SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

Castleview Property Fund Limited
(Registration number 2017/290413/06)

castleview

CONTENTS

GENERAL INFORMATION

ITEM	DESCRIPTION
COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Property holding and investment company
REGISTERED OFFICE	13 Hudson Street De Waterkant Cape Town 8001
BUSINESS ADDRESS	13 Hudson Street De Waterkant Cape Town 8001
POSTAL ADDRESS	PO Box 1745 Milnerton, Cape Town, Western Cape 7435
AUDITORS	RSM South Africa Inc. Mauricio de Faria
COMPANY REGISTRATION NUMBER	2017/290413/06
TAX REFERENCE NUMBER	9366916188
DIRECTORS	JWA Templeton JPA Day GC Bayly DJ Green MA Mohamed A Padayachee
PREPARER	These financial statements were independently compiled by: L.D. Kearns Chartered Accountant (SA)
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

DIRECTOR'S RESPONSIBILITY AND APPROVAL

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company’s cash flow forecast for the year to 31 March 2024 and, in the light of this review and the current financial position, are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on page 7 to 8.

The financial statements set out on pages 9 to 25, which have been prepared on the going concern basis, were approved by the directors on 31 July 2023 and were signed on their behalf by:

James Templeton

JWA Templeton
Director

JPA Day
Director

DIRECTOR'S REPORT

The directors have pleasure in submitting their report on the separate annual financial statements of Castleview Property Fund Limited for the year ended 31 March 2023.

1. NATURE OF BUSINESS

Castleview Property Fund Limited was incorporated in South Africa with interests in the property holding industry. The company operates in South Africa and is listed on the AltX of the Johannesburg Stock Exchange.

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

During the current financial period, the year end was changed from February to March.

3. SHARE CAPITAL

Authorised

	Number of shares	
Shares	**13 months ending 31 March 2023**	**12 months ending 28 February 2022**
Ordinary shares	**2 000 000 000**	1 000 000 000

Issued

	R	R	Number of shares	
Shares	**13 months ending 31 March 2023**	**12 months ending 28 February 2022**	**13 months ending 31 March 2023**	**12 months ending 28 February 2022**
Ordinary shares	**5 936 594 874**	**185 948 148**	**978 238 349**	**37 411 169**

Refer to note 5 of the separate annual financial statements for details of the movement in issued share capital.

4. DIVIDENDS

A final gross dividend of R157 388 768 (2022: R9 380 389) cents per share was approved by the directors on 22 June 2023 in respect of the year ended 31 March 2023.

In accordance with the group's status as a REIT, the dividend declared meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act No 58 of 1962 (as amended).

5. DIRECTORATE

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

Directors	Office	Designation	Nationality
JWA Templeton		Executive	South African
JPA Day	Appointed 4 November 2022	Executive	South African
A Padayachee		Non Executive Director	South African
MA Mohamed		Non Executive Director	South African
DJ Green		Non Executive Director	South African
GCI Bayly		Non Executive Director	South African
CP Dockrall	Resigned 8 November 2022	Executive	South African

DIRECTORS' REPORT (continued)

6. EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 16.08900 cents per share was approved by the board of directors on 13 May 2022 in respect of the period ended 31 March 2023.

Shareholders are referred to the announcement relating to the specific issue of shares for cash ("specific issue of shares") published on SENS on 23 February 2023 and the subsequent announcements relating to the notice of general meeting and the results of general meeting published on SENS on 20 March 2023 and 29 March 2023 respectively. 41 666 666 shares have been issued and the Company expects to issue the remaining 6 172 840 shares, representing an aggregate value of R40 000 003.20, during July 2023.

7. GOING CONCERN

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

8. AUDITORS

The audit committee appointed RSM South Africa Inc. As the independent external auditors of the company and confirmed Mr. Mauricio De Faria, as the designated lead audit partner for the 2024 financial year.

9. SECRETARY

The company secretary is Statucor.

