 4b	10 879	716	(873)	(2 175)	516	9 063
Issue 5	14 427	921	(1 107)	(4 295)	525	10 471
Issue 6	12 437	748	(843)	(4 645)	445	8 142
	140 041	7 781	(9 453)	(70 630)	16 396	84 135

Dividends received represents the dividends received on the Scheme shares held by a participant which is paid to the company. The proceeds are used to settle interest owing on the loan by the participant. Where the dividends exceed the interest, the surplus is settled against the capital loan balance.

Settlement of the loan reflects the full proceeds on the sale of Scheme shares held by a participant which is paid to the company. The proceeds are used to settle the outstanding loan of the participant relating to the Scheme shares sold.

Withdrawal of surplus comprises:

- the net gain on the sale of Scheme shares held by a participant being the full proceeds from the sale of the Scheme shares less a proportionate amount of the outstanding loan at the date of sale; and
- the difference between the dividend received on the Scheme shares held by a participant relating to a dividend period less the interest owing on the loan for the same period. Under the rules of the Scheme, participants may elect to withdraw this surplus.

		31 March 2023		31 March 2022	
	Interest rate	Outstanding balance R'000	Fair value of shares R'000	Outstanding balance R'000	Fair value of shares R'000
Issue 1	8.00%	52 921	64 371	55 247	77 365
Issue 2	8.31%	231	300	535	842
Issue 4a	7.46%	360	386	676	916
Issue 4b	7.46%	9 069	9 638	9 064	11 085
Issue 5	7.19%	10 511	10 280	10 471	11 824
Issue 6	7.90%	7 368	7 453	8 142	9 525
Shares balance at 31 March		80 460	92 428	84 135	111 557

4 STOR-AGE SHARE PURCHASE SCHEME LOANS (CONTINUED)

Reconciliation of movement in loan owed by participants (continued)

Loans to directors and employees

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Directors				
SC Lucas	23 632	25 721	23 632	25 721
GM Lucas	27 302	27 284	27 302	27 284
SJ Horton	27 302	27 284	27 302	27 284
Employees	2 224	3 846	2 224	3 846
	80 460	84 135	80 460	84 135

The terms of the loans to directors and employees are as follows:

- The loans bear interest at a fixed interest rate per annum compounded monthly and capitalised to the loan.
- Dividends received on the shares held by the beneficiaries are applied against the interest payable.
- The loans are secured by a pledge and cession of the shares to the company.
- The maximum period for the repayment of the loans is ten years from the date of issue.
- In the event of the resignation or dismissal of a beneficiary, the loans are repayable within one year.
- In the event of the retrenchment or death of a beneficiary, the loans are repayable within two years.
- If at the maturity date of the loan, the fair value of the shares is less than the outstanding loan balance, the beneficiary will be liable for settling the difference.
- The loans are repayable in cash.

Dividends of R8.593 million (2022: R9.453 million) received by participants in the Scheme during the current year have been applied against the interest on the loans of R6.414 million (2022: R7.781 million).

No impairment allowances (refer to note 24) were made on the outstanding loan balances as at the end of the year.

5 GOODWILL AND INTANGIBLE ASSETS

Group	Goodwill R'000	Stor-Age^ Management Agreement R'000	Website* R'000	Storage King brand R'000	Total R'000
2023					
Cost	128 595	–	15 740	19 489	163 824
Opening balance	121 852	–	12 518	17 014	151 384
Additions during the year*	–	–	2 913	–	2 913
Foreign exchange movement	6 743	–	309	2 475	9 527
Accumulated amortisation	–	–	(7 795)	–	(7 795)
Opening balance	–	–	(5 678)	–	(5 678)
Amortisation for the year	–	–	(2 117)	–	(2 117)
Carrying amount at 31 March 2023	128 595	–	7 945	19 489	156 029
2022					
Cost	121 852	–	12 518	17 014	151 384
Opening balance	124 880	–	7 395	18 126	150 401
Additions during the year*	–	–	5 211	–	5 211
Foreign exchange movement	(3 028)	–	(88)	(1 112)	(4 228)
Accumulated amortisation	–	–	(5 678)	–	(5 678)
Opening balance	–	–	(3 382)	–	(3 382)
Amortisation for the year	–	–	(2 296)	–	(2 296)
Carrying amount at 31 March 2022	121 852	–	6 840	17 014	145 706

5 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Company	Goodwill R'000	Stor-Age^ Management Agreement R'000	Website* R'000	Total R'000
2023				
Cost	279	77 400	9 205	86 884
Opening balance	279	77 400	6 901	84 580
Additions during the year*	–	–	2 304	2 304
Accumulated amortisation	–	–	(5 377)	(5 377)
Opening balance	–	–	(3 260)	(3 260)
Amortisation for the year	–	–	(2 117)	(2 117)
Carrying amount at 31 March 2023	279	77 400	3 828	81 507
2022				
Cost	279	77 400	6 901	84 580
Opening balance	279	77 400	3 536	81 215
Additions during the year*	–	–	3 365	3 365
Accumulated amortisation	–	–	(3 260)	(3 260)
Opening balance	–	–	(1 759)	(1 759)
Amortisation for the year	–	–	(1 501)	(1 501)
Carrying amount at 31 March 2022	279	77 400	3 641	81 320

^ *Management agreements relate to the amalgamation and merger of Stor-Age Self Storage Proprietary Limited on listing in November 2015.*
* *Additions made to the website are internally generated.*

The carrying amount of goodwill has been allocated to the different cash-generating units below:

	Initial goodwill R'000	Cumulative foreign exchange movement R'000	Goodwill 31 March 2023 R'000	Goodwill 31 March 2022 R'000
Stor-Age management agreement (note 5.1)	77 697	–	77 697	77 697
Storage RSA (note 5.2)	1 769	–	1 769	1 769
Betterstore Self Storage (note 5.3)	41 547	7 582	49 129	42 386
Carrying amount at end of year	121 013	7 582	128 595	121 852

5.1 Goodwill acquired as part of the Stor-Age Self Storage business combination

The company acquired Stor-Age Self Storage Proprietary Limited (the 'Operator') on 16 November 2015, for a purchase consideration of R100 million settled by the issue of 10 million ordinary shares (the 'Consideration Shares'). In terms of the amalgamation and merger agreement entered into between the shareholders of the Operator and the company, the shareholders of the Operator agreed to not have full entitlement to any distributions paid by the company in respect of the Consideration Shares until after 31 March 2020 in accordance with the specific provisions set out in the agreement and disclosed in the prospectus. The fair value of the discounted purchase consideration is R77.7 million.

In the company's separate financial statements the purchase consideration of R77.7 million is recognised as an intangible asset. On consolidation, the purchase consideration of R77.7 million is recognised as goodwill.

For purposes of impairment testing, goodwill acquired has been allocated to the investment properties, ceded to the company as part of the amalgamation and merger of the Operator. Goodwill has been allocated to segments but the same inputs as disclosed below have been used for each cash generating unit given that the underlying properties are in large metropolitan areas. Management has tested these cash flows using a discounted cash flow valuation over a 10 year period on a standalone basis. A 10 year period has been used given the nature of the self storage business model. Management has used the following assumptions:

	2023	2022
Discount rate	15%	15%
Exit capitalisation rate	9.3%	9.5%
Growth rate	6%	6%
Cost inflation	6%	6%

There was no impairment of the cash generating units in the current and prior year.

5 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

5.2 Goodwill acquired as part of the Storage RSA business combination

The group acquired Storage RSA on 28 February 2017. The recoverable amount of the goodwill relating to Storage RSA is based on the higher of value in use or fair value less costs of disposal. The group has assessed the consolidated net asset value of the business to be its recoverable amount. At the reporting date, the net asset value of Storage RSA was greater than the net asset value at the acquisition date.

No impairment loss has been recognised during the current and prior year.

5.3 Goodwill acquired as part of the Betterstore business combination

The company, through its wholly-owned subsidiary Roeland Street Investments ('RSI'), acquired Betterstore Self Storage Holdings Limited ('Betterstore') on 2 November 2017. Goodwill of R 41.565 million arose on acquisition. The Dividend Growth Model was used to determine the value in use for Betterstore as the dividends are the most appropriate reflection of free cashflows of the business. Management has tested the expected dividend cash flow using the dividend growth model over a 5 year period on a stand alone basis, using the following assumptions:

	2023	2022
Dividend growth	6.0%	6.0%
Exit capitalisation rate	6.7%	6.8%
Discount rate	9.0%	9.3%
Exchange rate (GBP/ZAR)	22.01	20.41
Terminal growth rate	3.0%	3.0%

No impairment loss has been recognised during the current and prior year.

5.4 Sensitivity analysis

In respect of the goodwill acquired as part of the Stor-Age Self Storage and Betterstore business combinations, the impact of a reasonable change in the assumptions on the value in use are listed below:

	2023 R'million	2022 R'million
Stor-Age Self Storage		
Discount rate minus 1%	7.66	6.90
Discount rate plus 1%	(7.34)	(6.10)
Long term growth rate minus 1%	(6.34)	(6.10)
Long term growth rate plus 1%	6.66	5.90
Betterstore		
Dividend growth rate minus 1%	(124.59)	(97.62)
Dividend growth rate plus 1%	129.09	101.14
Discount rate minus 1%	(124.59)	98.82
Discount rate plus 1%	129.09	(93.75)

6 INVESTMENT IN SUBSIDIARIES

The investment in subsidiaries are accounted for at cost by the company. Details of the company's interest in directly held subsidiaries at the reporting date are as follows:

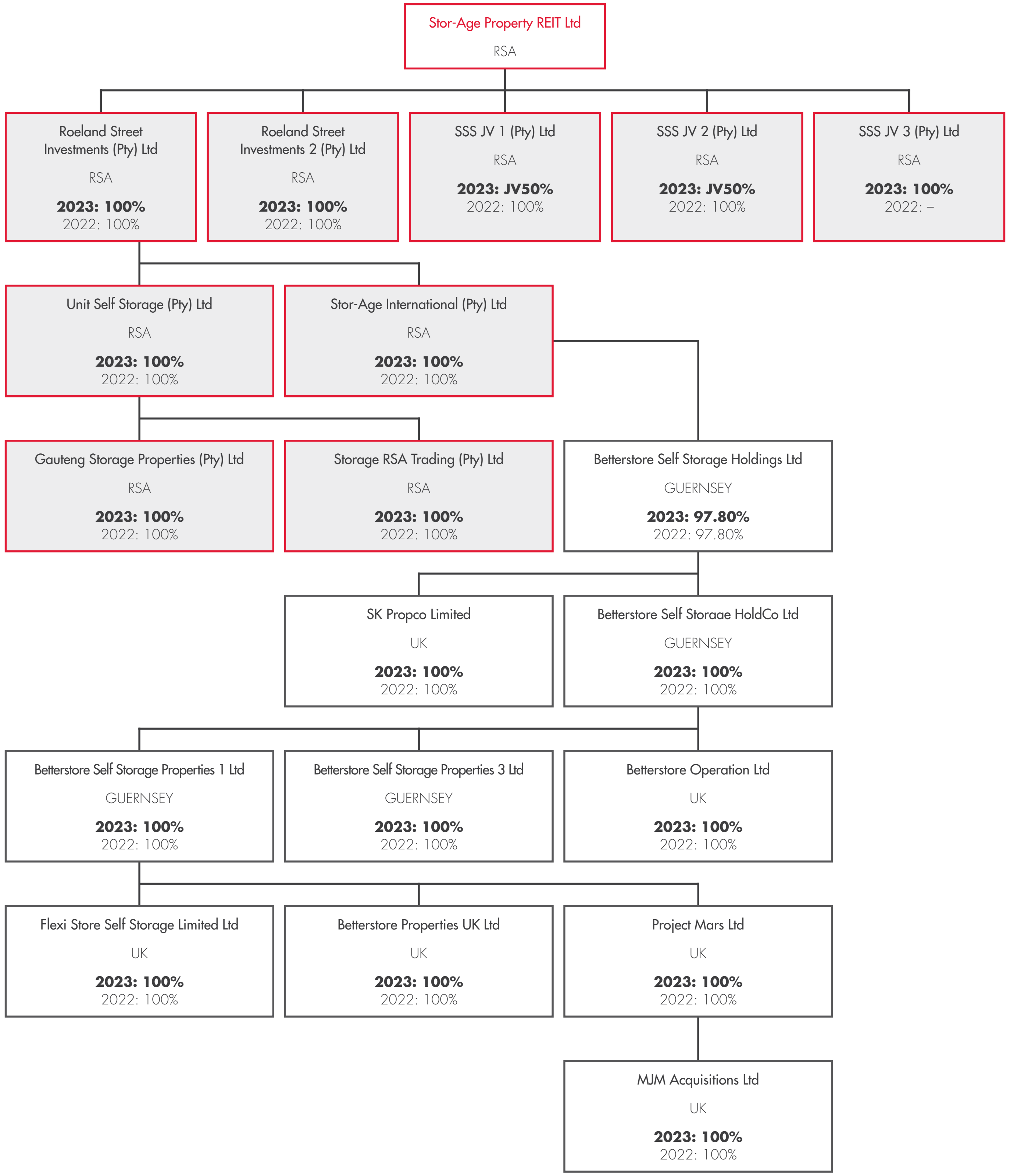
Name of subsidiary	Country of incorporation	Effective holding 31 March 2023	Effective holding 31 March 2022	Investment at cost Company 2023	Investment at cost Company 2022
Roeland Street Investments Proprietary Limited ('RSI')	South Africa	100%	100%	3 421 671	3 419 950
Roeland Street Investments 2 Proprietary Limited ('RSI 2')	South Africa	100%	100%	950 972	950 972
SSS JV 1 Proprietary Limited ('SSS JV 1')^	South Africa	50% JV	100%	–	–
SSS JV 2 Proprietary Limited ('SSS JV 2')^	South Africa	50% JV	100%	–	–
SSS JV 3 Proprietary Limited ('SSS JV 3')*	South Africa	100%	–	–	–
				4 372 643	4 370 922

There are no restrictions on the company's ability to use the subsidiaries' assets or settle its liabilities.

* *SSS JV 3 was incorporated during the current year. The company directly holds one no par value share of R1.00 in the company.*
^ *On conclusion of the JV agreements with Nedbank Property Partners the group's effective shareholding changed to 50%. Refer to note 6.2 for further detail.*

6 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the company's interest in subsidiaries at 31 March 2023 are as follows:



RSA – South Africa
UK – United Kingdom

6 INVESTMENT IN SUBSIDIARIES (CONTINUED)

6.1 Reconciliation of investment in subsidiaries

	Company 2023 R'000	Company 2022 R'000
Opening balance	4 370 922	3 899 989
Additional investment	–	470 000
Share-based payment charge	1 721	933
Closing balance	4 372 643	4 370 922

6.2 Deconsolidation of subsidiaries (SSS JV 1 and SSS JV 2)

Stor-Age entered into joint venture with Nedbank Property Partners ('NPP') in respect of its equity interests in SSS JV 2 and SSS JV 1 on 4 August 2022 and 15 January 2023 respectively. On conclusion of the joint venture agreements, Stor-Age's shareholding changed from 100% to 50% in both companies.

The joint venture requires unanimous consent from both Stor-Age and NPP on decisions which affect SSS JV 1 and SSS JV 2's relevant activities. Refer to note 7 for further detail regarding the joint venture.

