TREMATON
Capital Investments Limited

INTEGRATED ANNUAL REPORT 2021

GENERATION EDUCATION
87%

Generation Education ("GenEd") provides an innovative model for schooling that is more organic and pupil-focused than traditional schooling models. The curriculum is structured to enhance each child's natural developmental patterns and talents in order to support the individual growth of each student.

ARIA PROPERTY GROUP
60%

ARIA Property Group ("ARIA") is a Western Cape-focused commercial property investment company. It identifies and acquires underperforming institutional-grade real estate assets and adds value through focused tenant-driven redevelopment for long-term investments.

CLUB MYKONOS LANGEBAAN
100%

Club Mykonos Langebaan ("CML") is a Greek-themed, family-friendly holiday resort situated on the shores of the Langebaan lagoon, located 1½ hour's drive from Cape Town. The resort provides a variety of accommodation and entertainment options and is a popular leisure destination.

ASK PARTNERS
40%

ASK Partners ("ASK") is a UK-based real estate finance company with expert skills in real estate financing across the capital structure. ASK operates in the private equity and lending space and offers bespoke and flexible funding solutions to experienced residential and commercial property developers and asset managers.

RESI INVESTMENT GROUP
100%

RESI Investment Group ("RESI") invests in residential apartments and housing units for rental and capital growth. RESI's core focus is investment in residential properties with stable and growing long-term rental income profiles, located in desirable residential nodes with financially stable tenants.

TREMATON is an **investment holding company** that invests in assets and businesses which management believes are undervalued or where management can create value that has the potential to achieve our targeted internal rate of return.

The **Integrated Annual Report**, including the annual financial statements, has been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, No. 71 of 2008. The annual financial statements have been audited in compliance with this Act.

The group financial results have been prepared under the supervision of the chief financial officer, Mr AL Winkler CA (SA).

Published on: 30 November 2021

Financial year-end: 31 August 2021

INTEGRATED ANNUAL REPORT

ANNUAL FINANCIAL STATEMENTS

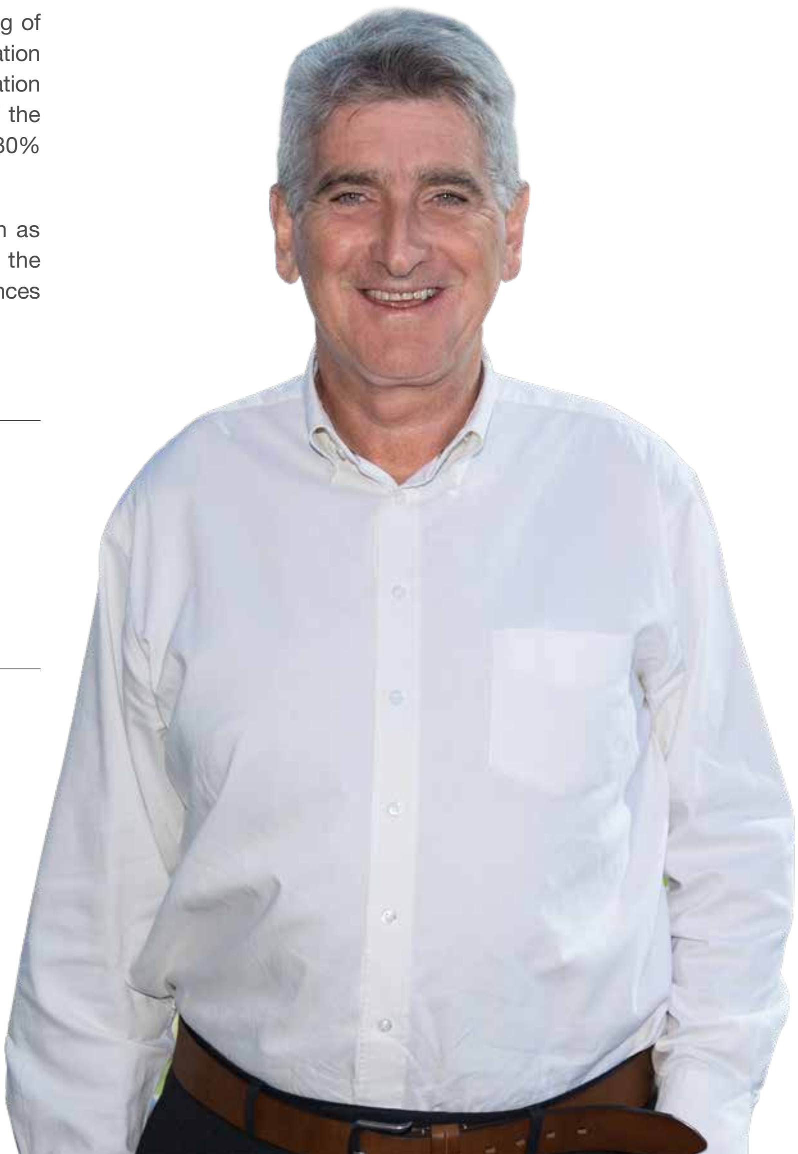
CHAIRMAN'S REPORT

AS SOUTH AFRICA EMERGES FROM THE WORST OF THE COVID-19 PANDEMIC, WE EMBARK ON WHAT WILL UNDOUBTEDLY BE A PROTRACTED, ERRATIC AND PAINFUL PROCESS OF REBUILDING OUR ECONOMY, RESTORING OUR SOCIETY AND RESHAPING OUR POLITICS. IN THIS CONTEXT, WE FEEL IT IS APPROPRIATE TO SHARE WITH OUR STAKEHOLDERS A PERSPECTIVE ON WHERE TREMATON HAS COME FROM OVER THE PAST FEW YEARS, WHERE WE ARE POSITIONED AT THE PRESENT TIME, AND WHERE WE SEE OURSELVES HEADED IN THE MEDIUM TERM.

Long-time investors in and observers of Trematon will have watched the strategic portfolio shift that has been taking place in the group, away from a traditional property-heavy focus towards a growing investment in and exposure to private education. The initial focus on the development of bricks-and-mortar schools under the GenEd brand has more recently been expanded to associated EduTech avenues in Generational Education Exchange ("GenEx"). This trend has continued over the past financial year, with the opening of the new Somerset West Generation campus at the beginning of the 2021 academic year and the activation of our association with Cambridge International, such that the private education segment of our portfolio now comprises nearly 40% of the group's total intrinsic net asset value ("INAV") up from 30% only three years ago.

The board remains bullish on private education, which as a sector has recovered well after the severe effects of the pandemic on schools' operations, pupils' learning experiences and parents' affordability. Sadly, for South Africa as a country, the continued inability of government to provide an acceptable education to the bulk of our citizens means that there is enormous scope for private-sector operators who can provide a quality educational offering at an affordable price, and particularly those with access to international accreditation and advanced technology platforms. We believe that GenEd's unique schooling model, together with its innovative online

> THE BOARD REMAINS BULLISH ON PRIVATE EDUCATION, WHICH AS A SECTOR HAS RECOVERED WELL AFTER THE SEVERE EFFECTS OF THE PANDEMIC



offerings and international links position it well to build on its growing reputation in the market and to expand beyond its initial physical footprint in the Western Cape over time.

In my report last year I noted that Trematon was in the fortunate position of having a strong balance sheet and sufficient cash resources to take advantage of new business opportunities that the board foresaw might become available in a post-Covid environment. Despite our investigation of several such possibilities over the past year, the board has not found any sufficiently convincing investments to persuade us to commit any substantial capital to new business ventures falling outside of our core business segments. This has led us to the conclusion that the most appropriate avenues for application of our available capital over the next few years will continue to be in the expansion of our GenEd and GenEx businesses, whether that be through ongoing growth in the number or scale of our school campuses, through strategic partnerships or through opportunistic acquisitions in the EduTech arena.

While Trematon did not make any significant investments into new businesses, we were not stuck in "hold mode" in our traditional property-related businesses. All of these businesses were profitable and cash generative over the past year, despite the ongoing impact of the pandemic on ARIA's and RESI's property portfolios, CML's resort operations and ASK's lending book. Our strategic approach to these businesses is to continue with proactive asset management and ongoing value enhancement with a view to their longer-term realisation in more favourable market conditions. While we do not foresee ourselves committing significant capital into any of these businesses over the next few years, the board will remain alert to the possibility of acquiring distressed assets in the commercial and residential property sectors and of developing the under-utilised land components in our CML and RESI portfolios.

In ARIA we made a significant new acquisition during the year in the form of the Riverside Mall shopping centre in Rondebosch, Cape Town, thus adding another institutional quality property to and strengthening the retail component of ARIA's already attractive portfolio. In RESI we took advantage of the surge in demand for residential property in our price bracket, following the substantial drop in the banks' mortgage lending rates and were able to realise sales in the portfolio. In CML we commissioned several incremental projects that will improve the operating efficiencies and guest facilities at the resort in anticipation of a return to higher occupancies with the lifting of most Covid-related restrictions on the hospitality industry. Trematon still remains invested in ASK syndicated Pound Sterling loan exposures that will be redeemable over the next few years.

Being conscious of the market criticism that is often attracted, but equally the opportunity that is currently offered, by the deep discount of the Trematon share price to INAV, the board authorised a judicious buy-back programme which resulted in the buy-back of 7.4 million shares at a total cost of R16.7 million. Nevertheless, after taking into account a contingency reserve to cater for the lingering effects of Covid, all committed and uncommitted capital expenditures and an allowance for expansions or acquisitions in GenEd, the board again finds itself in a position where it is comfortable to pay a substantially increased distribution to shareholders of 30.0 cents per share, compared to 7.5 cents in 2020.

That the group finds itself in this strong position this year, the 16th anniversary of the change of control of Trematon, is the accumulated outcome of smart investing, active management and timely realisations over that extended period and through several economic cycles. The board expresses its sincere appreciation for this achievement to the current executive team, led by CEO Arnold Shapiro and supported by the management teams in our various businesses.

Robin Lockhart-Ross
Independent Non-executive Chairman

CHIEF EXECUTIVE OFFICER'S AND CHIEF FINANCIAL OFFICER'S JOINT REPORT

GENERATION EDUCATION IS NOW THE SINGLE-LARGEST INVESTMENT IN THE GROUP AND HAS THE FASTEST GROWTH TRAJECTORY IN THE PORTFOLIO.

RESULTS

More than a third of turnover at year-end was attributable to education. The rapid expansion of the brick-and-mortar education business and significant development spending on EduTech operations has delayed full profitability, but the group is rapidly maturing and is cash flow positive at an operational level before non-cash IFRS adjustments.

The group's Western Cape property investments are of high quality and are still an important component of INAV and revenue, but the pace of investment in physical property has slowed. In the residential portfolio, the group has taken advantage of a buoyant market for entry-level apartments and has been a net seller for several years as we have been largely unable to source attractively priced stock to replenish this pipeline. Our commercial property arm, ARIA, made its first material acquisition in several years, when it purchased the Riverside Mall in Rondebosch. CML, which owns commercial leisure and development properties, has a fixed stock of land which will be developed over time as the market allows.