Information	Detail
Postal address:	6th Floor, 123 Hertzog Boulevard, Foreshore, Cape Town, 8001
Business address:	6th Floor, 123 Hertzog Boulevard, Foreshore, Cape Town, 8001

10. SEPARATE ANNUAL FINANCIAL STATEMENTS

These financial statements are separate annual financial statements. A complete set of consolidated annual financial statements have been issued and published.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Castleview Property Fund Limited

OPINION

We have audited the separate financial statements of Castleview Property Fund Limited (the company) set out on pages 9 to 25, which comprise the separate statement of financial position as at 31 March 2023, and the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the 13 months then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Castleview Property Fund Limited as at 31 March 2023, and its separate financial performance and separate cash flows for the 13 months 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. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report. We are independent of the 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.

OTHER MATTER

The separate financial statements of Castleview Property Fund Limited for the year ended 28 February 2022 were audited by another firm of auditors whose report dated 31 May 2022 expressed an unmodified opinion on those separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Castleview Property Fund Limited separate financial statements for the 13 months ended 31 March 2023", which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the separate financial statements and our auditor's report thereon.

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

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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, 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 DIRECTOR FOR THE SEPARATE FINANCIAL STATEMENTS

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

In preparing the separate financial statements, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (continued)

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

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’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 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 separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 RSM South Africa Inc. has been the auditor of Castleview Property Fund Limited for one year.

DocuSigned by:

RSM South Africa Inc.

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RSM South Africa Inc.

Mauricio Gomes Quintal De Faria
Chartered Accountants (SA)
Registered Auditors
Director

15 Greenwich Grove
Station Road
Rondebosch 7700

Date: 31 July 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note(s)	31 March 2023 R	28 February 2022 R
Non-current assets			
Investment in subsidiaries	10	**5 517 175 345**	165 000 000
Loans to group companies	2	**541 309 285**	–
		6 058 484 630	165 000 000
Current assets			
Trade and other receivables	3	**304 762**	304 762
Loans to group companies	2	**15 970 016**	43 337 597
Cash and cash equivalents	4	**543 045**	2 901 645
		16 817 823	46 544 004
Total assets		**6 075 302 453**	211 544 004
Equity attributable to equity holders of parent			
Share capital	5	**5 936 594 874**	185 948 148
Retained income/(accumulated loss)		**138 707 579**	(1 943 456)
		6 075 302 453	184 004 692
Current liabilities			
Trade and other payables		**–**	24 075
Loans from group companies	2	**–**	27 515 237
		–	27 539 312
Total liabilities		**–**	27 539 312
Total liabilities and equity		**6 075 302 453**	211 544 004

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2023

	Note(s)	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Other operating expenses	6	**(3 186 605)**	(532 558)
Operating profit		**(3 186 605)**	(532 558)
Investment income	7	**160 575 397**	11 930 659
Profit before finance costs		**157 388 792**	11 398 101
Finance costs	8	**–**	(652 580)
Profit before taxation		**157 388 792**	10 745 521
Taxation	9	**–**	–
Profit and total comprehensive Income for the year		**157 388 792**	10 745 521

STATEMENT OF CASH FLOW

FOR THE PERIOD ENDED 31 MARCH 2023

	Note(s)	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Cash flow from operating activities			
Cash generated from operations	12	**(3 170 802)**	(563 787)
Interest income		**18 982**	–
Tax paid		**(39 878)**	–
		(3 191 698)	(563 787)
Cash flow from investing activities			
Repayment of loans from group companies		**(437 921 521)**	–
Proceeds from loans from group companies		**6 979 775**	–
		(430 941 746)	–
Cash flow from financing activities			
Proceeds from loans from group companies		**–**	31 421 658
Repayment of loans from group companies		**–**	(17 800 000)
Repayment of loan from parent company		**–**	(10 356 220)
Cash received from shares issued		**431 774 844**	–
		431 774 844	3 265 438
Cash and cash equivalents			
Total cash at beginning of the year		**2 901 645**	199 994
Total cash movement for the year		**(2 358 600)**	2 701 651
Cash at the end of the year		**543 045**	2 901 645

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2023

Figures in Rand thousand	Share capital R	Accumulated loss/ (Retained income) R	Total equity R
Balance as at 1 March 2021	176 567 759	(3 308 588)	173 259 171
Profit for the year	-	10 745 521	10 745 521
Issue of shares	9 380 389	-	9 380 389
Dividends	-	(9 380 309)	(9 380 309)
Balance at 28 February 2022	**185 948 148**	**(1 943 456)**	**184 004 692**
Profit for the year	**-**	**157 388 792**	**157 388 792**
Issue of shares from group restructuring	**5 480 646 726**	**-**	**5 480 646 730**
Issue of shares for cash	**270 000 000**	**-**	**269 999 996**
Dividends declared	**-**	**(16 737 757)**	**(16 737 757)**
Balance as at 31 March 2023	**5 936 594 874**	**138 707 579**	**6 075 302 453**
Note	5		

ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa.