The carrying amounts of assets and liabilities derecognised from the group's accounts at the effective date of the joint venture:

	SSS JV 1 R'000	SSS JV 2 R'000
Investment property	98 300	92 741
Current assets	39 966	13 313
Current liabilities	(1 663)	(224)
Intercompany loan payable	(136 085)	(105 830)
Net assets	518	–

6.3 Intercompany loans receivable from/(payable) to subsidiaries

	Company 2023 R'000	Company 2022 R'000
Intercompany loans payable		
Gauteng Storage Properties Proprietary Limited	43 816	33 926
Unit Self Storage Proprietary Limited	1 296	3 377
Roeland Street Investments 2 Proprietary Limited	43 241	29 888
	88 353	67 191
Intercompany loans receivable		
Roeland Street Investments Proprietary Limited	467 531	390 188
Betterstore Self Storage Operations Limited	33 928	–
SSS JV 1 Proprietary Limited	–	110 507
SSS JV 2 Proprietary Limited	–	76 342
SSS JV 3 Proprietary Limited	28 768	–
	530 227	577 037
Classification of intercompany loans receivables and payable		
Current assets	530 227	577 037
Current liabilities	(88 353)	(67 191)
Net intercompany loans balance	441 874	509 846

The intercompany loan balances mainly comprise working capital amounts and dividends declared to the company during the year that were not settled at the reporting date. SSS JV 1 and SSS JV 2 were derecognised as subsidiaries during the current year. The portion of the loans due from SSS JV 1 and SSS JV 2 which are long-term in nature has been recognised as part on Stor-Age's investment in the joint ventures.

No interest is charged on intercompany balances with the South African subsidiaries. Interest is charged at 8% on the loan with Betterstore Self Storage Operations Limited. The intercompany payable/receivable is repayable on demand. Refer to note 24.3 for expected credit losses disclosure.

The company has issued Betterstore Self Storage Holdings and its directly held subsidiaries with a letter of financial support at the reporting date.

7 INVESTMENT IN JOINT VENTURES

The group has joint venture (JV) arrangements in place across SA and the UK to develop, own and operate self storage properties. In SA the group has JV arrangements with Garden Cities, Nedbank Property Partners and Rabie Property Group (through the Century City Property Investment Trust). In the UK the JV partner is Moorfield Group.

7.1 Summary of interests in joint ventures

The table below depicts Stor-Age's interest in joint ventures, split by their country of incorporation, which are material to the group at the reporting date.

		% ownership interest		Group		Company	
				2023	2022	2023	2022
Name of company	JV partner	2023	2022	R'000	R'000	R'000	R'000
SA							
Sunningdale Self Storage Proprietary Limited	Garden Cities	50.0%	50.0%	16 740	37 894	4 924	39 090
SSS JV 1 Proprietary Limited*	Nedbank Property Partners	50.0%	–	8 546	–	8 580	–
SSS JV 2 Proprietary Limited*	Nedbank Property Partners	50.0%	–	9 767	–	9 768	–
Storage Century City JV Proprietary Limited	Century City Property Investment Trust	50.0%	–	15 877	–	15 877	–
UK							
SK Heathrow Limited^	Moorfield Group	24.9%	24.9%	65 510	31 380	–	–
SK Canterbury1 Limited^	Moorfield Group	24.9%	24.9%	26 067	2 755	–	–
SK Bath Limited^	Moorfield Group	24.9%	24.9%	52 647	33 124	–	–
SKJV Bidco Limited ('Bidco')^	Moorfield Group	24.9%	24.9%	183 586	141 427	–	–
SK West Brom Limited^	Moorfield Group	24.9%	–	36 700	–	–	–
SK Acton Limited^	Moorfield Group	24.9%	–	6 580	–	–	–
Carrying amount				422 020	246 580	39 149	39 090

The joint ventures country of incorporation is also their principal place of business.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Reconciliation of net investment in joint ventures				
Opening balance	246 580	28 637	39 090	21 743
Investment in joint venture	136 136	218 958	32 175	15 325
Share of equity-accounted total comprehensive income	31 596	(478)	–	–
Elimination of capitalised fees	–	(2 559)	–	–
Interest accrued	9 803	2 022	9 803	2 022
Loan repaid during the year	(41 919)	–	(41 919)	–
Foreign currency translation	39 824	–	–	–
Carrying amount of net investment in joint ventures	422 020	246 580	39 149	39 090
The net investment in joint ventures comprises:				
Investment in joint ventures	118 944	72 455	239	2
Loans advanced	303 076	174 125	38 910	39 088
Carrying amount of net investment in joint ventures	422 020	246 580	39 149	39 090

* *Collectively referred to as SSS JV.*

^ *Collectively referred to as SKJV.*

7 INVESTMENT IN JOINT VENTURES (CONTINUED)

7.1 Summary of interests in joint ventures (continued)

Garden Cities

The joint venture owns a self storage property in Sunningdale, Cape Town which commenced trading in May 2021.

Stor-Age has the right to appoint two of the four directors of the JV and participates in all significant financial and operating decisions. The group has joint control and the JV is structured as a separate vehicle. The group has a residual interest in the net assets of the entity and accordingly has classified its interest as a JV.

The shareholder loan advanced to the JV is unsecured and bears interest at the prime interest rate applicable in South Africa. The interest is due and payable bi-annually. External bank funding was obtained in March 2023 and a portion of the shareholder loan was repaid.

The JV has a financial year ending 28 February.

Nedbank Property Partners

The group is developing four self storage properties in JVs with NPP.

Stor-Age has the right to appoint two of the four directors of the JV entities and all shareholders must unanimously agree on the relevant activities of the JVs. The group has a residual interest in the net assets of the JV entities and accordingly has classified its interest as a JV. The shareholder loan advanced is unsecured and bears interest at the prime interest rate applicable in South Africa.

The shareholders agreement for each JV includes a call and put option in respect of Nedbank Property Partners ('NPP') ordinary shares in the JV plus any shareholder loan claims. Under the agreement, NPP has the option to put its ordinary share in the JVs and shareholder loan claims to Stor-Age and is exercisable five years following the completion of the property developments in each JV. Stor-Age has a call option to acquire NPP's ordinary shares in the JV plus any shareholder loan claims and is exercisable six years following the completion of the property developments in each JV. If neither the put option or call option are exercised by NPP or Stor-Age, as the case may be, the put and call options renew annually.

The option price means the fair market value of NPP's ordinary shares as determined in accordance with IFRS plus the face value of all NPP's shareholder loan claims against the JV. The fair market value will be determined by unanimous agreement of the JV's board of directors. If the board of directors fails to agree the fair market value, the matter shall be referred to an independent professional valuer to determine the fair market value.

The entities have a financial year ending 31 March.

Moorfield Group

Stor-Age has the right to appoint two of the five directors of the JV entities and all shareholders must unanimously agree on the relevant activities of the JV entities. The group has a residual interest in the net assets of the JV entities and accordingly has classified its interest as a JV.

The entities have a financial year ending 31 December.

Century City Property Investment Trust

The JV is developing a self storage facility in Century City. Stor-Age has the right to appoint two of the four directors of the entity and all shareholders must unanimously agree on the relevant activities of the entity. The group has a residual interest in the net assets of the JV entity and accordingly has classified its interest as a JV. The shareholder loan advanced is unsecured and bears interest at the prime interest rate applicable in South Africa.

The JV has a financial year ending 31 March.

7.2 Capital commitments in respect of joint ventures

Commitment to provide funding to the JVs for capital expenditure projects:

	Group	
	2023 R'000	2022 R'000
Contracted for	103 937	88 375
Authorised but not contracted for	–	–
	103 937	88 375

7 INVESTMENT IN JOINT VENTURES (CONTINUED)

7.3 Summarised financial information for material joint ventures

The tables below set out the summarised financial information for the JVs which are material to the group. The financial information has been presented by JV partner and aligns with the group's accounting policies.

Summarised statement of financial position (100%)

SA	Garden Cities 2023 R'000	Garden Cities 2022 R'000	Nedbank Property Partners 2023 R'000	Nedbank Property Partners 2022 R'000	Century City Property Investment Trust 2023 R'000	Century City Property Investment Trust 2022 R'000
Non-current assets	93 210	59 842	284 323	–	20 636	–
Investment properties	92 742	58 895	284 323	–	20 636	–
Other non-current assets	468	947	–	–	–	–
Cash and cash equivalents	1 259	2 122	1 236	–	33	–
Other current assets	64	1 082	1 879	–	1 366	–
Current liabilities	(864)	(470)	(1 754)	–	–	–
Non-current liabilities	(69 049)	(63 762)	(286 267)	–	(22 035)	–
Loans and borrowings	(62 388)	(63 762)	(286 267)	–	(22 035)	–
Deferred taxation	(6 661)	–	–	–	–	–
Net assets/(liabilities)	24 620	(1 186)	(583)	–	–	–
Group's share in %	50%	50%	50%	–	50%	–
Opening balance	37 894	21 514	–	–	–	–
Share of total comprehensive income	13 012	(967)	(551)	–	–	–
Increase in investment	4 674	15 325	12 682	–	15 335	–
Settlement of loan	(41 919)	–	–	–	–	–
Interest accrued	3 079	2 022	6 182	–	542	–
Carrying amount	16 740	37 894	18 313	–	15 877	–

UK	Moorfield Development JV* 2023 R'000	Moorfield Development JV* 2022 R'000	Moorfield Trading JV# 2023 R'000	Moorfield Trading JV# 2022^ R'000	Total Moorfield JV 2023 R'000	Total Moorfield JV 2022 R'000
Non-current assets	729 893	239 082	1 409 675	1 130 407	2 139 568	1 369 489
Investment properties	729 860	239 082	1 405 438	1 126 563	2 135 298	1 365 645
Other non-current assets	33	–	4 237	3 844	4 270	3 844
Cash and cash equivalents	7 498	–	53 178	27 312	60 676	27 312
Other current assets	23 832	20 068	23 041	62 625	46 873	82 693
Current liabilities	(34 339)	–	(43 034)	(57 846)	(77 373)	(57 846)
Non-current liabilities	(726 912)	(259 150)	(1 035 246)	(875 364)	(1 762 158)	(1 134 514)
Loans and borrowings	(726 912)	(259 150)	(1 007 929)	(875 364)	(1 734 841)	(1 134 514)
Deferred taxation	–	–	(27 317)	–	(27 317)	–
Net assets/(liabilities)	(28)	–	407 614	287 134	407 586	287 134
Group's share in %	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%
Opening balance	67 259	7 123	141 427	–	208 686	7 123
Share of total comprehensive income	(35)	(521)	19 169	(1 549)	19 134	(2 070)
Increase in investment	102 198	60 657	1 248	142 976	103 446	203 633
Foreign exchange differences	18 082	–	21 742	–	39 824	–
Carrying amount	187 504	67 259	183 586	141 427	371 090	208 686

* *Reflects the results of SK Heathrow, SK Canterbury, SK Bath, SK West Brom and SK Acton which at the reporting date were still all under development.*
\# *Reflects the consolidated results for the SK Bidco group which owns four properties trading under the Storage King brand.*
^ *Comparative presentation updated to align with the current year*

The UK JV's statements of financial position have been translated at the closing spot rate on 31 March 2023 of £1/R22.00 (2022: £1/R19.11).

7 INVESTMENT IN JOINT VENTURES (CONTINUED)

7.3 Summarised financial information for material joint ventures (continued)

Summarised statement of profit or loss and other comprehensive income (100%)

SA	Garden Cities 2023 R'000	Garden Cities 2022 R'000	Nedbank Property Partners 2023 R'000	Nedbank Property Partners 2022 R'000	Century City Property Investment Trust 2023 R'000	Century City Property Investment Trust 2022 R'000
Property revenue	9 341	3 971	325	–	–	–
Impairment losses recognised on tenant debtors	(74)	(4)	–	–	–	–
Direct property costs	(2 268)	(1 575)	–	–	–	–
Administration expenses	(721)	(550)	(255)	–	–	–
Fair value adjustment to investment property	32 520	–	–	–	–	–
Depreciation and amortisation	(35)	(17)	–	–	–	–
Interest income	100	43	37	–	–	–
Interest expense	(5 931)	(3 499)	(1 210)	–	–	–
Deferred taxation	(6 907)	457	–	–	–	–
Profit/(loss) for the year	26 025	(1 174)	(1 103)	–	–	–
Total comprehensive income	26 025	(1 174)	(1 103)	–	–	–

UK	Moorfield Development JV* 2023 R'000	Moorfield Development JV* 2022 R'000	Moorfield Trading JV# 2023 R'000	Moorfield Trading JV# 2022^ R'000	Total Moorfield JV 2023 R'000	Total Moorfield JV 2022 R'000
Property revenue	–	–	96 724	2 549	96 724	2 549
Other income	–	–	–	10	–	10
Impairment losses recognised on tenant debtors	–	–	(390)	–	(390)	–
Direct property costs	–	–	(29 949)	(792)	(29 949)	(792)
Administration expenses	(129)	(7)	(9 423)	(358)	(9 552)	(365)
Fair value adjustment to investment property	–	–	67 755	–	67 755	–
Depreciation and amortisation	–	–	(1 458)	–	(1 458)	–
Interest income	–	–	54	–	54	–
Interest expense	–	–	(22 177)	(601)	(22 177)	(601)
Taxation	–	–	(29 584)	(338)	(29 584)	(338)
Normal taxation	–	–	(4 075)	(338)	(4 075)	(338)
Deferred taxation	–	–	(25 509)	–	(25 509)	–
Profit/(loss) for the year	(129)	(7)	71 552	470	71 423	463
Other comprehensive income	(10)	–	5 431	(7)	5 421	(7)
Total comprehensive income	(139)	(7)	76 983	463	76 844	456

* *Reflects the results of SK Heathrow, SK Canterbury, SK Bath, SK West Brom and SK Acton which at the reporting date were still all under development.*
\# *Reflects the consolidated results for the SK Bidco group which owns four properties trading under the Storage King brand.*
^ *Reflects two months of trading activity. The effective date of the Bidco JV arrangement is 1 February 2022.*

The UK JV's statements of profit or loss and other comprehensive income have been translated at the average rate for the period 1 April 2022 to 31 March 2023 of £1/R20.45 (2022: £1/R20.29).

8 UNLISTED INVESTMENT

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Opening balance	10 838	5 474	10 838	5 474
Additional investment	17 000	5 500	17 000	5 500
Fair value adjustment	(272)	(136)	(272)	(136)
Closing balance	27 566	10 838	27 566	10 838

The investments are held in various managed pooled funds. The funds focus on promoting financial inclusion and capacity building of black-owned SMEs within the broader SME ecosystem. This is achieved by empowering entrepreneurs with real funding solutions, targeted training, insightful mentorship, and strategic support.

9 TRADE AND OTHER RECEIVABLES

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Financial instruments				
Tenant debtors net of expected credit losses	25 852	18 798	569	281
Gross tenant debtors	29 396	20 672	868	387
Expected credit losses	(3 544)	(1 874)	(299)	(106)
Staff loans	72	114	72	108
Related party receivables – other	415	31	24 267	40 825
Related party receivables – JV	10 596	–	568	–
Sundry receivables	50 150	41 177	5 268	8 249
	87 085	60 120	30 744	49 463
Non-financial instruments				
Prepayments+	51 553	42 642	1 334	1 252
VAT	–	24 588	–	–
	51 553	67 230	1 334	1 252
Total trade and other receivables	138 638	127 350	32 078	50 715
Split between non-current and current portion				
Current assets	138 638	127 350	32 078	50 715
Non-current assets	–	–	–	–
	138 638	127 350	32 078	50 715
Categorisation of trade and other receivables				
Trade and other receivables are categorised as follows in accordance with IFRS 9:				
At amortised cost	87 085	60 120	30 744	49 463
Non-financial instruments	51 553	67 230	1 334	1 252

+ *For the group this balance includes property rates relating to the UK properties that have been paid in advance for the year.*

Information about the group and company's exposure to credit and market risks, and impairment losses for trade and other receivables is included in note 24.