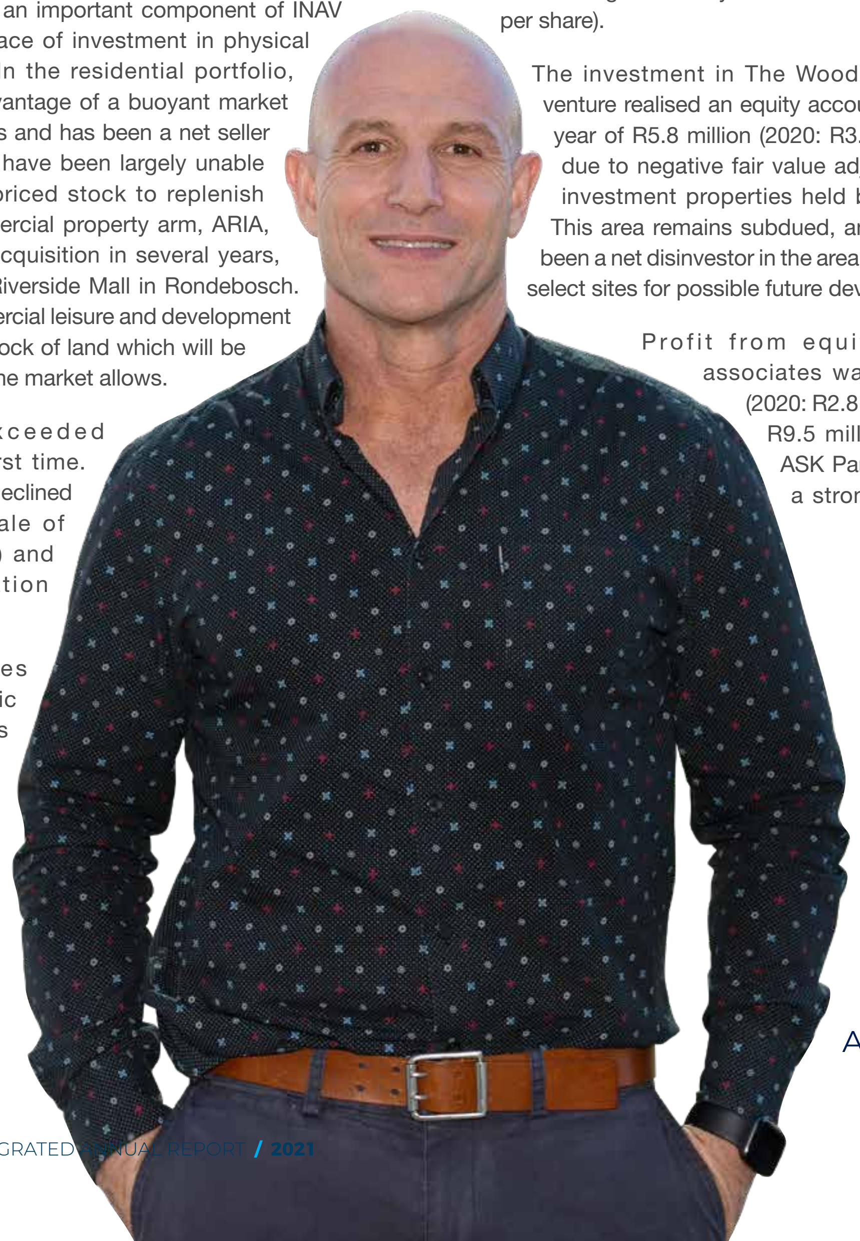
Group revenue exceeded R400 million for the first time. Revenue from property declined by 9% (due to the sale of investment properties) and revenue from education increased by 60%.

INAV, which provides investors with a realistic evaluation of Trematon's performance and value after providing for taxes, increased to 536 cents per share from 519 cents in the previous year. This is mainly due to the increase in value of GenEd which continues to grow organically at a fast pace.

The group made an accounting loss after tax of R8.7 million (2020: loss of R2.6 million). This loss does not reflect the operating performance of the business as it includes non-cash flow adjustments amounting to R21.7 million. This equates to cash earnings for the year of R13 million (6.3 cents per share).

The investment in The Woodstock Hub joint venture realised an equity accounted loss for the year of R5.8 million (2020: R3.6 million), mainly due to negative fair value adjustments on the investment properties held by the company. This area remains subdued, and the group has been a net disinvestor in the area while maintaining select sites for possible future development.

Profit from equity accounted associates was R17.8 million (2020: R2.8 million), including R9.5 million earned from ASK Partners, which had a strong year after the



CHIEF EXECUTIVE OFFICER
ARNOLD SHAPIRO

DISTRIBUTIONS INCREASED BY

300%

TO 30 CENTS PER SHARE

CHIEF FINANCIAL OFFICER

ARTHUR WINKLER

INTRINSIC NET ASSET VALUE PER SHARE INCREASED BY
3% TO 536 CENTS

prior year's Covid-affected results. A further R5.2 million was earned from participation in various syndication underwrites by ASK Partners. This profit from our UK-based associates was off-set by the strengthening of the Rand to the Pound Sterling which resulted in a forex decrease of R14.3 million and is reflected in the movement in the foreign currency translation reserve. The remaining R3.1 million was earned from the Balwin Rentals investment which continues to perform in line with initial forecasts and budgets.

The above translates to a loss of 7.9 cents per share (2020: loss of 2.0 cents per share), however a headline profit of 2.1 cents per share was realised (2020: loss of 3.3 cents per share).

At year-end the group has consolidated cash reserves in South Africa of R203.5 million with access to a further R56.2 million of cash held in Pound Sterling-denominated accounts in ASK, as well as R42.5 million in short-dated syndications based on the Rand:Pound exchange rate at year-end.

DISTRIBUTIONS

Distributions have grown annually since 2011. This year distributions have increased by 300% to 30.0 cents (2021: 7.5 cents) per share.

SHARE BUY-BACKS

During the year Trematon repurchased 7.4 million shares. These 7.4 million shares plus the treasury shares held at the beginning of the year, totalling 8.1 million shares, reverted to authorised unissued share capital.

The board is acutely aware of the discount at which the share price trades relative to intrinsic NAV. This is mostly determined by exogenous factors which are not under management's control, but the share buy-back programme and the large increase in distributions is reflective of the board's intention to ensure that there is a mechanism which will ultimately enable shareholders to realise the full value of their investment.

Generation Education
Sandown

STRONG CASH GENERATION WITH OVER

R260 MILLION

AT GROUP LEVEL

COMMENTARY ON THE ECONOMY AND THE STOCK MARKET

Smaller listed companies on the JSE have not performed well for the past several years despite general buoyancy and significant raising of capital in global markets. There has also been a trend toward delisting by smaller companies because of an inability to raise capital and a high administrative and regulatory burden. Credit should be given to the JSE for recognising this trend, and some initiatives have started to address the various issues.

The small cap market, although subdued, has not disappeared completely, and small investors are still active in the market. The growing popularity of investment platforms such as Easy Equities and the online platforms provided by traditional banks and fund managers make it easy for small investors to manage their own investments.

The current discounted pricing of small companies is largely driven by exogenous factors and it is difficult for any single company to buck this trend, but we believe that small caps still have a valid place in the investment universe. Although liquidity is not always high and pricing can be inefficient, there is always a valid bid and offer price, and the regulatory environment means that all important information is conveyed timeously to shareholders.

The net disinvestment in the small cap sector of the JSE over the past few years has been driven by specific local factors and is not indicative of a general global trend. The small cap sector could still be a source of competitive returns because of local innovation and expertise.

ARIA Property Group
Riverside Mall

The discount at which Trematon trades (in common with nearly all investment companies, large and small) means that significant capital raising is difficult, and only niche investors trade actively in the shares, but this does not affect the operations of the company and the group has sufficient capital for its immediate needs. The group has an active share buy-back programme which increases the value for the shareholders who remain invested. In addition to the growth prospects in our various investments, any surplus capital will also be distributed to shareholders over time, so patient investors should be rewarded with both cash returns and capital growth.

Arnold Shapiro
Chief Executive Officer

Arthur Winkler
Chief Financial Officer

HEADLINE EARNINGS PER SHARE INCREASE BY

164% TO 2.1 CENTS

INTRINSIC VALUE REPORT

TREMATON IS AN INVESTMENT HOLDING COMPANY AND USES THE INTRINSIC VALUE MODEL TO PROVIDE MANAGEMENT AND INVESTORS WITH A REALISTIC AND TRANSPARENT WAY OF EVALUATING TREMATON'S PERFORMANCE AND VALUE.

The intrinsic net asset value report below illustrates the INAV of all investment categories of the group for the period ended 31 August 2021. The preparation of the INAV is the responsibility of the directors of Trematon. The INAV has been prepared to assist investors in analysing future prospects of the group.

The financial information below has been compiled by using a combination of listed market values, external professional valuations, or directors' valuations.

The INAV is also presented as part of the group's segment information in the audited annual financial statements and for comparative purposes, the prior year's information is also presented.

		INTRINSIC VALUE	
	Notes	**2021 R**	2020 R
Generation Education	1	**419 480 922**	378 078 497
ARIA Property Group	2	**192 125 521**	184 366 087
Club Mykonos Langebaan	3	**162 131 458**	157 596 992
ASK Partners	4	**117 731 532**	117 328 699
RESI Investment Group	5	**93 861 489**	141 264 603
Cash	6	**102 807 070**	109 264 345
Other	7	**29 946 781**	33 649 422
Total		**1 118 084 773**	1 121 548 645
Number of net shares in issue	8	**208 605 031**	216 046 490
Diluted number of shares	9	**226 680 234**	234 121 693
INAV per share (cents)		**536**	519
INAV per share – diluted (cents)	9	**511**	496

Notes

1. GenEd's school operations have been valued using a discounted cash flow method. School properties under development were carried at cost. The increase in INAV is due to the addition of a new school, Generation Somerset West, and increased student numbers.
2. ARIA has been valued using directors' valuations. The increase in INAV over the prior year was due to the sale of properties above book value, as well as the mark to market of interest rate swaps.
3. CML has been valued using directors' valuations. The increase in INAV over the prior year was due to the completion and valuation of a solar plant at the Club Mykonos Boatyard, the construction of a Rope Adventure Park and purchase of a charter boat.
4. The investment in ASK is carried at cost plus equity accounted profits, foreign currency movements and valuation adjustments. ASK's value remained flat over the prior year with the increase in operating profit being off-set by the increase in the Rand/Pound exchange rate. The investment in the operating entity was written up slightly due to a significant increase in profits compared to the prior year.