These accounting policies are consistent with the previous period.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

IMPAIRMENT OF INVESTMENTS

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. The company uses judgement in making assumptions and selecting the inputs to their impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

LOANS RECEIVABLE CLASSIFICATION AS CURRENT

The company reviews on an annual basis the loans classified as current. The company uses judgement in determining the amounts they consider to be recoverable within the following financial year, based on their best knowledge of the financial position and financial performance of the group entities, as well as the existing market conditions.

FINANCIAL INSTRUMENTS

Classification

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the transaction price of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities are recognised immediately in profit or loss.

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

ACCOUNTING POLICIES (continued)

FINANCIAL ASSETS

The following categories of financial assets are recognised in the statement of financial position: Loans receivable, cash and cash equivalents, and trade and other receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans receivable

Loans receivable are carried at amortised cost, less provisions made for irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognised at originated cost less an allowance for credit notes. The carrying amount of trade and other receivables is reduced by the impairment allowance using a lifetime expected credit loss (ECL) based on reasonable and supportable information that is available at the reporting date about past events, current conditions and a forecast of future economic conditions, taking into account an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes and the time value of money.

Changes in the carrying amount of the allowance account are written off against the allowance account, and the recovery of amounts, subsequent to being written off, are recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

Lifetime expected credit losses are recognised for all financial assets at every reporting period for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis.

For certain categories of financial assets, such as loans receivable and trade and other receivables, assets are assessed for impairment on a collective basis, even if they were assessed not to be impaired individually, from initial recognition of the receivables on a collective basis.

Defaulting trade receivables are "non-performing" for more than 60 days.

The company's write-off policy determines that a trade receivable and loan receivable be derecognised only if all avenues of recovery have been exhausted.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

FINANCIAL LIABILITIES

Financial liabilities are recognised when there is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities consist of loans payable, and trade and other payables. Financial liabilities are initially recognised at cost, and subsequently measured at amortised cost using the effective interest method.

SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from share capital. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company’s own equity instruments.

ACCOUNTING POLICIES (continued)

TAX

Current tax assets and liabilities

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

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

TAXATION AND DEFERRED TAXATION

Income tax expense comprises current and deferred taxation. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on taxable income, after deducting the qualifying distribution for the period of assessment, using tax rates that have been enacted or substantively enacted by the reporting date and includes adjustments for tax payable in respect of previous years. In accordance with the REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act, No 58 of 1962 (as amended).

The distribution received is presented gross of withholding tax in the financial statements.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises:

- From the initial recognition of goodwill in a business combination;
- From the initial recognition of other assets and liabilities in a transaction which is not a business combination and affects neither accounting profit nor taxable income; or
- Differences related to investments in subsidiaries, joint ventures and associates, to the extent that it is probable that they will not reverse in the foreseeable future and the group is able to control the reversal.

Deferred tax is not recognised on the fair value of investment properties. Such items will be realised through sale and, in accordance with the income tax requirements relating to the REIT status, capital gains tax is not applicable.

Deferred tax is not recognised for temporary differences that will form part of future qualifying distributions.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income tax levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

INVESTMENT INCOME

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

NOTES TO THE FINANCIAL STATEMENTS

1. NEW STANDARDS AND INTERPRETATIONS

Standards and interpretations not yet effective

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

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

The impact of the amendment is not material.

Classification of Liabilities as Current or Non-Current – Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The adoption of this amendment is not expected to impact on the results of the company, but may result in more disclosure than is currently provided in the separate annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. LOANS TO/(FROM) GROUP COMPANIES

	31 March 2023 R	28 February 2022 R
FEC Prop Proprietary Limited	**15 970 016**	(27 515 237)
The loan is unsecured, interest-free and is repayable on demand.		
I Res Fund Proprietary Limited	**135 026 096**	–
This fluctuating loan bears interest at fluctuating rates.		
There are no fixed terms of repayment.		
IG EMI Proprietary Limited	**406 283 189**	–
The loan is unsecured, interest-free and is repayable on demand on demand.		
Castleview One Proprietary Limited	**–**	43 337 597
The loan is unsecured, interest-free and is repayable on demand.		
	557 279 301	15 822 360

The fair value of loans receivable and payable are estimated to approximate their carrying value due to the short-term nature of these loans.