10 CASH AND CASH EQUIVALENTS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Current account	258 869	222 333	155 685	82 209
Cash held in escrow*	96 662	–	–	–
	355 531	222 333	155 685	82 209

* *The cash held in escrow relates to monies paid for the group's share of the investment in SK Enterprise JV Limited, and held in a designated account until the transaction completed in April 2023. Refer to note 31 for further detail on the transaction which completed after the reporting date.*

11 STATED CAPITAL

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Authorised				
1 000 000 000 Ordinary shares of no par value				
Issued				
In issue at the beginning of the year	5 374 681	4 783 903	5 374 681	4 783 903
Shares issued in respect of accelerated bookbuild	–	575 000	–	575 000
Shares issued in respect of dividend re-investment programme	–	21 577	–	21 577
Share repurchased for conditional share plan	(21 692)	–	(21 692)	–
Shares awarded in respect of share-based payment transactions	9 350	–	9 350	–
Share issue costs	–	(5 799)	–	(5 799)
In issue at the end of the year	5 362 339	5 374 681	5 362 339	5 374 681
Reconciliation of number of issued shares				
In issue at the beginning of the year	474 610 430	432 881 143	474 610 430	432 881 143
Shares issued in respect of dividend re-investment programme	–	1 519 497	–	1 519 497
Shares issued in respect of accelerated bookbuild	–	40 209 790	–	40 209 790
Share repurchased for conditional share plan	(1 548 978)	–	(1 548 978)	–
Shares awarded in respect of share-based payment transactions	1 548 978	–	1 548 978	–
In issue at the end of the year	474 610 430	474 610 430	474 610 430	474 610 430

The unissued shares are under the control of the directors (subject to limitations set by shareholders' resolutions) until the next annual general meeting.

Refer to unaudited shareholder analysis for further information regarding significant shareholders.

12 SHARE-BASED PAYMENT RESERVE

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Opening balance	33 273	21 966	33 273	21 966
Movement	17 712	11 307	17 712	11 307
Expense recognised in profit or loss	17 712	11 307	15 991	10 374
Group share-based payment charge	–	–	1 721	933
CSP awards vested during the current year	(24 226)	–	(24 226)	–
Closing balance	26 759	33 273	26 759	33 273

In terms of the Conditional Share Plan ("CSP"), approved and adopted by shareholders on 19 February 2019, the company has granted conditional shares to the executive directors and staff.

Details of unvested conditional shares awarded are set out below:

	Tranche 3	Tranche 4	Tranche 5	Total 31 March 2023	Total 31 March 2022
GM Lucas	381 388	381 388	381 388	1 144 164	1 239 512
SC Lucas	381 388	381 388	381 388	1 144 164	1 239 512
SJ Horton	381 388	381 388	381 388	1 144 164	1 239 512
Other employees	1 107 588	1 092 373	936 863	3 136 824	3 631 190
Total awards granted	2 251 752	2 236 537	2 081 027	6 569 316	7 349 726

12 SHARE-BASED PAYMENT RESERVE (CONTINUED)

The CSP awards have been recognised as equity-settled share-based payments as a separate category within equity. The fair value of the CSP has been measured using the Black-Scholes model.

Details of assumptions

Expected volatility is based on an evaluation of the historical volatility of the company's share price since listing. The historical volatility for each tranche was calculated at grant date and ranges between 16.4% and 20.3% across the tranches. The expected forfeiture rate has been based on historical experience and general employee behaviour. Where these result in changes in the non-market conditions of the scheme, the cumulative impact is charged to profit or loss in the year the adjustment is made.

	Tranche 3	Tranche 4	Tranche 5	Total
Opening number of unvested instruments	2 251 752	2 236 537	–	4 488 289
Awards granted during the current year	–	–	2 081 027	2 081 027
Forfeited shares	(51 869)	(37 770)	–	(89 639)
Closing number of unvested instruments	2 199 883	2 198 767	2 081 027	6 479 677
Grant date	14 September 2020	30 November 2021	15 March 2023	
Vesting date	15 September 2023	1 September 2024	15 September 2025	
Issue price (30 day VWAP)*			R12.28	
Forfeiture rate			7.0%	
Dividend yield			9.85%	
Performance condition factor			90.0%	

* Volume-weighted average price

The shares awarded under tranche 3, 4 and 5 comprise performance shares only and are subject to a 3 year service period and the achievement of certain financial and individual performance measures.

On the vesting date the participant is entitled to settlement of the award and no amount is payable by the participant for the settlement of shares that have vested. The actual quantum of shares received by a participant on vesting will depend on the extent to which the performance conditions, set out in the award letter, are achieved and will be determined over the performance period.

The CSP has a dilutive impact on the group's earnings per share.

13 LOANS AND BORROWINGS

13.1 Reconciliation of loans and borrowings

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Opening balance at 1 April	2 758 851	1 994 359	1 164 253	951 153
New borrowing facilities	–	1 254 172	–	98 502
Withdrawals	891 430	1 154 094	550 925	745 499
Repayments	(372 492)	(1 500 249)	(372 492)	(613 139)
Loan fees paid and amortisation	12 535	(46 014)	6 035	(17 762)
Foreign exchange loss/(gain)	260 081	(97 511)	–	–
Accrued interest	(207)	–	(207)	–
Closing balance at 31 March	3 550 198	2 758 851	1 348 514	1 164 253
Current borrowings	160 000	160 000	160 000	160 000
Non-current borrowings	3 390 198	2 598 851	1 188 514	1 004 253
– Long-term borrowings	3 446 198	2 698 851	1 244 514	1 104 253
– Surplus cash paid into loan facility	(56 000)	(100 000)	(56 000)	(100 000)

13 LOANS AND BORROWINGS (CONTINUED)

13.2 Terms and repayment schedule

ZAR denominated facilities

31 March 2023

ZAR denominated facilities

Borrowing facilities	Expiry date	Term	Interest rate^	Facility value R'000	Facility balance R'000
Nedbank	Sep-24	3 years	Jibar+1.65%	275 000	273 584
Nedbank	Oct-24	3 years	Fixed rate 7.18%	112 000	112 000
Nedbank	Nov-23[1]	3 years	Jibar+1.73%	350 000	348 288
Nedbank	Dec-23[1]	3 years	Jibar+1.78%	300 000	153 490
Nedbank	Oct-27	5 years	Jibar+1.75%	300 000	–
Standard Bank	Sep-24	3 years	Jibar+1.66%	272 957	266 837
Standard Bank	Apr-24	3 years	Fixed rate 6.84%	102 043	102 043
Futuregrowth	Apr-23	Rolling 3 months	Jibar+0.875%	160 000	160 000
				1 872 000	1 416 242

[1] The group has agreed terms with Nedbank to extend these facilities which are due to expire on 30 November 2023 for a further three years.
^ Rates referenced to Jibar represents 3 month Jibar.

GBP denominated facilities

Borrowing facilities	Expiry date	Term	Interest rate^	Facility value £'000	Facility balance £'000	Facility balance R'000
Aviva	Oct-28	7 years	Fixed rate 3.21%	21 000	21 000	462 151
HSBC/Santander (Term loan)	Oct-26	5 years	Sonia+2.40%	42 500	42 500	812 292
HSBC/Santander (RCF)	Oct-26	5 years	Sonia+2.65%	32 500	25 907	693 159
Standard Bank	Sep-24	3 years	Sonia+2.12%	9 000	9 000	198 063
Standard Bank	Mar-24	1 year	Sonia+1.65%	10 000	3 112	68 488
				115 000	101 519	2 234 153

Total gross loans and borrowings for the group	3 650 395
Surplus cash paid into loan facility	(56 000)
Loan fees paid and amortisation	(44 197)
Closing balance at 31 March	3 550 198

Sonia – Sterling Overnight Interbank Average Rate

31 March 2022

ZAR denominated facilities

Borrowing facilities	Expiry date	Term	Interest rate^	Facility value R'000	Facility balance R'000
Nedbank	Sep-24	3 years	Jibar+1.65%	275 000	273 435
Nedbank	Oct-24	3 years	Fixed rate 7.18%	112 000	112 000
Nedbank	Nov-23	3 years	Jibar+1.73%	350 000	298 262
Nedbank	Dec-23	3 years	Jibar+1.78%	300 000	129 477
Standard Bank	Sep-24	3 years	Jibar+1.66%	267 957	206 800
Standard Bank	Apr-24	3 years	Fixed rate 6.84%	102 043	102 043
Futuregrowth	Apr-22	Rolling 3 months	Jibar+0.70%	160 000	160 000
				1 567 000	1 282 017

^ Rates referenced to Jibar represents 3 month Jibar.
RCF – Revolving credit facility

13 LOANS AND BORROWINGS (CONTINUED)

13.2 Terms and repayment schedule (continued)

GBP denominated facilities

Borrowing facilities	Expiry date	Term	Interest rate^	Facility value £'000	Facility balance £'000	Facility balance R'000
Aviva	Oct-28	7 years	Fixed rate 3.21%	21 000	21 000	401 367
HSBC/Santander (Term loan)	Oct-26	5 years	Sonia+2.40%	42 500	42 500	812 292
HSBC/Santander (RCF)	Oct-26	5 years	Sonia+2.65%	32 500	14 242	272 209
Standard Bank	Sep-24	3 years	Sonia+2.12%	9 420	7 167	136 980
				105 420	84 909	1 622 848

Total gross loans and borrowings for the group	2 904 865
Surplus cash paid into loan facility	(100 000)
Loan fees paid and amortisation	(46 014)
Closing balance at 31 March	2 758 851

Sonia – Sterling Overnight Interbank Average Rate
^ Rates referenced to Jibar represents 3 month Jibar.
RCF – Revolving credit facility

All borrowing facilities are interest only facilities.

Surplus cash is placed in the Nedbank annex facility and earns interest at 3 month Jibar plus 1.40%. There are no restrictions on the availability of the cash placed in the facility.

Details of interest rate hedging derivatives are set out in note 24.2.1.2.

The group's risk management and interest benchmark transition is set out in note 24.2. The property assets encumbered are set out in note 29.

13.3 Financial Covenants

The below table sets out the different covenant requirements for each of the debt facilities:

	SA		UK	
Covenant	Standard Bank	Nedbank	Aviva	HSBC
Loan-to-Value (LTV)	45%	50%	60%	55%
Interest cover (ICR)	1.8 times	1.8 times	3 times	2 times

The group was compliant with the covenant requirements during the year under review and management has no concern over the group's ability to remain compliant during the foreseeable future.

13.4 Capital management

The group's financing policy is to fund the expansion of its property portfolio and achieve its strategic growth objectives through a mix of debt and equity. The group has various mechanisms in place to conserve cash for future expansion such as offering a dividend reinvestment plan to shareholders, which allows for the reinvestment of their cash dividend into additional shares in the company.

The group uses the loan-to-value (LTV) ratio, set out below, as a crucial metric in assessing its capital structure.

	Note	Group 2023 R'000	Group^ 2022 R'000
Loans and borrowings*	13	3 594 395	2 804 865
Less: cash and cash equivalents	10	(355 531)	(222 333)
Net debt		3 238 864	2 582 532
Gross investment properties	3	10 731 243	9 535 000
Less: lease obligations	28	(332 902)	(271 188)
Investment properties net of lease obligations		10 398 341	9 263 812
Investment in joint ventures	7	422 020	246 580
Total – net investment properties and joint ventures		10 820 361	9 510 392
LTV ratio#		29.9%	27.9%

** Excludes loan fees capitalised*
^ The comparative figures have been represented to align with the current year's presentation
 # LTV ratio is defined as net debt as a percentage of the sum of net investment properties and investment in JVs

14 DERIVATIVE FINANCIAL INSTRUMENTS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Derivative financial assets				
Forward exchange contracts	11 727	65 374	–	–
Cross-currency interest rate swaps	–	8 723	–	–
Interest rate swaps	80 900	25 744	12 605	1 963
– ZAR denominated facilities	5 804	1 963	12 605	1 963
– GBP denominated facilities	75 096	23 781	–	–
	92 627	99 841	12 605	1 963
Derivative financial liabilities				
Cross currency interest rate swaps	3 923	–	–	–
Interest rate swaps	2 695	5 579	2 695	5 309
– ZAR denominated facilities	2 695	5 579	2 695	5 309
– GBP denominated facilities	–	–	–	–
	6 618	5 579	2 695	5 309

These amounts represent the mark-to-market value of the above derivative financial instruments.

Derivative	Risk mitigation
Forward exchange contracts	The group enters into forward exchange contracts to manage its exposure to foreign exchange risk by forward selling foreign currency at predetermined forward rates.
Cross currency interest rate swaps	Wherever possible, funding is secured in a currency to match the currency of the underlying cash flows to minimise foreign exchange volatility through natural hedges. Where this is not possible, ZAR denominated funding is obtained for foreign acquisitions and the group may enter into cross currency interest rate swaps to hedge foreign currency investments at levels considered appropriate.
Interest rate derivatives	The group enters into derivative financial instruments to manage its exposure to interest rates by fixing floating rate interest rates on loans or limiting its exposure to increases in interest rates.

15 TRADE AND OTHER PAYABLES

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Financial instruments				
Trade creditors	52 774	76 834	1 734	3 221
Security deposits	27 225	24 423	4 378	3 187
Other payables	30 025	10 629	2 577	2 841
Related party payables	518	–	737	825
Accruals	57 993	45 368	8 259	8 418
Tenant deposits	519	576	519	576
	169 054	157 830	18 204	19 068
Non-financial instruments				
Income received in advance	78 155	63 220	1 605	1 367
VAT	12 170	–	559	1 264
	90 325	63 220	2 164	2 631
Total trade and other payables	259 379	221 050	20 368	21 699

Information about the group and company's liquidity risk exposure is included in note 24.