Intrinsic value BY INVESTMENT

2021		2020
37%	Generation Education	34%
17%	ARIA Property Group	16%
15%	Club Mykonos Langebaan	14%
11%	ASK Partners	10%
8%	RESI Investment Group	13%
9%	Cash	10%
3%	Other	3%

5. RESI has been valued using directors' valuations. The portfolio is actively traded and the valuations are based on actual selling prices of similar units in the area after taking into account sales commissions and other sales expenses. The decrease in INAV over the prior year was due to the sale of properties with the net cash proceeds being distributed to Trematon. The cash received by Trematon is included in cash in this INAV report.
6. Current year's cash excludes cash held in GenEd, ARIA and ASK, which is included in their respective INAV.
7. Other includes unlisted shares and other minor assets less related debt. The investment in Stalagmite was written down in the current year.
8. During the year 7.4 million (2020: 3.8 million) treasury shares were purchased by the company at an average price of R2.24 (2020: R2.45) per share.
9. Diluted number of shares takes into account convertible debentures issued to participants of the Trematon Share Incentive Trust that are convertible into Trematon ordinary shares at the election of the participants as well as R40 million cash to be received in settlement of the strike price due on conversion of these debentures.

BOARD OF **DIRECTORS**

Non-executive directors

ROBIN LOCKHART-ROSS (63)

BCom (Hons), MAcc, CA (SA)

Independent Non-executive Chairman

Robin has over 30 years of corporate experience. He spent the last 19 years of his career at Nedbank Limited and on his retirement in June 2018 he held the position of divisional managing executive in Nedbank CIB's Property Finance Division. He is currently a non-executive director of Fortress REIT Limited and Heriot REIT Limited.

Years of service: 2

RUDI STUMPF (51)

FIA

Non-executive Director

Rudi is a qualified actuary and spent six years at Sanlam in various capacities and was chief executive officer of Citadel from 1998 to 2002. Since 2003 he has been a private equity investor engaged in a wide variety of transactions.

Years of service: 16*

JONATHAN FISHER (49)

BCom

Independent Non-executive Director

Jonathan was the managing director of Stanchion Payment Solutions and was also a senior corporate finance executive at Bridge Capital where he has been involved in numerous transactions across various sectors. Jonathan has also performed the role of chief operations officer of media company Moneyweb Holdings and spent five years at Dimension Data in various roles.

Years of service: 10**

KEITH GETZ (65)

BProc, LLM

Non-executive Director

Keith is a practising attorney at Bernadt Vukic Potash & Getz. He practises principally in the areas of takeovers and mergers, private equity, stock exchange, corporate restructuring, regulatory compliance, franchising and generally advising corporate clients nationally and internationally on corporate and commercial matters. He is currently a director of Mr Price Group Limited and Strate (Pty) Limited.

Years of service: 2

MADALET SESSIONS (42)

MCom

Independent Non-executive Director

Madalet is a portfolio manager at Denker Capital. Madalet started her investment career at Investec Securities in 2006. She joined the asset management industry in 2008, spending time at Element Investment Managers and Nedbank Private Wealth before joining Denker Capital to establish a range of multi-asset class funds in 2016.

Years of service: 1

* The board has assessed that his character and judgement has not been impaired or affected by his length of service, which is in excess of nine years.

** The board has assessed that his independence, character and judgement has not been impaired or affected by his length of service, which is in excess of nine years.

Executive directors

ARNOLD SHAPIRO (59)

BBus Sci (Finance Hons)
Chief Executive Officer
Executive Director

Arnold has been the chief executive officer of Trematon for the past 16 years. Prior to this he occupied senior management positions in the asset management industry including analysis, portfolio management and general management.

Years of service: 16

ARTHUR WINKLER (44)

BCom, CA (SA)
Chief Financial Officer
Executive Director

Arthur qualified as a chartered accountant, having graduated from the University of Cape Town. He completed his articles at Moores Rowland where he remained as an audit manager until joining Wooltru Limited as company secretary. He joined the Trematon Group in 2008.

Years of service: 13

ALLAN GROLL (66)

Executive Director

Allan has been an active participant in the South African property and equity markets for more than twenty years. He was previously a director of Spearhead Property Group Limited, Ingenuity Property Investments Limited, Mazor Group Limited and Wooltru Limited.

Years of service: 16

Company secretary

JAC VOS (39)

BCom, CA (SA)
Company Secretary

Jac qualified as a chartered accountant after completing his articles at Moores Rowland. He joined the Trematon Group in 2009.

Years of service: 12

INVESTMENT

Generation
Curiosity. Experience. Knowledge.

JEVRON EPSTEIN
Chief Executive Officer

NICHOLAS PEARCE
Financial Director

GENERATION HAS ESTABLISHED ITSELF AS A VERY STRONG EDUCATION BRAND IN THE WESTERN CAPE. GENERATION IS A NICHE PROVIDER OF EDUCATION FROM PRESCHOOL TO TERTIARY LEVELS. IT OFFERS MONTESSORI EDUCATION IN THE EARLY CHILDHOOD DEVELOPMENT PHASE AND BUILDS ON THIS FOUNDATION THROUGH CHILD-CENTRED, INTERACTIVE LEARNING IN THE OLDER AGE GROUPS.

The middle and high schools are multi-curricular and offer a range of internationally accredited school exit qualifications for a range of academic profiles. Our core offering includes Cambridge certification up to A levels (soon to be extended to AS levels) and UK-accredited vocational qualifications. Our Somerset West campus also offers an IEB school exit.

The education pathway includes holistic wellness coaching and mentorship, as well as internship programmes which are designed to prepare learners for real-world employment in the broadest sense.

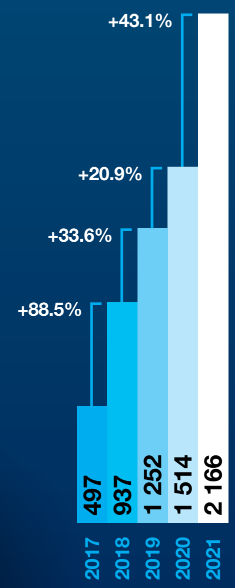
Our campuses are situated in high-growth residential nodes which are under-serviced by government schools.

Generation Somerset West aquatic centre

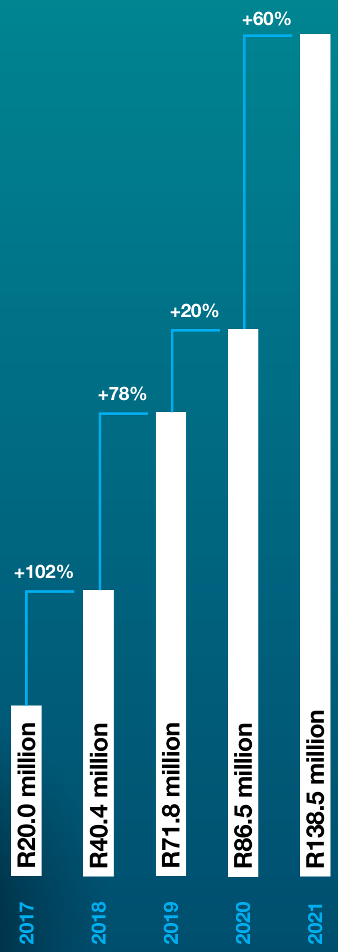
www.generationschools.co.za

2021 students

2 166



Number of students



Revenue

The EduTech arm of Generation is called Generational Education Exchange ("GenEx") and has been developing software and rolling out product to beta testers for the past 12 months. This business has been funded entirely out of current cash flows thus far, but investment has been accelerated recently to prepare for a more public launch in 2022. This business is complementary to our current brick-and-mortar schools. It has very exciting growth potential and will be a major focus of management. More details can be expected in January 2022.

Revenue continues to grow in line with forecasts and budgets. The current year experienced a boost in revenue with the acquisition and rebranding of the Reddam Campus in Somerset West, Cape Town in January 2021. This campus has a capacity of 770 students. When GenEd took over, the school had less than 300 students, which has increased to 337 by August 2021.

Revenue grew by 60% to R138.5 million (2020: R86.5 million). EBITDA increased to R4.5 million from R4.2 million in the prior year. The current year's EBITDA includes non-cash flow expenses in respect of IFRS 15 and IFRS 16 adjustments amounting to R10.7 million. The IFRS 15 adjustments relate to non-refundable deposits and administration fees paid by students on admission and must be recognised over the students' expected time to be spent at the school. The IFRS 16 adjustments

Generation Sandown sports fields

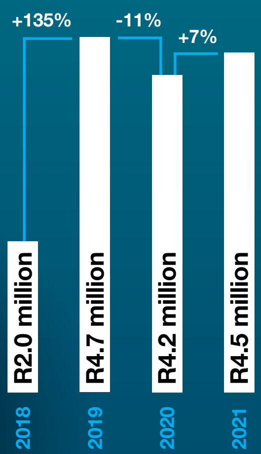
relate to the Somerset West school campus lease which is capitalised and released over the lease term of 15 years. These costs are greater than the cash lease payments made.

Student numbers grew to 2 166 from 1 514, representing a 43% increase year on year. The staff complement also grew from 313 to 444 which represents a 42% increase over the prior year. The additional staff complement places the school in a good position to cater for the current and expected growth in student numbers. GenEd's capacity at year-end was 2 848 which equates to an occupancy of 76%. Most of the vacancies remain at the high schools, which are forecast to be optimised by 2025 as students move from the junior schools to the higher grades.

The growth in the 15 – 18-year phase grew to 186 examination candidates writing 1 819 Cambridge Assessment papers (up from 86 candidates writing 314 papers).

GenEd will continue to steward the Somerset West school towards its optimal state in 2022. The school has shown remarkable resilience during a difficult time of transition in management and exhibits strong student growth, particularly in the primary phases. The focus in 2022 will be to create stability for students and parents, and build on GenEd's alternate academic pathways to grow student numbers, mirroring the successful journey at the Imhoff campus.

2022 is expected to be an important year for GenEd as we build the online business whilst optimising and growing the current school complement.



EBITDA

Junior to Giants Programme

An exciting new programme has been launched at Generation Schools. It is a programme that bridges the theory of education with the reality of profession; a space where the future has a voice and a seat at the table to co-create a world that our "Juniors" understand and add value to – a world where our Juniors become Giants.

Junior to Giant is a three-month to one-year onboarding process that culminates in job placement or career creation. The programme creates a framework to address the gaps in education so that students leave with first-hand practical experience in different professions and can go from schooling and tertiary education to employment.

> JEVRON EPSTEIN, THE FOUNDER OF GENERATION SCHOOLS EXPLAINS: "WITH OUR JUNIOR TO GIANT PROGRAMME, WE LOOK TO PARTNER WITH GIANTS IN THE INDUSTRY TO GIVE OUR STUDENTS THE BEST POSSIBLE OPPORTUNITIES TO LEARN AND DEVELOP THEIR BUSINESS ACUMEN AND GAIN VALUABLE EXPERIENCE."

The programme has successfully been piloted with six interns who have completed the process, graduated, and have started their internships with various organisations. Two of our interns, Duncan Smuts and Femi Dlangamandla, have been offered an opportunity to intern for Sandalene and Luke Dale Roberts, owners of the world-renowned Test Kitchen, at their newest restaurant, The Test Kitchen Fledgings. This has already proven to be an invaluable experience to these interns.