The company's write-off policy determines that a loan receivable be derecognised only if all avenues of recovery have been exhausted.

The credit risk of these loans is low considering, inter alia, that the company's property value and rental yield are expected to remain at or above current levels. The net asset value of the companies is sufficient to cover the value of the loans and therefore management considers the loans recoverable. All available forward looking information, including estimates of economic growth, which indicated an immaterial expected credit loss and consequently the loans were not impaired.

Split between non-current and current portions

	31 March 2023 R	28 February 2022 R
Non-current assets	**541 309 285**	–
Current assets	**15 970 016**	43 337 597
Current liabilities	**–**	(27 515 237)
	557 279 301	15 822 360

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TRADE AND OTHER RECEIVABLES

Financial instruments	31 March 2023 R	28 February 2022 R
Loan- Castleview Asset Managers	**304 762**	304 762
Total financial instruments	**304 072**	304 762
Non-financial instruments	**–**	–
Total trade and other receivables	**304 072**	304 762

Exposure to credit risk

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions as the company's tenant base is diverse.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Historical impairment rates have been applied against the population of trade receivables. Specific high risk trade receivable balances have been identified and a full impairment provision has been provided on these balances.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature of these receivables.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	31 March 2023 R	28 February 2022 R
Bank balances	**543 045**	2 901 645
	543 045	2 901 645

The carrying value of cash and cash equivalents approximates its fair value, due to the short-term nature of these balances.

All cash at bank are held by major, reputable financial institutions that management believes are of high credit quality and accordingly minimal credit risk exists.

The carrying amounts of cash and cash equivalents represent the maximum credit exposure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. SHARE CAPITAL

Authorised

	31 March 2023 Number of Shares	28 February 2022 Number of Shares
Opening shares of no par value	**1 000 000 000**	1 000 000 000
Increase of authorised shares of no par value	**1 000 000 000**	–
Closing shares of no par value	**2 000 000 000**	1 000 000 000

Reconciliation of number of shares issued:

	31 March 2023	28 February 2022
Opening balance	**37 411 169**	35 264 627
Issue of shares - dividend reinvestment	**3 631 378**	2 146 542
Issue of shares - assets for shares	**895 529 136**	–
Issue of shares – for cash	**41 666 666**	–
	978 238 349	37 411 169

The unissued ordinary shares are under the control of the directors in terms of a resolution of the shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued	31 March 2023 R	28 February 2022 R
Opening balance	**185 948 148**	176 567 759
Issue of shares – dividend reinvestment	**16 737 748**	9 380 389
Issue of shares – assets for shares	**5 463 908 978**	–
Issue of shares - March 2023	**270 000 000**	–
	5 936 594 874	185 948 148

6. OPERATING PROFIT

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

	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Bank charges	**(17 643)**	(8 742)
Statutory Fees	**(2 035 296)**	(355 777)
Consulting fees	**(8 096)**	(18 546)
Accounting fees	**(345 000)**	–

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INVESTMENT INCOME

Investments in financial assets	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Dividends received	**152 989 109**	11 930 659
Bank	**18 982**	–
Group loans receivable	**7 567 306**	–
	160 575 397	11 930 659

8. FINANCE COSTS

	13 months ending 31 March 2023	12 months ending 28 February 2022
Interest Expense		
Group loans payable	**–**	652 580
Total finance costs	**–**	652 580

9. TAXATION

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Accounting profit	**157 388 792**	10 745 521
Tax at the applicable tax rate of 27% (2022: 28%)	**42 494 974**	3 008 746
Tax effect of adjustments on taxable income		
Permanent difference - S25BB Distribution (REIT)	**(42 494 974)**	(3 008 746)
	–	–