16 PROVISIONS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Balance at beginning of year	15 711	10 716	7 846	4 444
Movement in provision *	898	4 995	7 059	3 402
Balance at end of year	16 609	15 711	14 905	7 846

* *Relates mainly to provision for bonuses*

17 REVENUE

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Rental income	996 635	849 716	68 844	44 895
Rental income from tenants	991 071	845 212	63 280	40 391
Rental underpin	5 564	4 504	5 564	4 504
Other income	74 153	60 966	2 893	4 534
Ancillary income	67 699	56 148	2 031	2 418
Sundry income	6 454	4 818	862	2 116
Property revenue	1 070 788	910 682	71 737	49 429

18 OTHER FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Fair value adjustment to derivative financial instruments	(9 354)	121 641	13 256	11 878
Fair value adjustment to non-derivative financial instruments	(272)	(136)	(272)	(136)
	(9 626)	121 505	12 984	11 742

19 ADMINISTRATION EXPENSES BY NATURE

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
19.1 Employee benefits				
Salaries and wages	86 454	60 197	59 585	44 009
Equity-based share based payment expense	17 761	11 307	15 991	10 374
Other staff costs	3 580	2 205	2 750	1 722
	107 795	73 709	78 326	56 105
19.2 Operating and administration expenses				
Other administrative expenses	28 264	17 751	21 553	14 417
Professional fees	10 134	9 685	2 821	2 076
Auditors remuneration	6 588	2 344	974	743
	44 986	29 780	25 348	17 236
Total	152 781	103 489	103 674	73 341

20 TAXATION

20.1 Current and deferred tax expense

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Income tax charge for the year	32 747	35 986	–	–
Deferred tax charge for the year	30 668	235 427	–	–
Taxation for the year	63 415	271 413	–	–
Reconciliation between applicable tax rate and effective tax rate:				
Profit before taxation	27.00%	28.00%	27.00%	28.00%
Adjustments				
Non-deductible expenses	0.17%	0.08%	0.19%	0.16%
Employee conditional share plan (CSP)	0.04%	0.02%	0.00%	0.00%
Items of a capital nature	0.13%	0.06%	0.19%	0.16%
Tax-exempt income	0.00%	(1.11%)	0.00%	0.01%
Government incentives (ETI & TERS)	0.00%	0.00%	0.00%	0.01%
Gain on disposal of immovable assets	0.00%	(1.11%)	0.00%	0.00%
Fair value adjustments	(1.37%)	(2.37%)	(0.13%)	(0.18%)
Foreign tax differential#	(3.31%)	(0.68%)	0.00%	0.00%
Foreign tax differential – rate change effect*	(0.79%)	5.30%	0.00%	0.00%
Increase in/(utilisation of) unrecognised deferred tax assets	(0.09%)	(0.56%)	(0.28%)	(0.55%)
Qualifying S25BB REIT distribution	(13.64%)	(7.45%)	(26.78%)	(27.44%)
Effective tax rate	7.97%	21.21%	0.00%	0.00%

\# *This relates to the effect of the group trading over three different tax regimes: SA which is taxed at 27% (2022: 28%), Guernsey which is taxed at 0% and the UK which is taxed at 19% (25% from 1 April 2023).*

* *This represents the effect of the rate change from 19% to 25% in the UK on the current year deferred tax liability provision.*

20.2 Deferred tax

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Deferred tax asset				
Tax losses	1 502	1 307	–	–
Capital allowances	11 312	5 343	–	–
	12 814	6 650	–	–
Deferred tax liability				
Fair value adjustments	(369 118)	(287 436)	–	–
	(356 304)	(280 786)	–	–

*Deferred tax movement reconciliation – Group**

	Tax losses	Capital Allowances	Fair value adjustments	Total
2023				
At beginning of the year	1 307	5 343	(287 436)	(280 786)
Profit or loss	(4)	4 797	(35 461)	(30 668)
Exchange differences	199	1 172	(46 221)	(44 850)
At end of year	1 502	11 312	(369 118)	(356 304)
2022				
At beginning of the year	462	2 239	(65 361)	(62 660)
Profit or loss	928	3 446	(239 802)	(235 428)
Exchange differences	(83)	(342)	17 727	17 302
At end of year	1 307	5 343	(287 436)	(280 786)

* *No reconciliation is disclosed for the company as there was no movement in the company's deferred tax for the year.*

20 TAXATION (CONTINUED)

20.2 Deferred tax (continued)

South Africa

The SA group of companies has tax losses available to carry forward and utilise against future profits of R385.7 million (2022: R389.6 million). Management has decided, in light of the impact of the REIT legislation, not to recognise a deferred taxation asset relating to the assessed loss as it is not probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised.

During the 2022/2023 SA budget speech held on 24 February 2022 the minister of finance announced the reduction of the companies income tax rate from 28% to 27% effective from 1 April 2022. This change does not currently effect the SA group as no deferred tax is currently recognised, should the need arise in the future to recognise deferred tax it will be raised at 27%.

United Kingdom

The UK group of companies has tax losses available to carry forward and utilise against future profits of £0.3 million (2022: £0.4 million).

UK corporation tax increases from 19% to 25% on 1 April 2023. The report stage and final reading were completed on 24 May 2021 and the Bill is now regarded as substantially enacted. The deferred tax liability recognised relation to the fair value adjustments on investment property has been recognised at 25%.

21 EARNINGS AND HEADLINE EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the weighted average number of shares in issue during the year and a profit attributable to shareholders of the parent.

	Group	
	2023 R'000	2022 R'000
Reconciliation of basic earnings and headline earnings per share		
Profit for the year (attributable to shareholders of the parent)	724 583	1 019 737
Basic earnings	724 583	1 019 737
Headline earnings adjustments	(224 417)	(538 035)
Fair value adjustment to investment properties	(244 026)	(642 313)
Fair value adjustment to investment properties (NCI)+	3 472	12 632
Fair value adjustment to investment properties of joint ventures	(33 131)	–
Tax effect on the above adjustments and change in substantively enacted tax rate	49 268	143 371
Insurance proceeds from building claim	–	(51 725)
Headline earnings attributable to shareholders	500 166	481 702
Number of shares		
Total number of shares in issue ('000)	474 610	474 610
Shares in issue entitled to dividends ('000)	474 610	474 610
Weighted average number of shares in issue ('000)	474 610	440 516
Weighted average number of shares in issue entitled to dividends ('000)	474 610	440 516
Weighted potential dilutive impact of conditional shares	4 130	5 319
Diluted weighted average number of shares in issue	478 740	445 835
Earnings per share		
Basic earnings per share (cents)	152.67	231.49
Diluted earnings per share (cents)	151.35	228.73
Headline earnings per share		
Basic headline earnings per share (cents)	105.38	109.35
Diluted headline earnings per share (cents)	104.48	108.04

+ *Non-controlling interest*

22 NOTES TO THE STATEMENTS OF CASH FLOWS

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
22.1 Cash generated from operations				
Profit before taxation	795 081	1 302 656	565 444	517 563
Adjusted for:				
Dividends income	–	–	(588 100)	(523 177)
Interest income	(30 419)	(25 904)	(20 833)	(17 506)
Interest expense	170 620	116 838	75 685	50 374
Restructure of loans and borrowings	–	6 377	–	326
Change in provision	898	4 995	7 059	3 402
Depreciation and amortisation	8 596	8 309	5 217	4 033
Equity-settled share based payment expense	17 712	11 307	15 991	10 374
Foreign exchange (gains)/losses	(5 468)	3 565	(5 570)	954
Fair value adjustment to investment properties	(244 026)	(642 313)	(18 793)	(13 765)
Share of (profit)/losses of joint ventures	(30 246)	471	–	–
Fair value adjustment to financial instruments	31 131	(121 505)	(12 984)	(11 742)
	713 879	664 796	23 116	20 836
Changes in working capital	(11 762)	(13 168)	131 779	(33 880)
Decrease/(increase) in trade and other receivables	(34 700)	(88 593)	61 088	(35 682)
Decrease/(increase) in inventory	550	(1 237)	1 693	(1 289)
Increase/(decrease) in trade and other payables	22 388	76 662	68 998	3 091
	702 117	651 628	154 895	(13 044)
22.2 Interest received				
Interest income	30 419	25 904	20 833	17 506
Interest income accrual on loans	(11 425)	(4 915)	(12 738)	(7 687)
Interest received	18 994	20 989	8 095	9 819
22.3 Interest paid				
Interest expense	170 620	116 838	75 685	50 374
Interest capitalised to investment properties (refer to note 3)	28 535	15 923	9 759	10 789
Realised losses on interest rate derivatives	10 384	23 198	–	994
Interest expense accrual and amortisation on loans	(11 467)	(5 656)	(5 085)	(2 752)
Corporations tax interest accrual	(1 123)	–	–	–
Interest on lease obligations	(18 065)	(17 328)	(145)	(214)
Interest paid	178 884	132 975	80 214	59 191
22.4 Dividends paid				
Balance payable at beginning of year	262 459	234 102	262 459	234 102
Dividend declared	560 705	507 470	560 705	507 470
Dividends paid by subsidiary to non-controlling interest	2 149	1 471	–	–
Balance payable at end of year	(275 701)	(262 459)	(275 701)	(262 459)
Dividends paid	549 612	480 584	547 463	479 113
22.5 Dividend received				
Balance receivable at the beginning of year			283 402	229 995
Dividend income from subsidiary			588 100	523 177
Subsidiary dividend capitalised to loan			(562 362)	(469 770)
Balance receivable at end of year			(309 140)	(283 402)
Dividend received			–	–
22.6 Taxation paid				
Balance payable at the beginning of year	38 690	–	–	–
Amounts charged to profit or loss	32 747	35 986	–	–
Foreign exchange gain/(loss)	222	3 556	–	–
Balance payable at the end of year	(39 133)	(38 690)	–	–
Taxation paid	32 526	852	–	–

22 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
22.7 Movement in net debt				
Loans and borrowings	3 550 198	2 758 851	1 348 514	1 164 253
Lease obligations	344 828	272 673	10 261	1 413
Gross debt	3 895 026	3 031 524	1 358 775	1 165 666
Cash and cash equivalents	(355 531)	(222 333)	(155 685)	(82 209)
Net debt	3 539 495	2 809 191	1 203 090	1 083 457

Reconciliation of the movement in net debt

Group	Loans and borrowings R'000	Lease obligations R'000	Total R'000
Net debt at 1 April 2022	(2 758 851)	(272 673)	(3 031 524)
Cash flows	(379 673)	37 284	(342 389)
Other non-cash movements*	(151 593)	–	(151 593)
Foreign exchange adjustments	(260 081)	(109 439)	(369 520)
Gross debt at 31 March 2023	(3 550 198)	(344 828)	(3 895 026)
Cash and cash equivalents			355 531
Net debt at 31 March 2023			(3 539 495)

Group	Loans and borrowings R'000	Lease obligations R'000	Total R'000
Net debt at 1 April 2021	(1 994 359)	(304 819)	(2 299 178)
Cash flows	(668 679)	32 331	(636 348)
Other non-cash movements*	(193 324)	–	(193 324)
Foreign exchange adjustments	97 511	(185)	97 326
Gross debt at 31 March 2022	(2 758 851)	(272 673)	(3 031 524)
Cash and cash equivalents			222 333
Net debt at 31 March 2022			(2 809 191)

Company	Loans and borrowings R'000	Lease obligations R'000	Total R'000
Net debt at 1 April 2022	(1 164 253)	(1 413)	(1 165 666)
Cash flows	(159 658)	1 672	(157 986)
Other non-cash movements*	(24 603)	(10 520)	(35 123)
Gross debt at 31 March 2023	(1 348 514)	(10 261)	(1 358 775)
Cash and cash equivalents			155 685
Net debt at 31 March 2023			(1 203 090)

Company	Loans and borrowings R'000	Lease obligations R'000	Total R'000
Net debt at 1 April 2021	(951 153)	(2 721)	(953 874)
Cash flows	(159 191)	1 522	(157 669)
Other non-cash movements*	(53 909)	(214)	(54 123)
Gross debt at 31 March 2022	(1 164 253)	(1 413)	(1 165 666)
Cash and cash equivalents			82 209
Net debt at 31 March 2022			(1 083 457)

* *Relates to the acquisition of investment properties settled directly from debt facilities*

23 SEGMENTAL INFORMATION

Segmental information is based on the geographic location of each investment property. The group trades in five of the nine provinces in South Africa and in the United Kingdom through its subsidiary Betterstore Self Storage Holdings. The group is managed on a consolidated basis and inter-segmental transactions have been eliminated. The segmental information is limited to:

- On the statement of profit or loss and other comprehensive income: Rental income, other income, impairment losses recognised on tenant debtors, fair value adjustments to investment properties and direct property costs.
- On the statement of financial position: Investment properties, tenant debtors, inventories, goodwill and intangible assets, investment in joint ventures, loans and borrowings and lease obligations.

The chief executive officer reviews the segmental information on a monthly basis.

Segment property operating income for the year ended 31 March 2023

	Western Cape R'000	Gauteng R'000	Free State R'000	Kwazulu-Natal R'000
Revenue				
Rental income	199 764	245 092	6 803	62 682
Other income	7 513	11 889	488	2 219
Expected credit losses recognised on tenant debtors	(1 363)	(1 966)	(141)	(708)
Direct property costs	(45 498)	(60 036)	(1 729)	(14 814)
Net property operating income	160 416	194 979	5 421	49 379
Fair value adjustment to investment properties	104 497	(37 998)	4 661	5 397
Segment property operating income	264 913	156 981	10 082	54 776

	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total combined R'000
Revenue				
Rental income	19 273	533 614	463 021	996 635
Other income	919	23 028	51 125	74 153
Expected credit losses recognised on tenant debtors	(257)	(4 435)	(1 838)	(6 273)
Direct property costs	(4 600)	(126 677)	(147 243)	(273 920)
Net property operating income	15 335	425 530	365 065	790 595
Fair value adjustment to investment properties	9 852	86 409	157 617	244 026
Segment property operating income	25 187	511 939	522 682	1 034 621

23 SEGMENTAL INFORMATION (CONTINUED)

Reconciliation of segmental results to profit for the year in the statement of profit or loss and other comprehensive income

	Total R'000	Allocated R'000	Unallocated R'000
Property revenue	1 070 788	1 070 788	–
Rental income	996 635	996 635	–
Other income	74 153	74 153	–
Expected credit losses recognised on tenant debtors	(6 273)	(6 273)	–
Direct property costs	(273 920)	(273 920)	–
Net property operating income	790 595	790 595	–
Other revenue	35 950	–	35 950
Management fees	35 950	–	35 950
Insurance proceeds from building claim	–	–	–
Administration expenses	(152 781)	–	(152 781)
Net property operating profit	(673 764)	790 595	(116 831)
Fair value adjustment to investment properties	244 026	244 026	–
Other fair value adjustments to financial instruments	(9 626)	–	(9 626)
Foreign exchange gains	5 468	–	5 468
Depreciation and amortisation	(8 596)	–	(8 596)
Profit from operations	905 036	1 034 621	(129 585)
Net finance cost	(140 201)	–	(140 201)
Interest income	30 419	–	30 419
Interest expense	(170 620)	–	(170 620)
Share of profit of joint ventures, net of tax	30 246	–	30 246
Profit before taxation	795 081	1 034 621	(239 540)
Taxation expense	(63 415)	–	(63 415)
Profit for the year	731 666	1 034 621	(302 955)
Other comprehensive income for the year	401 476	–	401 476
Total comprehensive income for the year	1 133 142	1 034 261	98 521

Group segment assets as at 31 March 2023

	Western Cape R'000	Gauteng R'000	Free State R'000	Kwazulu-Natal R'000
Investment properties	2 121 610	2 348 431	60 140	512 862
Tenant debtors	1 737	3 134	206	786
Inventories	1 917	2 067	134	382
Goodwill and intangible assets	–	–	–	–
Investment in joint ventures	–	–	–	–
Loans and borrowings	–	–	–	–
Lease obligations	(21 509)	(3 402)	–	(21 679)

	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total combined R'000
Investment properties	171 882	5 214 925	5 516 318	10 731 243
Tenant debtors	322	6 185	19 667	25 852
Inventories	162	4 662	2 293	6 955
Goodwill and intangible assets	–	–	72 576	72 576
Investment in joint ventures	–	50 930	371 090	422 020
Loans and borrowings	–	–	(2 201 685)	(2 201 685)
Lease obligations	–	(46 590)	(286 312)	(332 902)

23 SEGMENTAL INFORMATION (CONTINUED)

Group segment assets, reserves and liabilities as at 31 March 2023

	Total R'000	Allocated R'000	Unallocated R'000
ASSETS			
Non-current assets	11 555 079	11 225 839	329 240
Investment properties	10 731 243	10 731 243	–
Property and equipment	32 320	–	32 320
Stor-Age share purchase scheme loans	80 460	–	80 460
Goodwill and intangible assets	156 029	72 576	83 453
Investment in joint ventures	422 020	422 020	–
Unlisted investment	27 566	–	27 566
Deferred taxation	12 814	–	12 814
Derivative financial assets	92 627	–	92 627
Current assets	501 124	32 807	468 317
Trade and other receivables	138 638	25 852	112 786
Inventories	6 955	6 955	–
Cash and cash equivalents	355 531	–	355 531
Total assets	12 056 203	11 258 646	797 557
EQUITY AND LIABILITIES			
Total equity	7 194 619	–	7 194 619
Stated capital	5 362 339	–	5 362 339
Retained earnings/(accumulated loss)	1 350 847	–	1 350 847
Share-based payment reserve	26 759	–	26 759
Foreign currency translation reserve	396 258	–	396 258
Total equity attributable to shareholders	7 136 203	–	7 136 203
Non-controlling interest	58 416	–	58 416
Non-current liabilities	4 075 662	2 501 779	157 883
Loans and borrowings	3 390 198	2 201 685	1 188 513
Derivative financial liabilities	6 618	–	6 618
Deferred taxation	369 118	–	369 118
Lease obligations	309 728	300 094	9 634
Current liabilities	785 922	32 808	753 114
Loans and borrowings	160 000	–	160 000
Trade and other payables	259 379	–	259 379
Provisions	16 609	–	16 609
Lease obligations	35 100	32 808	2 292
Taxation payable	39 133	–	39 133
Dividends payable	275 701	–	275 701
Total equity and liabilities	12 056 203	2 534 587	9 521 616