We look forward to the application of the Junior to Giant programme into our campuses in 2022 and trust that the students are going to benefit hugely from the enrichment and experience this programme has to offer.

INVESTMENT

ARIA PROPERTY GROUP

ILAN KAPLAN
Managing Director

JUSTIN ROOME
Executive Director

DURING THE CURRENT FINANCIAL YEAR UNDER REVIEW, ARIA MANAGED TO STRENGTHEN ITS BALANCE SHEET THROUGH THE DISPOSAL OF TWO NON-CORE ASSETS AT A PREMIUM TO BOOK VALUE AS WELL AS THE RESTRUCTURING OF ARIA'S SENIOR DEBT FACILITIES WITH BOTH NEDBANK AND STANDARD BANK. BOTH RESTRUCTURES CONTAINED EXTENSIONS TO THE FACILITY EXPIRATION DATES, A REDUCTION IN THE WEIGHTED AVERAGE COST OF DEBT AND A DECREASE IN THE NOMINAL VALUES OF SURETIES HELD BY THE BANKS. NET OPERATING INCOME WAS ALSO ENHANCED THROUGH A PROACTIVE HANDS-ON ASSET MANAGEMENT APPROACH.

ARIA's Investment Property portfolio comprises a 98% occupancy rate and a weighted average lease expiry profile of 39.4 months as at 31 August 2021.

ARIA disposed of Great White Junction Shopping Centre, a neighbourhood retail centre in Gansbaai, and The Wang, a single-tenanted industrial property situated in Spartan Industria, Gauteng, during the current financial year. The proceeds from the disposal of both assets were used to settle bank debt and to bolster cash reserves.

ARIA's financial performance improved after the prior year's Covid-affected results with a contribution of R25.3 million (2020: R3.9 million) to group profit for the year. The increase in profits was achieved after fair value write-downs on investment properties of R4.7 million. The fair value of interest rate swaps increased, which resulted in a positive R12.7 million adjustment (2020: negative R17.4 million). Finance costs were also reduced due to the reduction in bank debt from the property disposals mentioned above.

ARIA Property Group
Maynard Mall

Sector split by fair value

- **48%** Retail
- **31%** Office
- **21%** Industrial

Geographic split by fair value

- **99%** Western Cape
- **1%** Gauteng

Sector split by GLA

- **50%** Industrial
- **35%** Retail
- **15%** Office

ARIA's contribution to INAV increased over the prior year, mainly due to the reduction of the interest rate liability swap and settlement of bank debt.

At the financial year-end, ARIA had entered into an agreement of sale to acquire Riverside Mall in Rondebosch, Cape Town. The asset transferred to ARIA in September 2021, resulting in a non-adjusting subsequent event to the financial year-end. The shopping centre is situated in an infill location with an established anchor tenant and an engaged shopper base. The net operating income of the rental enterprise is accretionary to ARIA's free cash flow. In addition to this, ARIA intends to unlock further value through optimising the tenant mix and applying various cost-saving measures.

ARIA Property Group
Riverside Mall


RIVERSIDE MALL

INVESTMENT

CML POSITIONS ITSELF AS A LIVELY FAMILY HOLIDAY DESTINATION WITH SOMETHING TO OFFER FOR THE WHOLE FAMILY. THE RESORT MANAGEMENT TOOK ADVANTAGE OF THE QUIET CONDITIONS TO EXPLORE WAYS TO MAKE THE RESORT A MORE ATTRACTIVE DESTINATION FOR HOLIDAYS AND CONFERENCES IN PREPARATION FOR A RETURN TO NORMAL TRADING CONDITIONS.

CML's contribution to group profit decreased by 106% to a loss of R0.3 million (2020: profit of R5.5 million). The decrease was due to negative fair value adjustments on investment properties as a result of vacancies at the Mykonos Marina and rental concessions to commercial tenants due to Covid-19, as well as a decrease in property sales compared to the prior year.

CML has begun to show a marked improvement after the stringent Covid-19 lockdown restrictions experienced in the prior year were relaxed.

West Coast Adventures was launched and will provide various entertainment and adventure options to guests of Club Mykonos:

- The Club Mykonos Skypark is the first of its kind in Africa. Built on seven steel poles that support the structures 16 metres off the ground, the Skypark is an aerial adventure course that offers exciting activities for kids and adults alike. There are three levels and 36 different rope challenge elements to complete, with two zip lines taking you just under 200 metres back to solid ground.
- The custom-built Tropico Charter Boat is currently undergoing its final sea trials and is due to be introduced to the resort in early December 2021. The boat, a 14-metre powered catamaran, has been specifically built to accommodate up to 40 guests. The boat will offer scenic trips from the Club Mykonos Marina and will also cater for functions and groups with specific requirements.
- Electric scooters have been introduced in partnership with Electric Life Rides. Guests can make use of the scooters throughout the resort, and there are additional options for larger group tours in the wider area.

The Club Mykonos Skypark

The Club Mykonos Boatyard offers a "360 degree" boating service with 257 managed lock-up storage units, a full service and maintenance facility and boating accessory shop. The Boatyard, through its solar energy installation, is also a supplier of solar energy to the resort and has recently extended its solar plant to further reduce the resort's reliance on the South African electricity grid.

The Club Mykonos Marina remains a popular leisure boating destination and mooring facility. We continue to maintain and upgrade this area to provide our clients with the best possible boating experience, whilst safeguarding their assets.

The accommodation rentals and conferencing operations have encountered significant challenges this year but have proved to be a resilient operation and are showing a strong recovery.

CML has one active premium residential development on the waterfront with eight plots available for sale. The remaining zoned development stock will be activated as market conditions permit.

For more information on the resort, our fun and informative marketing campaign can be viewed on all social media platforms or on our website: www.clubmykonos.co.za

The custom-built Tropico Charter Boat


HARBOUR LIGHTS RESTAURANT
YAMAHA
TROPICO
LANGEBAAN
DIESEL

INVESTMENT

ASK PROVIDES FLEXIBLE FINANCE SOLUTIONS TO EXPERIENCED REAL ESTATE DEVELOPERS AND ASSET MANAGERS ACROSS THE CAPITAL STRUCTURE AND ACROSS ASSET CLASSES.

THIS UK INVESTMENT IS A PORTFOLIO OF CASH, DIVERSIFIED SYNDICATED LOANS AND EQUITY IN THE UNDERLYING OPERATIONS OF ASK PARTNERS.

The investment achieved total profits of R14.6 million (2020: R1.8 million), the bulk of which was earned from Trematon's indirect investment in ASK Partners' operating entity. The balance was earned from participation in various bridging finance deals and underwrites until the loans were syndicated. Although the investment grew in Pound Sterling terms, ASK's contribution to INAV remained unchanged due to the strengthening of the Rand relative to the Pound Sterling at year-end.

Trematon's total investment in ASK is valued at £5.9 million (2020: £5.2 million) and translates to a Rand value of R117.7 million (2020: R117.3 million). The investment includes call deposits, investments in loan syndications and the shareholding in the operating company.

ASK is still in a fast growth phase and wrote loans of circa £240 million in the past 12 months, bringing its total loan book to date to over £550 million across 65 transactions. The average loan to value is less than 65% and the business has minimal exposure to high-risk industries.

ASK has exceeded its initial budgets and projections and is on track to meet Trematon's long-term return objectives.

Broadoaks, Solihull
Acquisition and development loan secured against a former office development, adjacent to Solihull station. The property is in the process of being converted to flats under permitted development rights

The Brick, Maida Vale
Development exit loan secured against a completed new-build development of high-quality residential stock, in Maida Vale, a highly desirable central London location

INVESTMENT

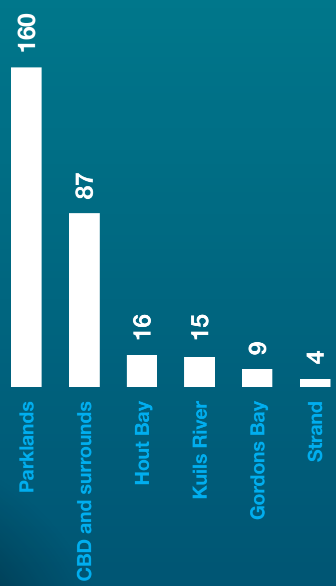
RESI INVESTMENT GROUP

RESI IS A NET SELLER OF STOCK. THE MARKET FOR THE SALE OF UNITS IN THE PRICE RANGES FROM R0.5 MILLION TO R1.5 MILLION REMAINS ROBUST, PARTLY DRIVEN BY LOW INTEREST RATES. THIS HAS ALLOWED MANAGEMENT TO INCREASE ITS DISPOSAL OF RESIDENTIAL PROPERTIES AT PRICES AT OR ABOVE CARRYING VALUES.

During the year 111 residential units with a value of R74.7 million were sold. The acquisition cost of these properties was R47.1 million. No purchases were made during the year.

RESI made an accounting loss for the year of R20.8 million (2020: loss of R1.8 million). This is mainly due to the write-down of the value of investment properties in The Woodstock Hub ("WSH") to reflect current market conditions, resulting in a write-down of the carrying value of RESI's investments and impairment of the loan to WSH by R20.7 million.

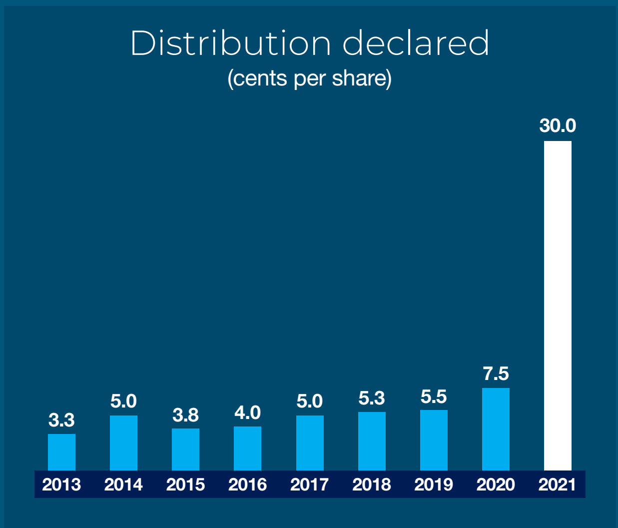
The Balwin Rentals investment continues to achieve the projected yields. During the year 25 units were sold at prices above book value.