No provision has been made for tax as the company has no taxable income. The company is considered a Real Estate Investment Trust (REIT) enterprise and as such there is a qualifying allowance in terms of S25BB which allows for a deduction limited to taxable income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. INVESTMENTS IN SUBSIDIARIES

	% holding 2023	% holding 2022	Carrying amount 2023 R	Carrying amount 2022 R
FEC Prop Proprietary Limited	**100%**	100%	**180 700 000**	–
IG EMI Holdings Proprietary Limited	**100%**	–	**2 445 804 320**	–
Interurban Willowbridge (RF) Proprietary Limited	**100%**	–	**518 185 650**	–
K2019141346 (SA) Proprietary Limited	**100%**	–	**221 831 984**	–
I Res Fund Proprietary Limited	**85%**	–	**67 882 657**	–
Tensai Property Services Limited	**100%**	–	**2 082 770 734**	–
Castleview One Proprietary Limited	**–**	100%	**–**	165 000 000
			5 517 175 345	165 000 000

Reporting period

All the entities are incorporated in South Africa and have the same year end as the company.

The carrying amounts of subsidiaries are shown gross of impairment losses.

The percentage voting power is aligned to the percentage holding.

11. RELATED PARTIES

Relationships	**Party**
Subsidiaries	IG EMI Holdings Proprietary Limited FEC Prop Proprietary Limited Interurban Willowbridge (RF) Proprietary Limited Tensai Property Services Limited K2019141346 (SA) Proprietary Limited I Res Fund Proprietary Limited
Group companies	U REIT Holdings Proprietary Limited U Reit Collins Proprietary Limited Maitlantic Investments Proprietary Limited Sonstraal Investments Proprietary Limited The Emira Property Fund Limited Group Transcend Residential Property Fund Limited
Former ultimate holding company	Urban Retail Property Investments 1 Proprietary Limited
Former subsidiaries	Castleview One Proprietary Limited

Related party balances

Loan accounts owing from (to) subsidiaries — Refer to note 2

Other receivables owing by companies under common directorship

	31 March 2023 R	28 February 2022 R
Companies under common directorships	**304 762**	304 762
	304 762	304 762

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RELATED PARTIES (continued)

Related party transactions

Interest capitalised on loan owing to former parent company	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Former ultimate holding company	**–**	1 066 794

Interest capitalised on loan receivable from subsidiaries	13 months ending 31 March 2023 R	12 months ending 28 February 2022 R
Subsidiaries	**7 567 305**	–

12. CASH GENERATED FROM OPERATIONS

	13 months ending 31 March 2023	12 months ending 28 February 2022
Profit before taxation	**157 388 792**	10 745 521
Adjustments for:		
Interest income	**(7 586 288)**	-
Finance costs	**-**	652 580
Trade and other payables	**(24 075)**	(32 475)
Dividends received	**(152 989 109)**	(11 929 413)
Share transfer tax	**39 878**	-
	(3 170 802)	(563 787)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial assets

	31 March 2023	
	Amortised cost	Total
Loans to group companies	**557 279 301**	**557 294 860**
Trade and other receivables	**304 762**	**304 762**
Cash and cash equivalents	**543 045**	**543 045**
	560 485 708	**558 142 667**

	28 February 2022	
	Amortised cost	Total
Loans to group companies	43 337 597	43 337 597
Trade and other receivables	304 762	304 762
Cash and cash equivalents	2 901 645	2 901 645
	46 544 004	46 544 004

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Categories of financial liabilities

	31 March 2023	
	Amortised cost	Total
Trade and other payables	–	–
Loans from group companies	–	–
	–	–

	28 February 2022	
	Amortised cost	Total
Trade and other payables	24 075	24 075
Loans from group companies	27 515 237	27 515 237
	27 539 312	27 539 312

Capital risk management

The company's objectives when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the company consists of cash equivalents disclosed in note 4, and equity as disclosed in the statement of financial position.

Financial risk management

Liquidity risk

The company mitigates its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. Committed borrowing facilities are available for meeting liquidity requirements and the company manages the liquidity risk through an ongoing review of commitments and credit facilities.