Group segment assets as at 31 March 2022

	Western Cape R'000	Gauteng R'000	Free State R'000	Kwazulu-Natal R'000
Revenue				
Rental income	166 782	222 122	6 145	57 707
Other income	6 440	10 776	445	2 016
Expected credit losses recognised on tenant debtors	(562)	(1 319)	(161)	(437)
Direct property costs	(39 307)	(53 802)	(1 577)	(12 427)
Net property operating income	133 353	177 777	4 852	46 859
Fair value adjustment to investment properties	53 238	83 155	2 012	(89 702)
Segment property operating income	186 591	260 932	6 864	(42 843)

23 SEGMENTAL INFORMATION (CONTINUED)

	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total combined R'000
Revenue				
Rental income	17 988	470 744	378 972	849 716
Other income	882	20 559	40 407	60 966
Expected credit losses recognised on tenant debtors	(192)	(2 671)	(1 067)	(3 738)
Direct property costs	(4 599)	(111 712)	(109 568)	(221 280)
Net property operating income	14 079	376 920	308 744	685 664
Fair value adjustment to investment properties	20 129	68 832	573 481	642 313
Segment property operating income	34 208	445 752	882 225	1 327 977

Reconciliation of segmental results to profit for the year in the statement of profit or loss and other comprehensive income

	Total R'000	Allocated R'000	Unallocated R'000
Property revenue	910 682	910 682	–
Rental income	849 716	849 716	–
Other income	60 966	60 966	–
Expected credit losses recognised on tenant debtors	(3 738)	(3 738)	–
Direct property costs	(221 280)	(221 280)	–
Net property operating income	685 664	685 664	–
Other revenue	14 594	–	14 594
Management fees	14 594	–	14 594
Insurance proceeds from building claim	51 725	–	51 725
Administration expenses	(103 489)	–	(103 489)
Net property operating profit	648 494	685 664	(37 170)
Restructure of loans and borrowings	(6 377)	–	(6 377)
Fair value adjustment to investment properties	642 313	642 313	–
Foreign exchange gains/(losses)	(3 565)	–	(3 565)
Other fair value adjustments	121 505	–	121 505
Depreciation and amortisation	(8 309)	–	(8 309)
Profit from operations	1 394 061	1 327 977	66 084
Net finance cost	(90 934)	–	(90 934)
Interest income	25 904	–	25 904
Interest expense	(116 838)	–	(116 838)
Share of losses of joint ventures, net of tax	(471)	–	(471)
Profit before taxation	1 302 656	1 327 977	(25 321)
Taxation expense	(271 413)	–	(271 413)
Profit for the year	1 031 243	1 327 977	(296 734)
Other comprehensive income for the year, net of taxation	(137 953)	–	(137 953)
Total comprehensive income for the year	893 290	1 327 977	(434 687)

Group segment assets as at 31 March 2022

	Western Cape R'000	Gauteng R'000	Free State R'000	Kwazulu-Natal R'000
Investment properties	1 998 985	2 383 706	55 355	490 560
Tenant debtors	1 201	2 489	210	629
Inventories	2 455	2 758	104	299
Goodwill and intangible assets	–	–	–	–
Investment in joint ventures*	–	–	–	–
Loans and borrowings	–	–	–	–
Lease obligations	(21 948)	(3 319)	–	(20 607)

* *The comparative figures have been represented to align with the current year's presentation*

23 SEGMENTAL INFORMATION (CONTINUED)

Group segment assets as at 31 March 2022 (continued)

	Eastern Cape R'000	Total South Africa R'000	Total United Kingdom R'000	Total combined R'000
Investment properties	161 747	5 090 353	4 444 647	9 535 000
Tenant debtors	254	4 783	14 015	18 798
Inventories	148	5 764	1 464	7 228
Goodwill and intangible assets	–	–	61 723	61 723
Inbestment in joint ventures*	–	37 894	208 686	246 580
Loans and borrowings	–	–	(1 594 824)	(1 594 824)
Lease obligations	–	(45 874)	(225 314)	(271 188)

Reconciliation of segmental results to profit for the year in the statement of profit or loss and other comprehensive income

	Total R'000	Allocated R'000	Unallocated R'000
ASSETS			
Non-current assets	10 148 725	9 843 303	305 422
Investment properties	9 535 000	9 535 000	–
Property and equipment	19 975	–	19 975
Stor-Age share purchase scheme loans	84 135	–	84 135
Goodwill and intangible assets	145 706	61 723	83 983
Investment in joint ventures*	246 580	246 580	–
Unlisted investment	10 838	–	10 838
Deferred taxation	6 650	–	6 650
Derivative financial assets	99 841	–	99 841
Current assets	356 911	26 026	330 885
Trade and other receivables	127 350	18 798	108 552
Inventories	7 228	7 228	–
Cash and cash equivalents	222 333	–	222 333
Total assets	10 505 636	9 869 329	636 307
EQUITY AND LIABILITIES			
Total equity	6 643 187	–	6 643 187
Stated capital	5 374 681	–	5 374 681
Retained earnings	1 186 969	–	1 186 969
Share-based payment reserve	33 273	–	33 273
Foreign currency translation reserve	2 051	–	2 051
Total equity attributable to shareholders	6 596 974	–	6 596 974
Non-controlling interest	46 213	–	46 213
Non-current liabilities	3 135 260	1 838 218	1 297 042
Loans and borrowings	2 598 851	1 594 824	1 004 027
Derivative financial instruments	5 579	–	5 579
Deferred taxation	287 436	–	287 436
Lease obligations	243 394	243 394	–
Current liabilities	727 189	27 794	699 395
Loans and borrowings	160 000	–	160 000
Trade and other payables	221 050	–	221 050
Provisions	15 711	–	15 711
Lease obligations	29 279	27 794	1 485
Taxation payable	38 690	–	38 690
Dividends payable	262 459	–	262 459
Total equity and liabilities	10 505 636	1 866 012	8 639 624

* *The comparative figures have been represented to align with the current year's presentation*

24 FINANCIAL INSTRUMENTS

24.1 Financial instrument classification

The table below sets out the company's and group's accounting classification of each class of financial asset and liability at 31 March:

	Total R'000	At fair value through profit or loss R'000	At amortised cost R'000	Non-financial instruments R'000
Group as at 31 March 2023				
Financial assets				
Derivative financial assets	92 627	92 627	–	–
Unlisted investment	27 566	27 566	–	–
Stor-Age share purchase scheme loans	80 460	–	80 460	–
Cash and cash equivalents	355 531	–	355 531	–
Trade and other receivables	138 638	–	87 085	51 553
Financial liabilities				
Derivative financial liabilities	6 618	6 618	–	–
Loans and borrowings	3 550 198	–	3 550 198	–
Lease obligations	344 828	–	344 828	–
Trade and other payables	259 379	–	169 054	90 325
Dividend payable	275 701	–	275 701	–
Group as at 31 March 2022				
Financial assets				
Derivative financial assets	99 841	99 841	–	–
Unlisted investment	10 838	10 838	–	–
Stor-Age share purchase scheme loans	84 135	–	84 135	–
Cash and cash equivalents	222 333	–	222 333	–
Trade and other receivables	127 350	–	60 120	67 230
Financial liabilities				
Derivative financial liabilities	5 579	5 579	–	–
Loans and borrowings	2 758 851	–	2 758 851	–
Lease obligations	272 673	–	272 673	–
Trade and other payables	221 050	–	157 830	63 220
Dividend payable	262 459	–	262 459	–

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.1 Financial instrument classification (continued)

	Total R'000	At fair value through profit or loss R'000	At amortised cost R'000	Non-financial instruments R'000
Company as at 31 March 2023				
Financial assets				
Derivative financial assets	12 605	12 605	–	–
Unlisted investment	27 566	27 566	–	–
Stor-Age share purchase scheme loans	80 460	–	80 460	–
Cash and cash equivalents	155 685	–	155 685	–
Trade and other receivables	32 078	–	30 744	1 334
Financial liabilities				
Derivative financial liabilities	2 695	2 695	–	–
Loans and borrowings	1 348 514	–	1 348 514	–
Lease obligations	10 261	–	10 261	–
Trade and other payables	20 368	–	18 204	2 164
Dividend payable	275 701	–	275 701	–
Company as at 31 March 2022				
Financial assets				
Derivative financial assets	1 963	1 963	–	–
Unlisted investment	10 838	10 838	–	–
Stor-Age share purchase scheme loans	84 135	–	84 135	–
Cash and cash equivalents	82 209	–	82 209	–
Trade and other receivables	50 715	–	49 463	1 252
Financial liabilities				
Derivative financial liabilities	5 309	5 309	–	–
Loans and borrowings	1 164 253	–	1 164 253	–
Lease obligations	1 413	–	1 413	–
Trade and other payables	21 699	–	19 068	2 631
Dividend payable	262 459	–	262 459	–

Financial risk management

Exposure to interest rate, credit, liquidity, currency and market risks arise in the normal course of the group's business. Derivative financial instruments are used as and when required to hedge exposure to fluctuations in interest rates and currency.

24.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the group's income, cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

24.2.1 Interest rate risk

The group is exposed to interest rate risk on share purchase scheme loans advanced, loans and borrowings and cash and cash equivalents. The group enters into interest rate swaps, fixed rate loans and other interest rate derivative financial instruments to manage its exposure to interest rates by hedging the interest rate exposure on floating rate loans. The group states the fair value of interest rate derivatives using the mark-to-market mid market values.

24 FINANCIAL INSTRUMENTS (CONTINUED)
24.2 Market risk (continued)
24.2.1 Interest rate risk (continued)
24.2.1.1 Exposure to interest rate risk

At the reporting date the interest profile of the group's variable and fixed interest-bearing financial instruments are:

	Variable rate instruments		Fixed rate instruments	
	31 March 2023 R'000	31 March 2022 R'000	31 March 2023 R'000	31 March 2022 R'000
Financial assets	355 531	222 333	173 087	183 976
Cash and cash equivalents	355 531	222 333	–	–
Share purchase scheme loans	–	–	80 460	84 135
Derivative financial assets	–	–	92 627	99 841
Financial liabilities	2 974 201	2 289 454	682 812	620 989
Derivative financial liabilities	–	–	6 618	5 579
Loans and borrowings	2 974 201	2 289 454	676 194	615 410

24.2.1.2 Interest rate derivative instruments

The table below sets out the nominal amount of the Group's interest rate derivative instruments:

	2023		2022	
Amounts reflected in '000	ZAR	GBP	ZAR	GBP
3month JIBAR-linked interest rate swaps	300 000	–	500 000	–
3month JIBAR-linked interest rate caps	200 000	–	–	–
3month JIBAR-linked interest rate cap spreads	200 000	–	50 000	–
ZAR denominated facilities	700 000	–	550 000	–
SONIA-linked interest rate swaps	990 323	45 000	764 512	40 000
SONIA-linked interest rate cap spreads	198 066	9 000	95 564	5 000
GBP denominated facilities	1 188 389	54 000	860 076	45 000
Total interest rate derivative instruments	1 888 389	54 000	1 410 076	45 000

The table below depicts the maturity profile of the group's interest rate derivatives at its nominal amount:

	31 March 2023			31 March 2022		
Amounts reflected in R'000	ZAR denominated	GBP denominated	Total	ZAR denominated	GBP denominated	Total
Within 1 year	150 000	–	150 000	–	–	–
Within 2 years	200 000	440 144	640 144	350 000	–	350 000
Within 3 years	200 000	550 180	750 180	200 000	286 691	486 691
Within 5 years	150 000	198 065	348 065	–	573 385	573 385
	700 000	1 188 389	1 888 389	550 000	860 076	1 410 076

Details of the group's fixed rate borrowings are set out in note 14.

24.2.1.3 Hedge cover of loans and borrowings

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
ZAR denominated	1 416 242	1 282 017	1 416 242	1 282 017
GBP denominated	2 234 153	1 622 848	–	136 980
Total gross loans and borrowings	3 650 395	2 904 865	1 416 242	1 418 997
Surplus cash paid into loan facility	(56 000)	(100 000)	(56 000)	(100 000)
Loans and borrowings, net of cash	3 594 395	2 804 865	1 360 242	1 318 997
Interest rate derivatives	1 888 389	1 410 076	700 000	550 000
Fixed rate borrowings	676 194	615 410	214 043	214 043
CCIRS – fixed for floating swap	102 326	102 326	–	–
	2 666 909	2 127 812	914 043	764 043
Effective hedge cover of loans and borrowings	74.2%	75.9%	67.2%	57.9%

24.2.1.4 Managing interest rate benchmark reform and associated risks

The global reform of interest benchmarks includes the replacement of some interbank offered rates (IBOR) with alternative benchmark interest rates. The group has exposure to IBORs on some of its loans and borrowings and derivative contracts held with South African banks for which there remains uncertainty regarding the timing and method of transition. In the prior year the group settled its loan facilities and derivative contracts linked to LIBOR and entered into new agreements and contracts linked to SONIA.

For the contracts indexed at JIBAR, uncertainty remains on the timing and method of transition. The contracts affected by the transition are set out in the table below:

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Liabilities exposed to ZAR JIBAR maturing after the reporting year end				
Loans and borrowings	1 202 199	1 067 974	1 202 199	1 067 974
Derivatives	(9 910)	(5 309)	(9 910)	(5 309)
Total	1 192 289	1 062 665	1 192 289	1 062 665

24.2.1.5 Sensitivity analysis to interest rates

The group has a mixture of fixed and floating interest bearing financial liabilities. The effect on profit or loss and equity of a change of 50 basis points in the interest rates of the unhedged floating rate loans and borrowings outstanding at the reporting date is set out below. The analysis has been prepared on the assumption that all other variables remain constant.

	Group	
	2023 R'000	2022 R'000
Effect on equity and profit or loss		
50 basis points increase	(5 428)	(4 147)
50 basis points decrease	5 851	4 147

24.2.2 Currency risk

Currency hedging

The group has trading operations in the UK and is exposed to currency risk on its capital investment as well as the underlying earnings. The group uses cross-currency interest rate swaps as part of its treasury management plan to hedge part of its foreign currency investment. The cross-currency interest swaps are structured to receive a fixed or floating JIBAR-linked rate and pay a fixed or floating SONIA-linked rate. Details of the cross-currency interest rate swaps are set out below:

Bank	Maturity date	Spot	Nominal GBP	Nominal ZAR	ZAR Rate	GBP Rate
31 March 2023						
Nedbank	29 September 2023	20.47	2 500 000	51 163 000	11.26%* (Floating)	3.00% (Fixed)
Nedbank	28 March 2024	20.47	2 500 000	51 163 000	11.04%* (Floating)	3.00% (Fixed)
Total			5 000 000	102 326 000		
31 March 2022						
Investec	26 October 2022	18.72	5 000 000	93 600 000	10.00% (Fixed)	2.98% (Fixed)
Nedbank	29 September 2023	20.47	2 500 000	51 163 000	7.67%* (Floating)	3.00% (Fixed)
Nedbank	28 March 2024	20.47	2 500 000	51 163 000	7.45%* (Floating)	3.00% (Fixed)
Total			10 000 000	195 926 000		

* 3-month Jibar (% at 31 March) + margin

During the year the cross-currency interest rate swap that expired was settled. The group did not enter into any new cross-currency interest rate swap agreements in the current year.