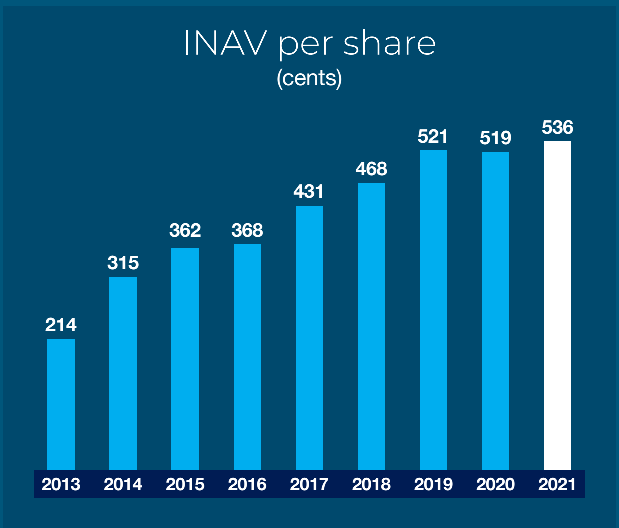


Residential property portfolio – locations

FIVE-YEAR REVIEW

		2021 R	2020 R	2019 R	2018 R	2017 R
Operating results						
Revenue		**402 540 050**	375 245 550	386 279 832	317 575 672	301 203 051
(Loss)/profit before tax		**(3 430 904)**	2 113 237	60 976 141	51 143 647	404 639 073
(Loss)/earnings attributable to shareholders		**(16 499 577)**	(4 182 415)	22 134 409	35 657 351	291 777 201
Headline earnings/(loss) attributable to shareholders		**4 367 994**	(6 965 805)	4 296 232	6 139 922	44 238 644
Statement of financial position summary						
Non-current assets		**2 073 367 631**	2 067 139 118	2 105 720 972	2 094 952 994	1 965 107 613
Current assets		**263 443 214**	230 572 458	224 064 928	200 404 225	268 516 168
Non-current assets held-for-sale		**6 892 747**	91 411 180	37 770 760	2 354 348	3 587 500
Total assets		**2 343 703 592**	2 389 122 756	2 367 556 660	2 297 711 567	2 237 211 281
Non-current liabilities		**1 214 214 590**	1 029 420 675	1 144 675 174	1 196 477 139	1 007 495 600
Current liabilities		**165 031 183**	333 881 606	166 137 972	77 774 703	275 386 564
Total liabilities		**1 379 245 773**	1 363 302 281	1 310 813 146	1 274 251 842	1 282 882 164
Shareholders' equity		**835 964 945**	898 794 959	900 738 727	880 057 381	850 304 454
Non-controlling interest		**128 492 874**	127 025 516	156 004 787	143 402 344	104 024 663
Total equity		**964 457 819**	1 025 820 475	1 056 743 514	1 023 459 725	954 329 117
Statistics						
Number of shares in issue		**208 605 031**	216 711 029	218 970 557	216 188 197	217 347 679
Net asset value per share	(cents)	**401**	416	411	407	391
Intrinsic net asset value per share	(cents)	**536**	519	521	468	431
(Loss)/earnings per share	(cents)	**(7.9)**	(2.0)	10.2	16.5	134.0
Headline earnings/(loss) per share	(cents)	**2.1**	(3.3)	2.0	2.8	20.3
Distributions declared per share	(cents)	**30.0**	7.5	5.5	5.3	5.0





Generation Education
Sandown

CORPORATE GOVERNANCE REVIEW

Introduction

THE BOARD OF DIRECTORS CONTINUE TO SUBSCRIBE TO THE VALUES OF GOOD CORPORATE GOVERNANCE AND ARE COMMITTED TO CARRYING ON THE BUSINESS OF THE COMPANY WITH INTEGRITY AND FAIRNESS AND IN ACCORDANCE WITH THE PRINCIPLES OF SOUND CORPORATE GOVERNANCE AS CONTAINED IN THE KING CODE OF GOVERNANCE FOR SOUTH AFRICA ("KING IV"). THE GROUP HAS ENDEAVOURED TO APPLY THE PRINCIPLES OF KING IV IN A PRACTICAL MANNER AND CONTINUES TO REVIEW ITS PRACTICES BASED ON THESE PRINCIPLES.

Board composition, structure and responsibilities

The board comprised eight directors, Ms MA Sessions, Messrs JP Fisher, K Getz, A Groll, R Lockhart-Ross, AJ Shapiro, R Stumpf and AL Winkler. Messrs A Groll, AJ Shapiro and AL Winkler are executive directors. All other directors are non-executive directors. Ms MA Sessions and Messrs JP Fisher and R Lockhart-Ross are independent directors.

Independent directors are considered to be independent in accordance with guidance indicated by the Companies Act and King IV. Non-executive directors do not participate in the share option scheme.

Directors are required to observe the highest ethical standards, ensuring that business practices are conducted professionally and beyond reproach. The board has carried out a formal self-evaluation and is satisfied that the composition of the board reflects the appropriate mix of knowledge, skills, experience and independence.

There is a policy detailing the procedures for appointments to the board, which are formal and transparent, and a matter for the board as a whole. Due to the size of the company, there is no separate nomination committee. This function is fulfilled by the board as a whole as and when the need arises. The procedures for the appointment of directors include the review of curricula vitae and interviews by directors.

There is a clear division of responsibility at board level to ensure a balance of power and authority to ensure that no one individual has unfettered power of decision-making.

The board is responsible for identifying and managing investments, which will provide above-average returns to shareholders.

The chairman, Mr R Lockhart-Ross, is responsible for ensuring the effectiveness of governance practices within the group. Particular areas of responsibility for the chairman include guidance regarding strategic planning, relationships with principals and corporate relations.

The chief executive officer, chief financial officer and Mr A Groll are full-time employees of the company. There are no formal employment or service contracts.

The remuneration of directors is disclosed in note 30 of this integrated annual report.

Changes to the Board of Directors

During the year Mr AM Louw resigned as a non-executive director. We thank Mr Louw for his significant and valuable contribution over the years.

Ms MA Sessions was appointed to the board, and also serves on the audit and risk committee and remuneration committee.

Board functioning

Four board meetings, two audit and risk committee meetings, one social and ethics committee meeting and one remuneration committee meeting were held during the year. Investment committee meetings are held as and when they are required. (For a list of members, see Corporate Information on the inside back cover). All meetings were convened timeously by formal notice incorporating a detailed agenda supported by relevant written proposals and detailed reports. Between such meetings a number of decisions were taken by written resolution as provided for in the company's Memorandum of Incorporation.

The board evaluates the effectiveness of the committees on an ongoing basis. Board members have ready and direct access to the company secretary in relation to the affairs of the company and are entitled to obtain independent professional advice regarding company matters at the company's expense. All members of the board are expected to contribute to ensuring that the group maintains high standards of corporate governance. On request, board members have access to company information, records, documents and property.

Audit and risk committee

The audit and risk committee, which comprises three suitably qualified independent non-executive directors, being Ms MA Sessions and Messrs JP Fisher and R Lockhart-Ross, is responsible for ensuring that the group maintains adequate accounting records and functionally effective financial reporting and internal control systems and ensures compliance. It also ensures that published financial reports comply with relevant legislation, regulation and accounting practice and that group assets are safeguarded. The chairman of the board, Mr Lockhart-Ross, is currently a member of the audit and risk committee. The board is of the opinion that given Mr Lockhart-Ross' extensive experience from having served on audit and risk committees of other companies, and taking into account the current size of Trematon's operations, that Mr Lockhart-Ross should continue serving on the audit and risk committee.

The audit and risk committee sets the principles for recommending the use of external auditors for non-audit services. Due to the size of the executive management structure it is not considered necessary to have an internal audit function. The audit and risk committee intends to review this function during the year. The report of the audit and risk committee for the year ended 31 August 2021 is set out on pages 44 and 45.

Investment committee

The investment committee, which comprises one suitably qualified independent non-executive director, two non-executive directors and three executive directors, being Messrs K Getz, A Groll, R Lockhart-Ross, AJ Shapiro, R Stumpf and AL Winkler, is responsible for determining and recommending to the board the overall investment strategy of the group. It reviews investment proposals as presented by the executive directors and is tasked to implement these within the mandates prescribed by the board. The investment committee's authority level is currently R75 million. Expenditure and investments above this level require ratification by the full board. Capital expenditure up to R25 million may be undertaken by the executive directors. Meetings are held as and when required. A minimum of two non-executive directors must be present at the meeting.

Remuneration committee

The remuneration committee, which comprises three suitably qualified non-executive directors, being Ms MA Sessions and Messrs R Lockhart-Ross and R Stumpf, is responsible for ensuring that the group's remuneration policies are appropriate. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Social and ethics committee

The social and ethics committee comprises two non-executive directors and one executive director. The members are Messrs JP Fisher, K Getz and AJ Shapiro. The committee will monitor the following functions as set out by the Companies Act:

- social and economic development;
- corporate citizenship;
- environment, health and public safety;
- consumer relationships; and
- labour and employment.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period and there are no other key areas of focus for the committee besides the mandate of this committee which has been mentioned above.

Attendance

Board

Directors	Meetings attended
R Lockhart-Ross (Chairman)	4/4
JP Fisher	4/4
A Groll	4/4
K Getz	4/4
AM Louw*	1/1
MA Sessions**	3/3
AJ Shapiro	4/4
R Stumpf	3/4
AL Winkler	4/4

Audit and risk committee

Members	Meetings attended
JP Fisher (Chairman)	2/2
R Lockhart-Ross	2/2
AM Louw*	1/1
MA Sessions**	1/1

Remuneration committee

Members	Meetings attended
MA Sessions** (Chairperson)	1/1
R Lockhart-Ross	1/1
R Stumpf	1/1

Social and ethics committee

Members	Meetings attended
K Getz (Chairman)	1/1
JP Fisher	1/1
AJ Shapiro	1/1

* Resigned on 26 January 2021.
** Appointed on 18 February 2021.

Trematon's ability to be sustainable as a company depends on its ability to find, retain and develop its employees and this remains one of the most important objectives of the group. The group continues to create a supportive working environment in which employees are motivated to engage and contribute their best efforts to the group.

The group endeavours to attract, nurture and retain suitably qualified employees.

Management is committed to ensuring that there is no unfair discrimination in the workplace. There were no complaints reported or complaints that were in the process of being investigated in the reporting period.

During the year under review the categorisation of employees according to their workforce profile was as follows:

	Male				Female				
Occupational levels	A	O	C	W	A	O	C	W	Total
Executive directors and top management	–	–	–	7	–	–	–	–	**7**
Middle management	–	–	–	10	–	2	2	18	**32**
Skilled technical workers, junior management and supervisors	12	18	1	45	12	48	3	178	**317**
Semi-skilled and discretionary decision-making	20	20	1	2	58	26	–	14	**141**
Total permanent	**32**	**38**	**2**	**64**	**70**	**76**	**5**	**210**	**497**
Temporary employees	–	–	–	–	–	–	–	–	**–**
Total temporary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand total	**32**	**38**	**2**	**64**	**70**	**76**	**5**	**210**	**497**

Key: A = African; O = Other; C = Coloured; W = White

Gender and race diversity

In terms of the JSE Listings Requirements, the board is required to have a policy on the promotion of gender and race diversity at board level. A formal policy has been established and is available on the group's website. The board is supportive of the need for, and importance of gender, race, age, culture, knowledge, skills and experience diversity, and will be considering this when making new appointments to the board. The approach to gender and race diversity adopted by the board of the company shall be as follows:

- Should a vacancy on the board arise, or should there be a requirement for an additional board appointment, consideration will be given to the gender and race of the director(s) so as to attain and maintain a level of gender and race diversity within the board that is considered appropriate at the time, having due regard to the skills, expertise, experience and background required to fill any such board position(s), the availability of suitable candidates, the development potential of candidates and to any additional requirements that may be necessary to ensure a mix of skills and experience on the board and its committees that will best serve the interests of the company and its stakeholders.
- Application of the policy in effecting new or replacement appointments to the board will be subject to the approval/ ratification of the shareholders of the company to such appointments at annual general meetings of the company.