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	31 March 2023	
	Less than 1 year	Total
Non-current liabilities	–	–
Current liabilities	–	–
Trade and other payables	–	–
Loans from group companies	–	–
	–	–

	28 February 2022	
	Less than 1 year	Total
Current liabilities		
Trade and other payables	24 075	24 075
Loans from group companies	27 515 237	27 515 237
	27 539 312	27 539 312

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. DIRECTORS' EMOLUMENTS

	13 months ending 31 March 2023	12 months ending 28 February 2022
Services as director or prescribed officer:		
JPA Day**	**150 000**	–
G C Bayly*	**278 000**	167 000
D J Green*	**301 000**	207 000
A Mohamed*	**262 000**	167 000
A Padayachee*	**287 000**	167 000
** Non-executive director*		
*** Executive director*		
Services as director or prescribed officer of a subsidiary:		
JWA Templeton	**278 000**	–

JWA Templeton serves as a non-executive director on the board of the Company's subsidiary, Emira Property Fund.

No remuneration was paid to JWA Templeton by the group or Castleview Asset Managers Proprietary Limited during the year.

JWA Templeton is however a beneficiary through his indirect 33.33% shareholding in Castleview Asset Managers Proprietary Limited.

R8 764 910 (2022: R631 652) of the asset management fees paid by the group to Castleview Asset Managers Proprietary Limited during the year accrued to J W A Templeton though his indirect shareholding in Castleview Asset Managers Proprietary Limited.

15. FINANCIAL GUARANTEES

The company has provided the following guarantees in respect of group third party borrowings:

- A continuing guarantee limited to R90 million in favour of Chrysalis Security SPV (RF) Proprietary Limited;
- A continuing guarantee limited to R300 million (plus interest and any costs incurred by the creditor in enforcing the guarantee) in favour of Investec Bank Limited;
- A continuing guarantee limited to R27.5 million (plus interest and any costs incurred by the creditor in enforcing the guarantee) in favour of Investec Bank Limited;
- A continuing guarantee limited to R90 million (plus interest and any costs incurred by the creditor in enforcing the guarantee) in favour of Investec Bank Limited;
- A continuing guarantee limited to R70 million (plus interest and any costs incurred by the creditor in enforcing the guarantee) in favour of Nedbank Limited;
- A continuing guarantee limited to R863.7 million (plus interest and any costs incurred by the creditor in enforcing the guarantee) in favour of Investec Bank Limited;

16. GOING CONCERN

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 16.09000 cents per share was approved by the board of directors on 13 May 2022 in respect of the period ended 31 March 2023.

Shareholders are referred to the announcement relating to the specific issue of shares for cash ("specific issue of shares") published on SENS on 23 February 2023 and the subsequent announcements relating to the notice of general meeting and the results of general meeting published on SENS on 20 March 2023 and 29 March 2023 respectively. 41 666 666 shares have been issued and the Company expects to issue the remaining 6 172 840 shares, representing an aggregate value of R40 000 003.20, during July 2023.

18. COMPARATIVE FIGURES

The reporting period is longer than a year, therefore certain comparative amounts are not comparable to the current balances.

CORPORATE INFORMATION

Registered office
Castleview Property Fund Limited
(Registration number 2017/290413/06)
13 Hudson Street, De Waterkant, Cape Town 8001
(PO Box 1745, Milnerton, Cape Town, 7435)

Company secretary
Statucor Proprietary Limited
(Registration number 1989/005394/07)
6th Floor, 129 Hertzog Boulevard Foreshore
Cape Town, 8001
(PO Box 3883, Cape Town, 8000)

Corporate advisor
Java Capital Proprietary Limited
(Registration number 2002/031862/07)
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Designated advisor
Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Legal advisor
White & Case LLP
Katherine Towers, 1st Floor
1 Park Lane, Wierda Valley
2196 Sandton, Johannesburg

Independent Reporting Accountants
RSM South Africa
Executive City, Corner of Cross St & Charmaine Ave
President Ridge, Randburg, 2194

Transfer secretaries
JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
19 Ameshoff Street
Braamfontein, Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Bankers
Absa Bank Limited
(Registration number 1986/004794/06)
7th Floor, Absa Towers West, 15 Troye Street,
Johannesburg, 2001
(PO Box 7335, Johannesburg, 2000)

Place and date of Incorporation
Incorporated in South Africa on 6 July 2017

Independent Auditors
RSM South Africa
15 Greenwich Grove
Station Road
Rondebosch, 7700

castleview.co.za