24 FINANCIAL INSTRUMENTS (CONTINUED)
24.2 Market risk (continued)
24.2.2 Currency risk (continued)

Hedging of capital investment

The acquisition of the UK self storage operations was financed through a combination of debt and equity from South Africa, as well as in-country debt funding from borrowers in the UK. At year end, approximately 4.1% (2022: 8.9%) of the group's foreign currency net investment was hedged with cross-currency interest rate swaps ("CCIRS"). The summary quantitative data about the group's exposure to currency risk is set out below:

	31 March 2023 GBP'000	31 March 2022 GBP'000
Investment property	250 660	232 549
Loans and borrowings	(89 407)	(77 742)
Other assets	14 295	10 460
Other liabilities	(52 618)	(52 450)
Net investment	122 930	112 817
Nominal value of cross-currency interest rate swaps	5 000	10 000
CCIRS as a % of net investment	4.1%	8.9%

Hedging of cashflow

To manage the impact of fluctuations in the GBP/ZAR exchange rate, the group makes use of hedging instruments for the forecast GBP earnings to be repatriated to SA for distribution purposes. In line with the group's policy the following open forward rate instruments are in place:

	31 March 2023		31 March 2022	
Period	Hedging level	Forward rate ZAR/GBP	Hedging level	Forward rate ZAR/GBP
FY23	100%	23.15	90%	23.38
FY24	95%	23.24	80%	23.25
FY25	80%	23.39	35%	23.78
FY26^	50%	24.24	–	–

^ For FY26, hedging instruments in place for H1 earnings only.

24.2.3 Sensitivity analysis to exchange rates

A reasonably possible strengthening (weakening) of ZAR against GBP would have affected the measurement of financial instruments denominated in a foreign currency and distributable earnings from the UK operations by the amounts shown below. The analysis takes into account the fixed hedging of cash flow as discussed above and is based on the average ZAR/GBP exchange rate for the relevant period. At a 13% (2022: 7%) movement in ZAR against GBP, the effects of the movement in the exchange rate will be fully hedged. The sensitivity analysis assumes that other macroeconomic factors remain unchanged.

	Group			
	2023		2022	
R'000	13% ZAR depreciation against the GBP	13% ZAR appreciation against the GBP	7% ZAR depreciation against the GBP	7% ZAR appreciation against the GBP
Distributable earnings	1 084	16 817	4 764	12 403
Profit or loss*	5 340	82 854	47 571	123 851

The exchange rates used for the translation of the group's foreign operations is as follows:

Average exchange rate		Year-end spot rate	
2023	2022	2023	2022
£1/R20.45	£1/R20.29	£1/R22.00	£1/R19.11

* The comparative figures have been represented to align with the current year's presentation.

24 FINANCIAL INSTRUMENTS (CONTINUED)
24.3 Credit risk
24.3.1 Credit exposure

The carrying amount of each class of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Stor-Age share purchase scheme loans	80 460	84 135	80 460	84 135
Tenant and related receivables	25 852	18 798	569	281
Related party receivables – other	415	31	24 267	40 825
Related party receivables – JV	10 596	–	568	–
Staff loans	72	114	72	108
Sundry receivables	50 150	41 177	5 268	8 249
Derivative financial assets	92 627	99 841	12 605	1 963
Intercompany receivables	–	–	530 227	577 037
Cash and cash equivalents	355 531	222 333	155 685	82 209
	615 703	466 429	809 721	794 807

Stor-Age share purchase scheme loans

The group's exposure to credit risk pertaining to the share purchase scheme loans are mitigated by the shares pledged as security to Stor-Age. In terms of the rules of the Scheme, the dividend received by a participant on their Scheme shares must be applied against the interest owing on the share purchase scheme loan owing by the participant to the company. The participant may elect to withdraw the amount by which such dividend exceeds the interest owing or apply such proceeds to the capital balance of the share purchase scheme loan.

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
The maximum exposure to credit risk for loans at the reporting date:				
Stor-Age share purchase scheme loans	80 460	84 135	80 460	84 135
Shares pledged as security	(92 428)	(111 557)	(92 428)	(111 557)
Net exposure	–	–	–	–

In assessing the measurement of any potential impairment allowance, the directors consider the expected credit losses that may arise on the share purchase scheme loans over the next 12 months. As the fair value of the shares pledged as security exceeds the share purchase scheme loans owing to the company, the directors have concluded that there has not been a significant increase in credit risk since initial recognition and therefore no impairment allowance has been recognised in the current year. No impairment loss was recognised in the prior year.

No participants to whom loans were granted were in breach of their obligations.

Intercompany receivables

The intercompany receivables are owing by wholly-owned subsidiaries of the company. The intercompany receivables are repayable on demand and have an effective interest rate of 0%. The 12-month expected credit losses basis has been applied to these receivables and the risk of a default occurring over 12 months has been assessed as low. The conclusion is based on the net asset value and underlying investment properties value of RSI and SSS JV3. The company has reviewed these subsidiaries' expected cash flows and believes that the full loan balances are recoverable. In assessing whether there has been a significant increase in credit risk the directors review each company's solvency and liquidity position and its budget for the next reporting period. No impairment loss allowances have been recognised on the intercompany receivables in the current year. No impairment allowance was recognised in the prior year.

Related party receivables

The related party receivables relate to transactions entered into in the normal course of business with related parties other than the company's subsidiaries (see note 27). The credit risk has been assessed as low as the transactions are routine in nature and not significant. The 12-month expected credit losses basis has been used to determine the impairment allowance as the receivable has not suffered a significant increase in credit risk and the risk of default is low. No impairment allowance has been recognised in the current and prior year.

24 FINANCIAL INSTRUMENTS (CONTINUED)
24.3 Credit risk (continued)

Loans to joint ventures

The carrying value of the investments and loans to the joint ventures, set out in note 7, are supported by the value of the investment property. The development of the properties are funded by shareholder loans and bank borrowings. The operational performance and cash flow forecast of the JVs indicates their ability to repay the loan. Therefore no expected credit loss has been recognised on the loans in the current and prior year.

Cash and cash equivalents

Cash and cash equivalents are held with financial institution counterparties that have a Moody's credit rating, between A1 and Ba2, that is in line with the group's treasury management policies. The impairment allowance on cash and cash equivalents has been based on the 12-month expected credit loss basis. Based on the Moody's rating of the financial institutions, the group considers cash and cash equivalents to have a low credit risk and therefore no impairment allowance has been recognised in the current year. No impairment allowance was recognised in the prior year.

Derivative financial assets

Derivative contracts are entered into with counterparties who have strong credit ratings. At the reporting date the group has derivative contracts in place with counterparties whose Moody's credit rating range between A1 and Ba2. Based on the Moody's rating of the counterparty, the group considers the derivative contracts to have a low credit risk and therefore no impairment allowance has been recognised in the current year. No impairments losses were recognised on derivate contracts in the prior year.

Tenant and related receivables

Tenant debtors are classified as current as they are short-term in nature and generally settled within 30 days. Tenant debtors do not contain a significant financing component. Tenant debtors are initially recognised at the amount of the consideration that is unconditional. Subsequently tenant debtors are measured at amortised cost using the effective interest method as they are held with the objective to collect contractual cash flows. The credit risk is mitigated as the majority of tenants pay by debit order and the group's credit policy requires the holding of rental deposits (for South African tenants) in most instances. In terms of the rental agreements entered into with tenants, the group may under certain conditions dispose of tenant goods to recover the outstanding amounts. The group's policy is to write off tenant debt that is unrecoverable after debt collecting procedures, which includes the auction of tenant goods, have been followed.

The impairment allowance is based on the IFRS 9 simplified approach to measuring expected credit losses which is based on the lifetime expected credit loss allowance for all trade receivables. Further details regarding the impairment allowance is set out in note 24.3.2.

Staff loans

Loans are only granted to employees who meet certain criteria as set out in the company's handbook. The loans are interest free and repayable over a fixed period generally not exceeding a term of 12 months. On initial recognition the credit risk and probability of default has been assessed as low as the loan repayments are recovered directly from the employee's salary or any other funds due to the employee on the termination of employment. At the reporting date there has been no significant increase in the credit risk of staff loans and therefore in applying the 12-month expected credit loss basis, no impairment allowance has been recognised in the current year. No impairment allowance was recognised in the prior year on staff loans.

Sundry receivables

Sundry receivables relates mainly to amounts due from clients under the group's Digital First initiative and acquisition fees due from SKJV and SSS JV entities.

The group's credit risk is influenced by each Digital First client's individual characteristics. The group's credit risk is partially mitigated by the spread of its client base across multiple geographies. Clients generally settle their debt within 30 days of the invoice date. The group reserves the right to suspend all services on accounts overdue for more than 30 days.

In relation to the acquisition fees, the group has considered the net asset value and budgets for the SKJV and SSS JV entities and has concluded there has been no significant increase in credit risk from initial recognition to the reporting date.

In applying the 12-month expected credit loss basis no impairment losses have been recognised on sundry receivables in the current year and prior year as these are generally expected to be settled within 12 months.

24 FINANCIAL INSTRUMENTS (CONTINUED)
24.3 Credit risk (continued)

24.3.2 Impairment loss allowances

Tenant and related receivables

The expected credit loss rates are based on historical bad debt impairments as a percentage of the tenant debtors balance adjusted for forward-looking information on macroeconomic factors affecting the ability of the tenants to settle the receivables. The group has identified the gross domestic product and unemployment rate in South Africa and the United Kingdom to be the most relevant factors and accordingly adjusts the historical loss rates.

The loss allowance was determined as follows:

R'000	Past due 0 – 30 days	Past due 31 – 60 days	Past due 61 – 120 days	Past due >120 days	Total
Group 31 March 2023					
South Africa					
Expected loss rate	6%	19%	58%	100%	30%
Gross carrying amount	3 806	1 765	1 859	1 544	8 974
Loss allowance	(228)	(286)	(932)	(1 343)	(2 789)
UK					
Expected loss rate	0%	10%	51%	100%	3%
Gross carrying amount	18 502	518	1 402	–	20 422
Loss allowance	6	(52)	(709)	–	(755)
Group 31 March 2022					
South Africa					
Expected loss rate	7%	13%	51%	100%	30%
Gross carrying amount	2 466	1 278	1 136	1 402	6 282
Loss allowance	(144)	(148)	(501)	(699)	(1 492)
UK					
Expected loss rate	0%	10%	51%	100%	3%
Gross carrying amount	13 587	363	440	–	14 390
Loss allowance	(115)	(38)	(229)	–	(382)
Company 31 March 2023					
South Africa					
Expected loss rate	9%	12%	58%	100%	40%
Gross carrying amount	308	182	198	180	868
Loss allowance	(24)	(19)	(100)	(156)	(299)
Company 31 March 2022					
South Africa					
Expected loss rate	3%	10%	69%	100%	32%
Gross carrying amount	155	91	107	35	388
Loss allowance	(4)	(8)	(64)	(30)	(106)

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Reconciliation of loss allowance				
The loss allowance for tenant debtors at 31 March reconciles to the opening loss allowance as follows:				
Opening balance at 1 April	(1 874)	(2 438)	(106)	(71)
Increase in loss allowance recognised in profit or loss during the year	(6 273)	(3 743)	(460)	(134)
Receivables written off during the year as uncollectible	3 389	4 235	267	99
Foreign exchange movement	1 214	72	–	–
Closing balance at 31 March	(3 544)	(1 874)	(299)	(106)

Stor-Age has no financial assets that have been written off that are subject to legal recovery processes.

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Liquidity risk

The group's exposure to liquidity risk mainly arises from its loans and borrowings, lease obligations and trade and other payables. The group continuously monitors its net liquidity position on the basis of expected cash flows.

The following are the contractual maturities of financial liabilities, including interest payable. The table has been drawn up based on the contractual, undiscounted cash flows of the financial liabilities based on the earliest date the group can be required to pay.

	Carrying amount R'000	1 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
Group 2023					
Non-derivative financial liabilities					
Loans and borrowings	3 550 198	174 133	1 084 414	2 131 866	476 986
Lease obligations	344 828	37 352	16 171	157 546	347 400
Trade and other payables*	141 309	141 309	–	–	–
Total non-derivatives	4 036 335	352 794	1 100 585	2 289 412	824 386
Derivative financial liabilities	6 618	6 675	20 459	16 614	–
Total derivatives	6 618	6 675	20 459	16 614	–
Group 2022					
Non-derivative financial liabilities					
Loans and borrowings	2 758 851	162 148	448 372	2 008 175	414 251
Lease obligations	272 673	29 450	22 103	74 111	313 159
Trade and other payables*	132 831	132 831	–	–	–
Total non-derivatives	3 164 355	324 429	470 475	2 082 286	727 410
Derivative financial liabilities	5 579	–	14 300	–	–
Total derivatives	5 579	–	14 300	–	–

* Includes trade creditors, other payables, related party payables and property accruals.

The maturity profile of the group's total and undrawn borrowing facilities are reflected below:

	2023		2022	
Maturity	Total borrowing facilities R'000	Undrawn borrowing facilities R'000	Total borrowing facilities R'000	Undrawn borrowing facilities R'000
Within 1 year	160 000	–	160 000	–
Between 1 and 3 years	1 180 137	159 120	1 587 042	284 984
Beyond 3 years	3 062 689	593 309	1 834 824	392 018
	4 402 826	752 429	3 581 866	677 002

	Carrying amount R'000	1 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
Company 2023					
Non-derivative financial liabilities					
Loans and borrowings	1 348 514	174 133	545 308	819 914	–
Lease obligations	10 261	2 259	604	9 867	–
Trade and other payables*	13 307	13 307	–	–	–
Total non-derivatives	1 372 082	189 699	545 912	829 781	–
Derivative financial liabilities	2 695	6 675	14 300	25 025	–
Total derivatives	2 695	6 675	14 300	25 025	–
Company 2022					
Non-derivative financial liabilities					
Loans and borrowings	1 164 253	162 148	455 724	739 703	–
Lease obligations	1 413	–	–	–	–
Trade and other payables*	15 305	15 305	–	–	–
Total non-derivatives	1 180 971	177 453	455 724	739 703	–
Derivative financial liabilities	5 309	–	14 300	–	–
Total derivatives	5 309	–	14 300	–	–

* Includes trade creditors, other payables, related party payables and property accruals.

24 FINANCIAL INSTRUMENTS (CONTINUED)

24.4 Liquidity risk (continued)

The maturity profile of the company's total and undrawn borrowing facilities are reflected below:

	2023		2022	
Maturity	Total borrowing facilities R'000	Undrawn borrowing facilities R'000	Total borrowing facilities R'000	Undrawn borrowing facilities R'000
Within 1 year	160 000	–	160 000	–
Between 1 and 3 years	1 412 000	7 536	1 407 000	284 983
Beyond 3 years	300 000	448 222	–	–
	1 872 000	455 758	1 567 000	284 983

25 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES

The fair values of all financial instruments are substantially the same as the carrying amounts reflected on the statement of financial position.

Fair value hierarchy

The group and company measure fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the group and company determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and comparison to similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The group and company uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate swaps and cross currency interest rate swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values.