Broad-based black economic empowerment

The group continues to work with consultants to audit and assess the group's compliance with the Broad-Based Black Economic Empowerment Act, No. 53 of 2003 read with the Broad-Based Black Economic Empowerment Amendment Act, No. 46 of 2013 and to expand on the group's strategy to ensure that the group is compliant with all relevant regulations and statutes. The group continues to be aware of empowerment and is committed to continuously work on improving empowerment within the group. Updates will be available on the group's website.

Company secretary

The company secretary performs the company secretarial function. Where necessary, external experts are consulted to ensure compliance with relevant legislation and rules pertaining to the group's operations. The board has evaluated and is of the opinion, that the company secretary, Mr JJ Vos, who is a chartered accountant has the requisite competence, knowledge and experience to carry out the duties of a company secretary of a public company, and in the performance of those duties, is able to maintain an arm's length relationship with other members of the board. The board is of the opinion that the company secretary has adequately and effectively carried out his role and, where necessary, consulted with external experts.

Stakeholder communication

The group strives in its communications with stakeholders, particularly the investment community, to present a balanced and understandable assessment of the group's position.

Consequently, in its financial reporting, formal announcements, media releases, annual meetings, presentations and dialogue with analysts and institutional shareholders, the group's objectives are to be clear, open, prompt and balanced, and to be communicated in substance rather than in form.

Internal control

The group strives to maintain internal controls of a standard aimed at ensuring that the systems of financial reporting contain complete, accurate and reliable information and safeguard the group's assets. The external auditors report to the audit committee and have ready access to the chairman of that committee and the directors. Due to the scope of operations and limited number of transactions, the group does not consider an internal audit function to be necessary.

Nothing has come to the attention of the directors to suggest that the accounting records and systems of internal control were not appropriate or satisfactory, neither has any material loss, exposure or misstatement arising from a material breakdown in the functioning of the systems of internal control or accounting been reported to the directors in respect of the period under review.

Risk management

The group has minimised the risk of any external event occurring which would have a significant impact on the continuation of its activities. It has processes in place which ensure that the group could continue operationally, should such an event occur.

The directors are of the view that all insurable risks have been adequately covered.

Dealings in company shares

The group has a written policy in terms of which dealings in the company's shares by directors and employees are prohibited during closed periods which commence on 31 August and 28 February and end after the public announcement of the group's annual or interim results.

Dealings by directors in the company's shares are notified to the JSE Limited in accordance with its requirements. Shares held by directors are disclosed in the Directors' Report on pages 50 and 51.

REMUNERATION REPORT

THE GROUP'S REMUNERATION POLICY, WHICH IS SET OUT IN PART I OF THIS REPORT, AND THE IMPLEMENTATION REPORT, WHICH IS SET OUT IN PART II OF THIS REPORT, WILL BE PROPOSED TO SHAREHOLDERS FOR A NON-BINDING ADVISORY VOTE AT THE ANNUAL GENERAL MEETING (AGM) IN JANUARY 2022.

PART I: REMUNERATION POLICY

Trematon operates in a highly competitive market environment and recognises the critical role that remuneration plays in attracting, retaining and motivating talented people through rewarding individual and business contribution, and encouraging superior performance.

The group's remuneration philosophy is based on the following principles:

- Remuneration supports the group's strategies and is consistent with the organisation's culture of fairness and equity.
- Remuneration directly correlates with the growth objectives and financial performance targets, and actual achievements of the business.
- Remuneration is regularly reviewed and independently benchmarked to ensure the group remains competitive in the diverse markets in which it operates.
- Remuneration allows for differentiation to reward higher performers.
- Individual contribution has a direct bearing on the levels of remuneration.

In applying this philosophy to remuneration practices, management aims to be market competitive and ensure that performance management plays an integral part of remuneration to influence the level of base pay and incentives; and that good governance is observed in relation to all remuneration practices.

Executive directors' remuneration

Trematon's executive remuneration structure comprises both guaranteed and variable remuneration. Variable remuneration includes the annual short-term incentive bonus scheme and long-term incentive scheme which has been developed and was approved by shareholders at the AGM held in January 2018.

The remuneration paid to executive directors is disclosed on page 35 and note 30.

Guaranteed remuneration

Executive directors, along with all employees, receive guaranteed packages. These guaranteed packages are reviewed annually in August. Salaries are set in relation to the scope and nature of an individual's role, experience and performance, to ensure market competitiveness and sustainable performance. The average salary increase for the executive directors for the 2021 financial year was 4.4%.

Variable remuneration

- ***Short-term incentive scheme***
  All employees participate in an annual performance bonus scheme to reward the achievement of agreed financial, strategic and personal performance objectives.

  Bonus payments for executive directors are based on the achievement of increased intrinsic net asset value after a minimum of 8% growth is achieved over the prior year. The remuneration committee has the discretion to amend any cash portion of executives' short-term incentives.

  Bonus payments to staff are based on the achievement of personal key performance indicators as measured in the formal review process. Qualifying staff receive a bonus which is paid in December.

  A total of R2.2 million (2020: R2.4 million) was paid out to executives of subsidiaries as part of the short-term bonus scheme of the group for the reporting period.
- ***Long-term incentive scheme***
  The long-term incentive scheme is aimed at promoting sustainable long-term performance and retaining highly skilled and experienced executives. Long-term incentives for executive directors are based on the achievement of increased intrinsic net asset value after a minimum of 8% growth is achieved over the prior year. If the growth targets are achieved restricted ordinary shares in the company are issued to the executives.

Executive service conditions

There are no fixed-term service contracts.

Non-executive directors' fees

Non-executive directors receive fees for serving on the board and board committees. None of the non-executive directors have service contracts with the group and no consultancy fees were paid to directors during the year. In line with best governance practice, non-executive directors do not participate in incentive schemes.

The proposed fees for the 2022 financial year, which are subject to approval by shareholders at the forthcoming AGM in January 2022, are included in the notice of AGM on page 128.

Remuneration governance

The remuneration committee ("the committee") is responsible for oversight of the group's remuneration philosophy and pay practices. The committee ensures the remuneration policy is aligned with the group's strategic objectives and goals, determines the remuneration of executive directors and proposes fees for non-executive directors for shareholder approval.

The committee operates under formal board-approved terms of reference and is required to meet at least once annually.

At year-end the committee comprised independent non-executive directors MA Sessions (chairperson) and R Lockhart-Ross, and non-executive director R Stumpf. The chief executive officer and chief financial officer are invitees to the committee (if required). The composition of the committee was reassessed in the 2021 financial year and the directors were satisfied that the majority of members are independent.

PART II: IMPLEMENTATION OF REMUNERATION POLICY

Directors' remuneration

Executive directors	Basic salary R	Taxable benefits R	Share-based payment* R	Total R
2021				
AJ Shapiro	3 105 000	21 687	298 382	3 425 069
A Groll	1 995 600	17 403	191 806	2 204 809
AL Winkler	1 932 000	23 136	177 064	2 132 200
Total	7 032 600	62 226	667 252	7 762 078
2020				
AJ Shapiro	2 973 600	23 290	1 122 315	4 119 205
A Groll	1 911 420	21 550	742 969	2 675 939
AL Winkler	1 848 000	16 393	636 899	2 501 292
Total	6 733 020	61 233	2 502 183	9 296 436

* Share-based payments relate to shares issued in terms of the share incentive scheme which are spread over the vesting period of three years.

Non-executive directors	Directors' fees 2021 R	2020 R
R Lockhart-Ross	522 750	488 416
JP Fisher	253 746	244 760
K Getz	220 331	211 680
AM Louw*	108 540	253 580
MA Sessions**	142 290	–
R Stumpf	228 996	220 500
Total	1 476 653	1 418 936

* Retired during the year.
** Appointed during the year.

Total directors' remuneration	2021 R	2020 R
Executive directors	7 762 078	9 296 436
Non-executive directors	1 476 653	1 418 936
Total	9 238 731	10 715 372

The remuneration policy and implementation report set out above are proposed to shareholders in separate non-binding advisory votes in terms of the notice of AGM. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised at the AGM, the board of directors will engage with such shareholders in order to clarify the nature of and evaluate the validity of such objections, and will, where possible and prudent, given the objectives of the remuneration policy take those objections into consideration when formulating any amendments to the company's remuneration policy and implementation report in the following financial year.

KING IV APPLICATION REGISTER

THE PURPOSE OF THIS REGISTER IS TO PROVIDE AN OVERVIEW OF THE APPLICATION BY TREMATON OF THE PRINCIPLES CONTAINED IN THE KING REPORT ON CORPORATE GOVERNANCE 2016 (“KING IV”).

Principle		Application/Explanation
1.	**The governing body should lead ethically and effectively.**	**Ethics** The board of directors of Trematon constitutes the governing body and the directors hold one another accountable for decision-making and ethical behaviour. The responsibilities of the board include providing effective leadership based on an ethical foundation. The board has adopted a code of ethics which is applicable across the group. The board’s responsibility for setting the tone for an ethical organisational culture across the group is discharged by the group and corporate-level governance, monitoring and reporting systems and structures in place, as detailed in the Corporate Governance Review. Board members are under a legal duty to prevent conflicts of interest with the group and are obliged to make full disclosure of any areas or potential areas of conflict prior to any consideration or discussion by the board of such items and may not take part in any discussions on such matters, being obliged to recuse themselves from any board meeting while such discussions are in progress. Disclosures of other directorships are tabled at the start of each board meeting and this is a standard agenda item. **Effectiveness** To ensure that the company’s leadership is effective, board, committee or senior executive appointments are proposed to the board to ensure an appropriate mix of skills and independence of thought. Board members collectively possess a wide range of financial, commercial and technical knowledge, together with experience in the industries within which the group operates.
2.	**The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**	The ultimate responsibility for the governance of ethics rests with the board. The board serves as the focal point and custodian of corporate governance for the group. The board commits to the Constitution of the Republic of South Africa and accepts the principles of fairness, accountability, integrity and transparency. The board strives, as a minimum to ensure compliance with all applicable legislation and regulations, leading standards and with its own code of ethics. The board is assisted in governing the ethics of the organisation by the social and ethics committee. The board, assisted by its committees, is committed to maintaining an ethical culture on transformation within the group; on fair, transparent and responsible remuneration; and on the continued development and training of its employees. The board has adopted a zero-tolerance approach to fraud and the appropriate remedial action is taken should there be found to be any substance to the matter reported. Through the social and ethics committee the board adopted the principles of the United Nations Global Compact in the areas of human rights, labour, the environment and anti-corruption, as well as promoting economic and social well-being of people. The policy on price-sensitive information and insider trading was renewed and the declarations of interest policy allows for the governing of conflicts of interest. Planned areas of future focus will include the continued training of employees to ensure that the group embeds a culture of ethical behaviour in all of its operations and at all levels.