The table below analyses financial assets and liabilities carried at fair value, by valuation method, and investment properties:

Group	Note	Level 1 R'000	Level 2 R'000	Level 3 R'000	Carrying amount at 31 March R'000
2023					
Assets		–	120 193	10 731 243	10 851 436
Investment properties	3	–	–	10 731 243	10 731 243
Derivative financial assets	14	–	92 627	–	92 627
Unlisted investment	8	–	27 566	–	27 566
Liabilities		–	6 618	–	6 618
Derivative financial liabilities	14	–	6 618	–	6 618
2022					
Assets		–	110 679	9 535 000	9 645 679
Investment properties	3	–	–	9 535 000	9 535 000
Derivative financial assets	14	–	99 841	–	99 841
Unlisted investment	8	–	10 838	–	10 838
Liabilities		–	5 579	–	5 579
Derivative financial liabilities	14	–	5 579	–	5 579

25 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES (CONTINUED)

Company	Note	Level 1 R'000	Level 2 R'000	Level 3 R'000	Carrying amount at 31 March R'000
2023					
Assets		–	40 171	916 785	956 956
Investment properties	3	–	–	916 785	916 785
Derivative financial assets	14	–	12 605	–	12 605
Unlisted investment	8	–	27 566	–	27 566
Liabilities		–	2 695	–	2 695
Derivative financial liabilities	14	–	2 695	–	2 695
2022					
Assets		–	12 801	767 463	780 264
Investment properties	3	–	–	767 463	767 463
Derivative financial assets	14	–	1 963	–	1 963
Unlisted investment	8	–	10 838	–	10 838
Liabilities		–	5 309	–	5 309
Derivative financial liabilities	14	–	5 309	–	5 309

Level 2 fair values

The following table shows the valuation techniques used in measuring level 2 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Derivative financial instruments – *Forward exchange contracts*	Fair valued monthly by Investec and Nedbank using mark-to-market mid market values. This fair value is determined, inter alia, using quoted forward exchange rates at the reporting date and present value calculations.	Not applicable	Not applicable
Derivative financial instruments – *Cross currency interest rate swaps*	Fair valued monthly by Investec and Nedbank using mark-to-market mid market values. This involves, inter alia, discounting the future cash flows using the basis swap curves of the respective currencies at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative financial instruments – *Interest rate derivatives*	Fair valued monthly by Nedbank, Standard Bank, HSBC and Santander using mark-to-market mid market values. This involves, inter alia, discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract.	Not applicable	Not applicable
Unlisted investment	Fair valued monthly by the asset manager in relation to underlying performance of the fund using appropriate discount and default rates.	Not applicable	Not applicable

Level 3 fair values

The following table shows the valuation techniques used in measuring level 3 fair values:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Investment properties	Refer to note 3	Refer to note 3	Refer to note 3

There have been no transfers to or from level 3 in the current year and prior year.

26 USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

Management has made judgements and estimates that impact the application of the group's accounting policies and the reported financial results. Management discusses with the Audit and Risk Committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates. Any changes made in estimates are recognised prospectively.

26.1 Judgements

Significant judgements made in applying the group's accounting policies and are set out in the notes listed below:

- Note 7: Classification of joint ventures
  Judgement is used to determine the nature of the group's joint ventures and whether the equity-accounting method is appropriate. In the current year judgment has been applied to conclude that the group has joint-control over SSS JV 1 Proprietary Limited, SSS JV 2 Proprietary Limited, Storage Century City JV Proprietary Limited and SKJVs. The joint venture agreements between Stor-Age and the JV partner require unanimous consent from all parties for all relevant activities. Stor-Age and the JV partner holds ordinary shares in each JV company.

The group further concluded that the equity-method should be applied.

26.2 Assumptions and estimation uncertainties

Significant assumptions and estimation uncertainties at the reporting date and are set out in the notes listed below:

- Note 3: Valuation of investment properties to fair value
  The discounted cash flow of net operating income valuation method is used which assumes the net operating income for the next 10 years until the notional sale of the asset in year 10, taking into account the occupancy levels, estimated growth in revenue and operating costs. The discount rate is also adjusted for any projected market, business and financial volatility.
- Note 24.3.1: Determining the expected credit loss allowance of financial assets
  Judgement is used to determine the recoverability of tenant and related receivables based on security held, experience with similar tenants, the period the amount is overdue and knowledge of the tenant's circumstances.
- Note 5: Determining the goodwill and intangible assets impairment
  The discounted cash flow of net operating income valuation method is used which assumes the net operating income for the next 10 years, taking into account the properties under management and the estimated growth in asset and property management fees and operating costs. The discount rate is also adjusted for any projected market, business and financial volatility.
- Note 20: Group's taxation
  The group is subject to tax in multiple jurisdictions and therefore an element of judgement and estimation is applied in calculating the group's tax charge and provision for income taxes. The relevant tax authorities may disagree with the tax computation and therefore the final tax charge cannot be calculated until an assessment has been made by the tax authority.

27 RELATED PARTY TRANSACTIONS

These related parties include directors of the company and key management personnel who are responsible for planning, directing and controlling the activities of the company. The shares of Stor-Age Property REIT are widely held.

27.1 Identity of the related parties with whom material transactions have occurred

Subsidiaries
- Gauteng Storage Properties Proprietary Limited
- Roeland Street Investments Proprietary Limited
- Roeland Street Investments 2 Proprietary Limited
- Unit Self Storage Proprietary Limited
- SSS JV 3 Proprietary Limited
- Stor-Age International Proprietary Limited
- Betterstore Self Storage Holdings Limited and its subsidiaries

Equity-accounted investees
- Sunningdale Self Storage Proprietary Limited
- SK Heathrow Limited
- SK Canterbury1 Limited
- SK Bath Limited
- SKJV Bidco Limited
- SK West Brom Limited
- SSS JV 1 Proprietary Limited
- SSS JV 2 Proprietary Limited
- Storage Century City JV Proprietary Limited

27 RELATED PARTY TRANSACTIONS (CONTINUED)

27.1 Identity of the related parties with whom material transactions have occurred (continued)

Directors as listed in the directors' report*

Key management personnel

Related through common shareholding/directorships or affiliation with related parties

- Madison Square Holdings Close Corporation – (SC Lucas, SJ Horton and GM Lucas are ultimate beneficiaries)
- Stor-Age Property Holdings Proprietary Limited – (SC Lucas, SJ Horton and GM Lucas are directors and ultimate beneficiaries)

* *Various agreements were concluded with the Century City Property Investment Trust and Storage Century City JV (Pty) Limited for the development of a self storage facility in Century City.*

John Chapman is a trustee and a 12.3% indirect beneficiary in 50% of the Century City joint venture.

27.2 Material related party transactions and balances

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Related party balances				
Intercompany payables				
Gauteng Storage Properties Proprietary Limited	–	–	43 816	33 926
Unit Self Storage Proprietary Limited	–	–	1 296	3 377
Roeland Street Investments 2 Proprietary Limited	–	–	43 241	29 888
Intercompany receivables				
Roeland Street Investments Proprietary Limited	–	–	467 531	390 188
Betterstore Self Storage Operations Limited			33 928	–
SSS JV 1 Proprietary Limited	–	–	–	110 507
SSS JV 2 Proprietary Limited	–	–	–	76 342
SSS JV 3 Proprietary Limited	–	–	28 768	–
Amounts – owing to related parties				
Gauteng Storage Properties Proprietary Limited	–	–	–	35
Roeland Street Investments Proprietary Limited	–	–	175	395
Roeland Street Investments 2 Proprietary Limited	–	–	16	89
Stor-Age Property Holdings Proprietary Limited	518	–	518	–
Unit Self Storage Proprietary Limited	–	–	24	160
Amounts – owing by related parties				
Betterstore Self Storage Operations Limited	–	–	24 025	9 156
Stor-Age Property Holdings Proprietary Limited	–	2	–	2
Roeland Street Investments Proprietary Limited	–	–	–	279
Roeland Street Investments 2 Proprietary Limited	–	–	–	54
Madison Square Holdings Close Corporation	415	29	21	29
Unit Self Storage Proprietary Limited	–	–	–	17
Gauteng Storage Properties Proprietary Limited	–	–	–	6
SKJV entities	10 437	–	568	–
SSS JV 1 Proprietary Limited	159	–	159	–
SSS JV 3 Proprietary Limited	–	–	62	–

The intercompany loans between the company and its South African subsidiaries are interest free and repayable on demand. The loans advance by the company to its South African joint ventures bear interest at the prime rate applicable and are repayable on demand. Intercompany loans between the company and its Guernsey and UK based indirect subsidiaries bear interest at 8% per annum and are repayable on demand.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

27.2 Material related party transactions and balances (continued)

	Group		Company	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Related party transactions				
Dividend income				
Roeland Street Investments Proprietary Limited	–	–	484 144	443 845
Roeland Street Investments 2 Proprietary Limited	–	–	103 460	78 445
SSS JV 1 Proprietary Limited	–	–	496	886
Interest income on Stor-Age share purchase scheme loans				
Directors and key management personnel	6 414	7 781	6 414	7 781
Interest income				
Betterstore Self Storage Operations Limited	–	–	1 331	3 720
Sunningdale Self Storage Proprietary Limited	3 079	2 022	3 079	2 022
SSS JV 1 Proprietary Limited	3 032	–	3 032	–
SSS JV 2 Proprietary Limited	3 150	–	3 150	–
Storage Century City JV Proprietary Limited	542	–	542	–
Construction fees incurred				
Madison Square Holdings Close Corporation	41 742	33 272	6 984	22 336
Development fees income				
Sunningdale Self Storage Proprietary Limited	26	131	26	131
SSS JV 1 Proprietary Limited	2 847	–	2 847	–
SSS JV 2 Proprietary Limited	5 288	–	5 288	–
SKJV entities	9 733	–	9 733	–
Acquisition fees income				
SKJV entities	2 936	5 871	2 936	5 871
Management fee income				
SKJV entities	6 559	2 133	–	–
Sunningdale Self Storage Proprietary Limited	653	500	653	500
Betterstore Self Storage Operations Limited	–	–	25 705	31 283
Recovery of costs				
Madison Square Holdings Close Corporation	600	1 000	600	1 000
Office lease payments				
Stor-Age Property Holdings Proprietary Limited	1 672	1 522	1 672	1 522
Disposal of investment property				
SSS JV 2 Proprietary Limited	–	–	–	32 500

The directors' and company secretary's direct and indirect shareholding in the company and their remuneration is reflected in notes 27.3 and 27.4. Apart from their salaries and their participation in the Stor-Age share purchase scheme loans, the group provides no non-cash benefits to directors.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

27.3 Directors' and company secretary's shareholdings

	Direct beneficial	Indirect	Total	Percentage
31 March 2023				
GM Lucas	2 581 905	7 130 113	9 712 018	2.05%
SJ Horton	2 445 803	3 082 802	5 528 605	1.16%
SC Lucas	2 396 905	7 115 113	9 512 018	2.00%
GA Blackshaw	–	1 742 648	1 742 648	0.37%
KM de Kock	18 350	–	18 350	0.00%
HH-O Steyn (company secretary)	–	460 000	460 000	0.10%
JAL Chapman	176 650	396 011	572 661	0.12%
	7 619 613	19 926 687	27 546 300	5.80%
31 March 2022				
GM Lucas	2 399 802	7 021 513	9 421 315	1.99%
SJ Horton	2 399 803	3 082 802	5 482 605	1.16%
SC Lucas	2 399 802	7 021 513	9 421 315	1.99%
GA Blackshaw	–	1 742 648	1 742 648	0.37%
KM de Kock	14 000	–	14 000	0.00%
HH-O Steyn (company secretary)	–	300 000	300 000	0.06%
JAL Chapman	176 650	356 411	533 061	0.11%
	7 390 057	19 524 887	26 914 944	5.67%

There has been no change in the directors' and company secretary's shareholding since the reporting date and up to the date of the approval of the financial statements.

On 23 November 2021 Stor-Age Property Holdings Pty Ltd ("SPH") entered into a Further Amended and Restated Facility Agreement ("the Loan Facility") with Investec Bank Limited ("the Lender") for a borrowing facility of R58.5 million. The shareholder of SPH is the Stor-Age Property Holdings Trust ("SPH Trust"). Gavin Lucas, Stephen Lucas and Steven Horton, who are the executive directors of Stor-Age, are ultimate beneficiaries of the SPH Trust. The Loan Facility has a 36 month term, bears interest at the prime overdraft rate less 0.75% and is secured by the pledge of 17.374 million Stor-Age shares ("the pledged shares") in favour of the Lender.

The pledged shares relate to Stor-Age shares held by SPH, the SPH Trust and other companies and trusts related to the executive directors ("the related entities"). At 31 March 2023, the outstanding balance on the Facility was R36.5 million (2022: R36.0 million). The related entities held 24.374 million (2022: 24.163 million) Stor-Age shares at 31 March 2023.

There has been no change to the disclosures set out above between the year end and the date of approval of the annual financial statements.

27 RELATED PARTY TRANSACTIONS (CONTINUED)

27.4 Directors' remuneration

Non-executive directors' emoluments

Fees paid to non-executive directors for meeting attendance were as follows:

	2023 R'000	2022 R'000
AC Menigo^ (investment committee)	80	–
A Varachhia (investment committee and social and ethics committee)	480	266
GA Blackshaw (social and ethics committee, investment committee and remuneration committee)	800	324
JAL Chapman (investment committee)	420	251
KM de Kock (audit and risk committee and remuneration committee)	555	308
MPR Morojele (audit and risk committee and remuneration committee)	520	298
MS Moloko*	–	74
P Mbikwana (social and ethics committee and audit and risk committee)	520	298
	3 375	1 819

^ *A Menigo was appointed to the board on 23 January 2023.*
* *MS Moloko resigned on 30 June 2021.*

Executive directors' emoluments

The executive directors' remuneration is paid by Stor-Age Property REIT Limited:

	Basic Salary R'000	Short-term incentives R'000	IFRS Share-based payment charge R'000	Total R'000
2023				
GM Lucas	3 200	3 529	3 009	9 738
SJ Horton	3 200	3 529	3 009	9 738
SC Lucas	3 200	3 529	3 009	9 738
	9 600	10 587	9 027	29 214
2022				
GM Lucas	3 000	1 500	1 941	6 441
SJ Horton	3 000	1 500	1 941	6 441
SC Lucas	3 000	1 500	1 941	6 441
	9 000	4 500	5 823	19 323

The directors listed in the note above are the key management personnel of the group.

28 LEASE OBLIGATIONS

The right-of-use assets for the properties leased, which trade as self-storage facilities, have been recognised as part of investment properties on the fair value model. Lease payments for the SA properties are subject to an annual fixed escalation. In the UK, lease payments are reviewed every five years to reflect market rentals. Reviews were completed for four properties during the year. Reviews for a further three properties are expected to be finalised in the next financial year and one property in the 2025 financial year. The group is restricted from entering into sub-letting agreements for some of the properties.

The group also leases head offices in SA and the UK. The right of use assets for these head offices are classified as property and equipment and amortised over the term of the lease.