Principle		Application/Explanation
3.	**The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.**	It is the responsibility of the board to ensure that the consequences of the group's activities do not adversely affect its status as a responsible corporate citizen in the areas of the workplace and the economies of the geographical areas within which it operates, with due regard to social and environmental issues. During the period under review there were no material fines or penalties incurred which needed to be brought to the attention of stakeholders. The group has adopted a corporate social investment policy which is overseen by the social and ethics committee. Key considerations of the social and ethics committee and remuneration committee during the review period included transformative considerations and employment equity. The group will continue to consider its responsibilities in the areas of the workplace, the economy, society in general and the environment, all being key inter-related factors in ensuring the sustainability of the group's businesses.
4.	**The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.**	The directors individually and collectively assist the group to realise its strategic objectives, to manage the risks and opportunities that could threaten or enhance the group's ability to provide sustainable long-term growth to stakeholders, to maintain and enhance efficiencies within the group's businesses and to support the people who rely on its businesses. The sustainability of the group's businesses is a key consideration in the development and implementation of the group's business model, supported by formal policies governing environmental, corporate social investment, ethical and remuneration matters, all of which form key components of the value-creation process and are effective in ensuring the long-term sustainability of the group. Management has the responsibility of formulating and developing the short, medium and long-term strategy at divisional levels. Divisional strategic plans and budgets are presented to the board, and any risks and opportunities are identified and considered as part of this process within which the group operates.
5.	**The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.**	The board assumes responsibility for the integrity and transparency of the group's reporting and, assisted by the audit and risk committee and the external auditors, oversees the issue of the company's annual financial statements and Integrated Reports. The Integrated Report provides stakeholders with information relating to the group's performance. Information is also made available to stakeholders via investor presentations and the electronic news service of the JSE Limited ("SENS") announcements which are also available on the company's website at www.trematon.co.za. The publication of external reports and press releases, including SENS, requires the prior approval of the company's chief executive officer, chief financial officer or as may be otherwise instructed.
6.	**The governing body should serve as the focal point and custodian of corporate governance in the organisation.**	The board charter documents the board's role and responsibilities, including the focal role of setting the strategic direction of the group, approving policies and plans to give effect thereto, oversight and monitoring of the implementation of policies and plans by management, together with reporting and disclosure. Although, to accommodate the diversity of the group's operations, certain policies may be set at divisional level, all policies are subject to compliance with the over-arching policies set at board level. The board is supported by the committee and management reporting structures detailed in the Corporate Governance Report but remains ultimately responsible for corporate governance in the group and for the appropriate and transparent reporting of corporate governance.

Principle		Application/Explanation
7.	**The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.**	The names of the board members during the review period, together with details of their age, qualifications, knowledge, skills and experience, are disclosed in the Integrated Report. King IV requires that the majority of directors shall be non-executive directors, the majority of whom shall qualify as independent and this requirement has been met. The independence of the non-executive directors is reviewed on an annual basis by the board against the criteria stipulated in King IV. A chief executive officer and chief financial officer have been appointed to the board. The process for nomination, election and appointment of board members is formal and transparent, as outlined in the Corporate Governance Review. The board as a whole considers and, if appropriate, approves recommendations, subject to shareholder approval. New directors appointed to the board are given an appropriate induction into the business and affairs of the group and into the responsibilities of any committee(s) on which they may be appointed to serve. The board has carried out a formal self-evaluation and is satisfied that the composition of the board reflects the appropriate mix of knowledge, skills, experience and independence.
8.	**The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.**	The board has adopted a decentralised structure with defined accountability levels and reporting lines set at divisional level. Divisional management boards, supported by divisional executive committees, promote independent judgement and assist the board with the effective discharge of its duties. Meetings of the divisional boards and committees are formally minuted. Standing board committees have been established, under written terms of reference, in accordance with statutory requirements. These committees assist the board to effectively discharge its duties. The composition of these standing committees ensures that there is an appropriate balance of power, that an independent perspective is brought to board deliberations and that no single director has unfettered powers. The standing committees of the board, which are reported on more fully in the Corporate Governance Review are: • the audit and risk committee; • the social and ethics committee; • the remuneration committee; and • the investment committee.
9.	**The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members support continued improvement in its performance and effectiveness.**	The board, the audit and risk committee, the social and ethics committee, the remuneration committee and the investment committee conduct annual assessments as disclosed in the Corporate Governance Review. Items identified for improvement are discussed and followed up to ensure the implementation of recommended actions. An assessment of the suitability and effectiveness of the chief financial officer is conducted annually by the audit and risk committee and is confirmed in the audit and risk committee's report in the annual financial statements. The suitability and effectiveness of the company secretary is reviewed by the board on an annual basis. The appointment of the chairman is reviewed by the board on an annual basis.

Principle		Application/Explanation
10.	**The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.**	The chief executive officer has a clearly defined role and is responsible for the implementation and execution of the board's strategy, policies and proposals presented to and approved by the board. To provide continuity of executive leadership, succession planning is in place for the chief executive officer, executive management and other key positions. Succession plans are regularly reviewed to provide for succession in both emergency situations and over the longer term. The chief executives of the group's divisions operate under clearly defined guidelines. The company has appointed Mr JJ Vos as company secretary to provide professional corporate governance services to the company. The company secretary reports to the board on all statutory, regulatory and governance matters concerning the group and to the chief financial officer on all other duties and administrative matters. The performance and independence of the company secretary is evaluated by the board on an annual basis and the board has satisfied itself as to the appropriateness of this appointment and as to the arm's length nature of this appointment. In instances where delegation has taken place to management or committees, pre-approved materiality levels and terms of references apply, respectively. Although the board has delegated certain powers and authorities to executive management and to board committees, the ultimate responsibility for retaining full and effective control of the group rests with the board. Decisions on strategy and other material matters are reserved for the board and there is a clear delineation of power between the board and management at all times.
11.	**The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.**	The board assumes responsibility for the governance of risk by setting the direction for how risk is to be approached and addressed across the group in order to achieve its strategic objectives. Without derogating from its overall responsibility for risk management, the board delegates the implementation and execution of effective risk management to divisional management. The board exercises oversight of risk via, inter alia: • the establishment of an audit and risk committee at group level; • the establishment of an investment committee at group level; and • due-diligence processes to evaluate and understand risks and opportunities that acquisition and/or disposal proposals may contain. The formalised reporting structures established across the group ensure that the board receives regular risk reports from the divisional management, which considers the risks that could impact their divisions. The risk reports, which are updated on a regular basis, categorise the estimated impact and likelihood of the risks identified by each division, differentiating between residual risks and inherent risks, and advising the board of the controls established/remedial action taken at divisional level to mitigate the risks identified. Responsibility for effective risk management is spread across the group's workforce and management. The group risk function assists the board to oversee the risk management processes within the group and the audit and risk committee plays an integral oversight role in ensuring the ongoing effectiveness of these processes. The audit and risk committee assists the board by providing an independent and objective view on the group's financial, accounting and control mechanisms and policies, information systems and internal controls, the going concern status of the group and compliance with all relevant statutory and regulatory requirements. The chief executive officers of the divisions/operations are responsible for the management of risk.

KING IV APPLICATION REGISTER
(continued)

Principle		Application/Explanation
12.	**The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.**	The board is responsible for the governance of information, communications and technology ("ICT"), which is a key factor in the board setting and achieving its strategic objectives. It is assisted by the audit and risk committee which reviews ICT risks. Subject to compliance with over-arching policies and directives set at group level, divisional executives are responsible for: • aligning divisional ICT with the performance and sustainability objectives of the group; • establishing and maintaining strict standards of corporate conduct relating to the use of ICT including compliance with ICT legislation and relevant regulations such as legislation to protect the privacy of personal information; • monitoring, assessing and managing the security of information in the division. External specialists are used where independent ICT services are required and a risk review of the group's ICT platforms has been conducted using external specialists; and • ensuring that business resilience arrangements are in place to allow for the business to continue in the event of significant incidents and disruptions to ICT systems.
13.	**The governing body should govern compliance with applicable laws and adopted non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.**	Responsibility for the implementation and execution of effective compliance management is delegated by the board to management. The board, however, retains ultimate responsibility for compliance with applicable laws, adopted non-binding rules, codes and standards. Through its divisionalised board, committee and reporting structures, the board and the audit and risk committee will be apprised of any incidences of non-compliance with legislative and regulatory requirements and/or internal compliance benchmarks set by the group. Divisional management are required to highlight any areas of non-compliance with the legislative or regulatory requirements applicable to the activities of their division which need to be addressed. Any material incidences of non-compliance and/or significant fines or penalties incurred are reported to the board and/or the audit and risk committee of the board to ensure that appropriate remedial action is taken. Relevant new legislation or regulations introduced from time to time are brought to the attention of the respective board and committee members to ensure that compliance requirements are kept up to date. Should any material or repeated regulatory penalties, sanctions or fines for non-compliance with the group's statutory obligations be incurred, or should the group face criminal sanction or prosecution in respect thereof, details will be disclosed in the company's Integrated Report. During the review period there were no material findings of non-compliance with applicable legislation or regulations and there were no criminal sanctions or prosecutions. Given the diversity of the group's operations and of the legislation and regulations attaching thereto, there were no particular areas of focus during the review period, other than to ensure that the group continues to operate as a responsible corporate citizen.