The statement of financial position reflects the following amounts relating to leases:

	Group 2023 R'000	Group 2022 R'000	Company 2023 R'000	Company 2022 R'000
Right-of use-assets				
Investment properties (note 3)	966 148	965 423	–	–
Property and equipment	11 983	1 162	10 201	1 102
	978 131	966 585	10 201	1 102
Lease obligations				
Current	35 100	29 279	2 054	1 360
Non-current	309 728	243 394	8 207	53
	344 828	272 673	10 261	1 413
The statement of profit or loss reflects the following amounts relating to leases:				
Interest expense	17 872	17 328	145	214
The lease obligations relates to the following:				
Investmet properties	332 902	271 188	–	–
Head office	11 926	1 485	10 261	1 413
	344 828	272 673	10 261	1 413

The terms of the leases for the leasehold properties are set out below:

Property	Commencement date	Termination date	Location
Constantia Kloof	December 2012	June 2051	South Africa
Somerset Mall	April 2012	June 2037	South Africa
Tokai*	April 2014	March 2024	South Africa
Springfield	October 1997	March 2050	South Africa
Aylesford	October 2007	October 2032	United Kingdom
Basildon	August 2007	July 2032	United Kingdom
Dunstable	October 2007	October 2032	United Kingdom
Epsom	February 2008	February 2033	United Kingdom
Woodley	June 2007 and December 2007	June 2032 and December 2032	United Kingdom
West Bromwich	June 2012	June 2037	United Kingdom
Warrington	January 2020	January 2040	United Kingdom
Nottingham	July 2008	November 2032	United Kingdom

* *Tokai comprises both a freehold (7 494 m^2 GLA) and leasehold (620 m^2 GLA) component. The lease terms set out above relate to the lease of a section of the property.*

29 PROPERTY ANALYSIS

29.1 Trading properties – owned by the group

South Africa

Property name	Address	Property encumbrance	Weighted average rental R/m²	Gross lettable area (m²)#	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (R'000)
Western Cape region						
Bellville – Durban Road	210 Durban Road, Oakdale, Bellville	Unencumbered	127.7	5 100	92 912	89 430
Bellville – Peter Barlow	Corner of Peter Barlow and Kasselsvlei Road, Bellville	Encumbered	129.7	5 900	67 805	72 685
Brackenfell – Silverpark	9 Silver Street, Brackenfell Industria, Brackenfell	Unencumbered	93.0	7 500	71 012	68 484
Brackenfell – Stikland	11 Danie Uys St, Stikland	Unencumbered	112.7	7 200	92 693	86 148
Claremont	Corner Main Road and Brooke Street, Claremont	Encumbered	189.3	9 000	190 606	175 125
Durbanville	2-8 Plein Street, Durbanville	Encumbered	142.0	7 700	121 491	111 671
Edgemead	1 Southdale Road Edgemead	Encumbered	151.4	5 100	77 938	72 177
Gardens	121 Roeland Street, Gardens	Encumbered	210.8	12 400	298 467	267 220
Maitland	255 Voortrekker Road, Maitland	Encumbered	213.3	1 400	23 715	21 675
Ottery Road	5 John Tyres Close, Ottery	Unencumbered	124.8	5 500	60 828	53 167
Ottery – Springfield Road	Corner Bloemof Avenue and Springfield Street, Ottery	Encumbered	125.2	5 300	58 450	58 118
Parklands	101 Sandown Road, Parklands	Unencumbered	157.0	3 300	71 100	–
Pinehurst	Corner of Pinehurst Drive and Okavango Road, Pinehurst	Encumbered	123.6	10 500	135 983	139 418
Sea Point	67 Regent Road, Sea Point	Encumbered	250.5	2 900	68 171	64 470
Somerset Mall*	Corner Forsyth Road and De Beers Avenue, Somerset West	Unencumbered	129.7	5 500	52 858	53 375
Somerset West	24 Ou Paardevlei, Somerset West	Encumbered	128.1	7 700	111 320	97 180
Stellenbosch	7 George Blake and 6 Stoffel Smit, Stellenbosch	Encumbered	141.1	6 200	85 540	79 729
Strand	42 Delson Circle, Heritage Park, Somerset West	Encumbered	121.8	5 000	60 708	48 386
Table View	121 Koeberg Road, Corner of Koeberg and Blaauwberg Road, Table View	Encumbered	149.6	10 100	164 573	163 966
Tokai*	64-74 White Road, Retreat	Encumbered	174.9	8 100	154 971	149 432
Gauteng region						
Boksburg	37 View Point Road, Bartlett, Boksburg	Encumbered	118.9	7 200	87 290	90 670
Brooklyn	Corner Jan Shoba and Justice Mohammed St.	Encumbered	160.6	7 500	124 584	113 841
Bryanston	1 Vlok Road, Bryanston, Sandton	Unencumbered	195.4	6 200	128 390	126 110
Centurion	1250 Theron Street, Pierre van Rhyneveld	Encumbered	80.5	20 900	165 590	174 420
Constantia Kloof*	Corner of Hendrik Potgieter and 14th Avenue, Constantia Kloof	Encumbered	162.0	5 400	78 316	100 281
Craighall	376A Jan Smuts Avenue, Craighall, Randburg	Unencumbered	183.4	6 500	125 250	119 080
Cresta	290 Weltevreden Road, Cresta, Blackheath, Randburg	Unencumbered	141.1	5 300	123 720	111 810
Edenvale	60 Civin Drive, Germiston	Encumbered	179.0	8 600	172 440	177 040
Garsfontein	Plot 13 Garsfontein Road, Grootfontein	Encumbered	68.1	9 700	61 257	52 959
Hennopspark	Jakaranda Street, Hennopspark	Encumbered	99.2	9 400	89 240	81 717
Irene	Corner 24th Street and 40th Avenue, Irene	Unencumbered	72.7	5 000	33 844	33 160
Jhb City	32 Rosettenville Road, Village Main, Jhb City	Encumbered	88.7	7 800	53 619	61 694
Kempton Park	Corner of Cheetah and Klipspringer Street, Kempton Park	Encumbered	106.6	9 100	93 063	84 366
Midrand	492 Komondor Road, Glen Austin X3, Midrand	Encumbered	105.0	7 100	76 635	77 052
Midstream	65 Freight Road, Louwlardia, Midrand	Encumbered	116.1	7 600	90 220	95 300
Mnandi	39 Tulip Avenue, Raslow	Encumbered	71.2	8 200	49 847	49 226
Mooikloof	738 Blesbok Street., Pretoria East	Encumbered	83.0	5 500	43 303	43 807
Pretoria West	1384 Malie Street, Pretoria West	Encumbered	65.4	4 200	17 430	17 730
Randburg	225 Braam Fischer Drive, Randburg	Encumbered	155.3	6 800	105 803	108 600

29 PROPERTY ANALYSIS (CONTINUED)

29.1 Trading properties – owned by the group (continued)

South Africa (continued)

Property name	Address	Property encumbrance	Weighted average rental R/m²	Gross lettable area (m²)#	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (R'000)
Roodepoort	17 JG Strijdom Road, Weltevredenpark	Encumbered	143.7	8 000	110 120	104 680
Rooihuiskraal	29 Rietspruit Road, Samrand	Encumbered	108.6	8 000	71 075	80 138
Silver Lakes	Six Fountains Boulevard	Encumbered	126.4	8 600	101 681	96 647
Sunninghill	4 Kikuyu Road, Sunninghill, Johannesburg	Encumbered	196.5	8 500	179 780	174 880
West Rand	Portion 610, St Antonios Road, Muldersdrift	Encumbered	111.1	4 500	39 051	38 773
Zwartkop	70 Migmatite Street, Zwartkop ext 13	Encumbered	86.2	9 300	72 660	78 720
Kwazulu-Natal region						
Berea	23 Calder Road, Berea	Encumbered	137.6	7 900	107 328	99 639
Durban City	200 Gale Street, Durban	Encumbered	120.1	3 900	32 050	36 471
Glen Anil	2014 Old North Coast Road, Mt Edgecombe	Encumbered	130.6	4 000	48 217	44 913
Mount Edgecombe	33 Flanders Drive, Blackburn, Durban	Encumbered	172.8	9 100	163 901	157 420
Springfield*	166 Inersite Avenue, Umgeni Business Park	Encumbered	136.6	5 500	88 291	82 478
Waterfall	1 Nguni Way and 127 Brackenhill Road, Hillcrest	Encumbered	103.0	5 900	49 860	50 638
Free State region						
Bloemfontein	Sand Du Plessis Avenue, Estoire	Encumbered	94.8	6 700	60 140	55 355
Eastern Cape region						
Greenbushes	Plot 136 Old Cape Road, Port Elizabeth	Encumbered	86.7	11 000	86 800	83 400
Westering	85 Warbler Road, Westering	Encumbered	126.3	6 800	85 082	78 347
Total SA properties				387 100	5 077 018	4 853 218

The weighted average rental per square metre (m²) of occupied space for SA properties at 31 March 2023 is R129.1/m² (2022: R119.2/m²).

The valuations set out above are gross values before the deduction of investment property lease obligations. Details of lease obligations are set out in note 28

* *Leasehold properties*
\# *GLA rounded to nearest hundred*

29 PROPERTY ANALYSIS (CONTINUED)

29.1 Trading properties – owned by the group (continued)

United Kingdom

Property name	Address	Property encumbrance	Weighted average rental £/sqf	Gross lettable area (m²)#	Valuation 31 March 2023 (£'000)	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (£'000)	Valuation 31 March 2022 (R'000)
Aylesford*	Units 2 and 3, New Hythe Business Park, Bellingham Way, ME20 7HP	Encumbered	27.7	4 000	4 180	91 990	4 628	88 446
Dartford	599 to 613 Princes Road, DA2 6HH	Encumbered	28.9	4 300	16 460	362 238	15 860	303 128
Epsom*	Units 5 and 6, Epsom Trade Park, Blenheim Road, KT19 9DU	Encumbered	34.2	3 100	4 619	101 651	4 833	92 371
Milton Keynes	39 Barton Road, Bletchley, MK2 3BA	Encumbered	24.8	3 200	8 380	184 420	8 460	161 694
Oxford	1 Bobby Fryer Close, Garsington Road, OX4 6ZN	Encumbered	26.9	7 000	20 760	456 869	17 480	334 091
Weybridge	Unit 28 Trade City, Avro Way, Brooklands Business Park, KT13 OYF	Encumbered	28.6	6 700	21 170	465 892	18 820	359 702
Woodley*	Unit 5, Area 9, Headley Road East, RG5 4SQ	Unencumbered	26.1	4 300	4 130	90 890	3 841	73 413
Gloucester	Unit 3, Barnwood Point, Corinium Avenue, Barnwood, GL4 3HX	Encumbered	21.0	4 100	7 700	169 455	7 840	149 844
Basildon*	Unit 1, Carnival Park, Carnival Close, SS14 3WN	Encumbered	28.9	4 200	5 282	116 242	4 988	95 339
Cambridge	505 Coldhams Lane, Cambridge, CB1 3JS	Encumbered	26.7	5 900	19 700	433 541	18 560	354 733
Dunstable*	Unit 1, Nimbus Park, Porz Avenue, Houghton Road, LU5 SW2	Encumbered	25.5	3 300	2 663	58 605	3 058	58 454
Bedford	Unit 2 Caxton Road, Bedford, MK41 OHT	Encumbered	27.3	5 900	17 030	374 782	17 320	331 033
Derby	Units 8-14, Hansard Gate, West Meadows Industrial Estated, DE21 6AR	Encumbered	22.8	5 200	13 660	300 618	12 790	244 452
Blackpool	Tellcom Business Centre, 20 Clifton Rdd, F14 4QA	Encumbered	21.8	2 600	5 470	120 379	4 450	85 052
Chester	1 Hartford Way, Sealand Industrial Estated, CH1 4NT	Encumbered	24.6	4 600	10 770	237 017	9 020	172 397
Crewe	Unit 2 and 3 at the Railway Exchange, Weston Road, CW1 6AA	Encumbered	23.9	4 000	11 650	256 384	8 550	163 414
Warrington*	1 Colville Court Winwick Quay, WA2 8QT	Encumbered	19.4	3 000	3 308	72 800	3 451	65 960
Doncaster	1 Carriage Drive, White Rose Way, DN4 SJH	Encumbered	20.7	5 200	10 880	239 438	8 630	164 943
Harrogate	Ripon Road, HG1 2BS	Encumbered	30.6	3 900	16 790	369 501	15 230	291 087
Huddersfield	Phoenix Retail Park, Leeds Rd, HD1 6NE	Encumbered	20.4	2 500	9 440	207 748	11 040	211 005
Wakefield	Kirkgate,Wakefield, WF1 1UW	Encumbered	22.8	2 700	6 800	149 649	7 040	134 554
York	Water Lane, York, YO30 6PQ	Encumbered	20.2	4 400	11 140	245 160	10 190	194 759
Nottingham*	Land and Buildings at Distribution Centre, Radford Road, NG7 7NQ	Encumbered	22.4	4 700	4 622	101 717	4 603	87 971
Dudley	Unit 8 Iconic Park, Birmingham, New Road, DY1 4SR	Encumbered	19.6	3 400	5 800	127 642	5 600	107 031
Shrewsbury	Unit 2 8B Storage King Archers Way Battlefield Enterprise Park, SY1 3GA	Encumbered	20.1	3 300	6 100	134 244	5 330	101 871
West Bromwich*	AGL House, Birmingham Road, West Bromwich, B71 4JY	Unencumbered	20.9	2 300	2 155	47 425	937	17 904
Total UK properties				107 800	250 659	5 516 298	232 549	4 444 647

The closing average rental rate of UK properties is £25.1 per square foot (2022: £23.6 per square foot)

The valuations set out above are gross values before the deduction of investment property lease obligations. Details of lease obligations are set out in note 28

* *Leasehold properties.*
\# *GLA rounded to nearest hundred*

29 PROPERTY ANALYSIS (CONTINUED)

29.2 Trading properties – held in joint ventures

The information displayed below is based on the full property.

South Africa

Property name	Address	Weighted average rental R/m²	Gross lettable area (m²)	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (R'000)
Sunningdale (50% interest)	33 Berkshire Boulevard	156.5	6 300	92 742	58 895
			6 300	92 742	58 895

United Kingdom

Property name	Address	Weighted average rental £/sqf	Gross lettable area (m²)	Valuation 31 March 2023 (£'000)	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (£'000)	Valuation 31 March 2022 (R'000)
Banbury (24.9% interest)	7, The I O Centre, Jugglers Cl, OX16 3TA	25.9	5 400	14 416	317 256	14 460	276 370
Frome (24.9% interest)	1 Cornbrash, Commerce park, BA11 2FP	25.9	6 700	19 966	439 395	16 560	316 507
Salisbury (24.9% interest)	Sun Rise Wy, Solstice Park Ave, SP4 7YR	20.1	6 700	14 466	318 356	6 613	126 393
Wednesbury (24.9% interest)	Axletree Way, Wednesbury, WS10 9QY	23.3	6 400	15 015	330 438	21 310	407 293
			25 200	63 863	1 405 445	58 943	1 126 563

29.3 Properties under development and held for development

Property name	Address	Valuation 31 March 2023 (R'000)	Valuation 31 March 2022 (R'000)
Bryanston*	4 Cross Road, Bryanston	–	19 622
De Waterkant	3-9 Rose Street, Cape Town	60 469	54 754
Hillcrest	23/25 Highlands Road, Hillcrest	22 982	19 000
Kramerville	Corner of Dartfield Road and Commerce Crescent	28 233	23 817
Morningside*	Portion 5 (a portion of portion 3) of Erf 1543 Morningside extension 12 township registration division i.r	–	46 985
Sandton	111 Second Steet, Parkmore, Sandton	25 990	–
Paarden Eiland*	Along Marine Drive	–	31 584
Pinelands*	Corner of Howard Drive and Gardeners Way	–	41 373
		137 674	237 135

* *These properties are being developed in the JV partnership with Nedbank Property Partners.*

30 GOING CONCERN

The directors have assessed the group and company's ability to continue as a going concern.

At 31 March 2023 the group's current liabilities exceed its current assets by R284.8 million (company: current assets exceed current liabilities by R467.3 million).

Included in current liabilities is a three-month rolling loan note of R160.0 million which is refinanced on a quarterly basis. The group has sufficient access to undrawn borrowing facilities to settle this liability if required. Also included in current liabilities is the dividend payable of R275.7 million.

At the reporting date, the group had access to cash resources of R411.5 million (including cash held in its long-term debt facilities) (company: R211.7 million). The group's total undrawn borrowing facilities amounted to R752.4 million (company: R455.8 million).

Taking the above factors into account, the board is satisfied that the group and company have sufficient facilities to meet its foreseeable cash requirements.

31 EVENTS AFTER REPORTING DATE

Subsequent to the reporting date Stor-Age entered into a JV with Nuveen Real Estate to acquire a four-property portfolio in the UK. Nuveen owns 90% and Stor-Age owns 10% of the equity interest in the JV. Stor-Age's equity contribution in the acquisition is £4.4 million.

The board is not aware of any other events that have a material impact on the results or disclosures of the group and which have occurred subsequent to the end of the reporting period.