Principle		Application/Explanation
14.	**The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.**	The board assumes responsibility for the governance of remuneration and sets the direction for remuneration across the group. The board has appointed a remuneration committee to ensure that the group's executives and managers are fairly rewarded for their individual and joint contributions to the group's performance and that the company remunerates fairly, responsibly and transparently in the context of overall remuneration in the group to enable the company to achieve its strategic objectives and to secure positive outcomes in the short, medium and long term. To this end the board has approved a remuneration policy. The main provisions of this policy are disclosed in the company's Integrated Report, together with a background statement and an implementation report. The remuneration policy, together with the implementation report, will be presented to shareholders at the company's annual general meeting to be held on 26 January 2022 for a non-binding, advisory vote by shareholders. Voting at annual general meetings on the remuneration policy and implementation report and any required actions flowing from the exercise by shareholders of their votes, will be conducted in compliance with the requirements of the Companies Act, No. 71 of 2008, the listings regulations of the JSE Limited and King IV. Directors' remuneration has been disclosed comprehensively in the company's annual financial statements.
15.	**The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.**	The board sets the direction for assurance services and functions but the responsibility for overseeing such arrangements is delegated to the audit and risk committee, which is charged with supporting the integrity of information for internal decision-making use and for external reports. A combined assurance model has been developed and formally implemented across the group to effectively cover the group's significant risks and material matters. The model includes but is not be limited to the group's established risk management and compliance functions and the external auditors, together with such other external assurance providers as may be appropriate or deemed necessary from time to time, including the company secretary, which provides assurance on aspects of corporate governance and a JSE sponsor which advises on the JSE Listings Requirements. The audit and risk committee has satisfied itself as to the independence of the external auditor.
16.	**In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.**	The board determines the direction on stakeholder relationships and delegates to management the responsibility for implementation and execution thereof. Future areas of focus will include the following ongoing practices: • overseeing methodologies for identifying individual stakeholders and stakeholder groupings; and • continued promotion of sound stakeholder relationships by encouraging engagement with material stakeholders. Stakeholders are kept apprised of the group's performance by publication of the Integrated Report, the interim and year-end results announcements and, should these be required, trading updates. The remuneration policy and the corporate social investment policy have been designed to balance the needs, interests and expectations of material stakeholders in the best interests of the group over time.

ANNUAL FINANCIAL STATEMENTS

REPORT OF THE **AUDIT AND RISK COMMITTEE**

Role of the committee

The audit and risk committee's operation is guided by a formal detailed charter that is in line with the Companies Act, No. 71 of 2008 of South Africa ("the Companies Act") and has been approved by the board. The committee has discharged all its responsibilities as contained in the charter.

The committee is pleased to present its report for the financial year ended 31 August 2021 as recommended by the King Report on Corporate Governance for South Africa and in line with the Companies Act.

Objective and scope

The overall objectives of the committee are as follows:

- To review the principles, policies and practices adopted in the preparation of the financial statements of companies in the group and to ensure that the financial statements of the group and any other formal announcements relating to the financial performance comply with all statutory and regulatory requirements as may be required.
- To annually assess the appointment of the external auditors and confirm their independence, recommend their appointment to the annual general meeting and approve their fees.
- To review the work of the group's external auditors to ensure the adequacy and effectiveness of the group's financial, operating compliance and risk management controls.
- To ensure that all financial information contained in any consolidated submissions to Trematon is suitable for inclusion in its consolidated financial statements in respect of any reporting period.
- To review the management of risk and the monitoring of compliance effectiveness within the group.
- To perform duties that are attributed to it by its mandate from the board, the Companies Act, the JSE Limited and regulatory requirements.

During the year under review, the committee:

- Considered and satisfied itself of the appropriateness of the expertise and experience of the financial director.
- Ensured that the group has established appropriate financial reporting procedures and that those procedures are operating.
- Requested from the external auditor and, to the extent necessary, consulted with the external auditor on the information detailed in paragraph 22.15(h) in their assessment of the suitability for appointment of the audit firm and engagement partner.
- Received and reviewed reports from the external auditors concerning the effectiveness of the internal control environment, systems and processes.
- Considered the independence and objectivity of the external auditors and ensured that the scope of any additional services provided was not such that they could be seen to have impaired their independence.
- Reviewed and recommended for adoption by the board such financial information that is publicly disclosed, which for the year included the consolidated financial statements for the year ended 31 August 2021.
- Ensured that appropriate financial reporting procedures exist and are working, which included consideration of all entities consolidated in the group IFRS financial statements.
- Ensured that it has access to all the financial information of the group to allow the group to effectively prepare and report on its financial statements.

The audit and risk committee confirms that it has executed its responsibilities as set out above during the year under review and that no material weaknesses in specific controls were identified.

Composition of the committee

The three members of the audit and risk committee are all non-executive directors of the company who act independently as described in section 94 of the Companies Act.

The board is satisfied that these members have the required knowledge and experience as set out in section 94(5) of the Companies Act. The re-appointment of committee members will be a matter for consideration by shareholders at the forthcoming annual general meeting. The chairman of the board, Mr R Lockhart-Ross, is currently a member of the audit and risk committee. To this extent, the board is of the opinion that given Mr Lockhart-Ross' extensive experience, having served on audit and risk committees of other companies and taking into account the current size of Trematon's operations, that Mr Lockhart-Ross will continue serving on the audit and risk committee.

Meetings

The committee performs the duties required of it by section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

Two formal meetings were held by the committee during the year under review.

External audit

The committee has satisfied itself through enquiry that the auditors of Trematon and its subsidiaries are independent as defined by the Companies Act. The committee, in consultation with executive management, has agreed to the audit fee for the 2021 financial year. The fee is considered appropriate for the work that could reasonably have been foreseen at that time.

There is a formal policy that governs the process whereby the external auditor is considered for the provision of non-audit services, and each engagement letter for such work is reviewed in accordance with this set policy and attendant procedures.

The committee has reviewed the performance of the external auditors and has nominated, for approval by shareholders at the forthcoming annual general meeting, Mazars, an eligible registered auditor, as the external auditor for the 2022 financial year, with Mr Marc Edelberg, a registered auditor and partner of Mazars, as the individual who will undertake the audit. Upon appointment at the forthcoming annual general meeting, this will be Mr Edelberg's second year and Mazars' eleventh year of performing the external audit of the company.

The committee has reviewed the firm's and engagement partner's quality reports and has considered the performance and quality to be satisfactory.

Key audit matters

The committee notes the key audit matter set out in the independent auditor's report, which is as follows:

- Valuation of investment properties

The committee assessed the valuation of investment properties by comparing the directors' valuations to current market prices using available market data, including sales of similar properties in the area and are satisfied that they are fairly stated.

Accounting practices and internal control

Internal controls and systems have been designed to provide reasonable assurance as to the integrity and reliability of the financial information represented in the financial statements, and to safeguard, verify and maintain the assets of the group. Nothing has come to the attention of the committee to indicate that any material breakdown in the functioning of the group's key internal control systems has occurred during the year under review. The committee considers the group's accounting policies, practices and financial statements to be appropriate. The audit committee has reviewed the JSE proactive monitoring review findings and has considered making corrections/adjustments where applicable.

Financial statements

The audit and risk committee has evaluated the consolidated financial statements for the year ended 31 August 2021 and considers that they comply, in all material aspects, with the requirements of the Companies Act and International Financial Reporting Standards. The committee has therefore recommended the financial statements for approval to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

Evaluation of chief financial officer

As required by JSE Listing Requirement 3.84(h), as well as the recommended practices as per King IV, the committee has assessed the competence and performance of the group chief financial officer and believes that he possesses the appropriate expertise and experience to meet his responsibilities in that position. The committee is satisfied with the expertise and adequacy of resources within the finance function and the experience of financial staff in this function.

Fisher

JP Fisher
Audit and Risk Committee Chairman

11 November 2021

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors of the company, whose names appear below are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Trematon Capital Investments Limited, comprising the statements of financial position at 31 August 2021, and the statements of comprehensive income, the statements of changes in equity and statements of cash flow for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the Directors' Report, in accordance with International Financial Reporting Standards, the JSE Limited Listings Requirements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes 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 group and the company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

The external auditors are responsible for independently auditing and reporting on the group annual financial statements and company financial statements in conformity with International Standards on Auditing.

The directors hereby confirm that:

- the annual financial statements set out on pages 53 to 122, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- 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 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 their role and function within the combined assurance model pursuant to principle 15 of the King Code. Where they are not satisfied, they have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.
- they have made an assessment of the group and the company's ability to continue as a going concern and there is no reason to believe the businesses will not be going concerns in the year ahead.

AJ Shapiro
Chief Executive Officer

AL Winkler
Chief Financial Officer

APPROVAL OF THE GROUP ANNUAL FINANCIAL STATEMENTS AND SEPARATE PARENT ANNUAL FINANCIAL STATEMENTS

The group annual financial statements and annual financial statements of Trematon Capital Investments Limited were approved by the board of directors on 11 November 2021 and are signed on their behalf by:

AJ Shapiro
Chief Executive Officer

AL Winkler
Chief Financial Officer

DECLARATION BY COMPANY SECRETARY

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act, 2008, that for the year ended 31 August 2021, the company has lodged with the Companies and Intellectual Property Commission all such returns as are required by a public company in terms of this Act and that all such returns are true, correct and up to date.

JJ Vos
Company Secretary

11 November 2021

INDEPENDENT **AUDITOR'S REPORT**

to the shareholders of Trematon Capital Investments Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Trematon Capital Investments Limited (the group and company) set out on pages 53 to 122, which comprise the consolidated and separate statements of financial position as at 31 August 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 August 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the 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. All key audit matters relate to the consolidated financial statements.

Matter	Audit response
Valuation of investment properties (Note 4) The group has a significant investment property portfolio. The group's accounting policy in note 2(f) of the consolidated and separate financial statements indicates that investment property is initially measured at cost and subsequently measured at fair value. The property's valuation takes into account property-specific information such as the current tenancy agreements and rental income. Inputs used by management to determine the final valuation include reversionary capitalisation rates, vacancy rates, discount rates and recent sales information. The valuation of the group's investment properties, as detailed in note 36 of the consolidated and separate financial statements, involves significant judgements made by management, particularly in the selection of valuation models, the inputs to those models and current market conditions. There is still uncertainty over the local and global economy due to the continued impact of Covid-19. The pandemic has directly impacted the inputs and assumptions applied by management in the valuation of investment properties. The significance of the investment property portfolio and inherently judgemental nature of the inputs and assumptions used in the property valuations, warrants specific audit attention.	We performed substantive tests of detail and substantive analytical review procedures on investment properties to assess whether the fair value of investment property is reasonable. These include the following: • agreeing the valuation of all revalued investment properties to the valuation reports prepared by the directors; • recalculating valuation workings; • assessing whether the valuation approach for each valuation is appropriate and in terms of the requirements of IFRS; • obtaining comfort over the accuracy and appropriateness of the valuations through substantive audit procedures such as reviewing the key assumptions used in determining the fair value of investment properties, including: comparing the rental income to actual results, assessing discount rates used to available industry data for available investment properties, assessing the reasonability of vacancy rates used and comparing property valuations to recent comparable sales of investment property; • assessing whether directors have properly considered the appropriateness of valuation assumptions used by comparing the underlying assumptions to industry published reports; and • reviewing the adequacy of disclosures in the consolidated and separate financial statements relating to the investment property portfolio held. Having performed our audit procedures and evaluating the outcomes thereof we concluded that our audit procedures appropriately address the key audit matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Trematon Capital Investments Limited Integrated Annual Report 2021", which includes the Directors' Report, the Audit Committee's Report, the Company Secretary's Certificate, as required by the Companies Act of South Africa, the Analysis of Shareholders and the Integrated Annual Report, which we obtained prior to the date of this report. The other information does not include the consolidated or the 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 express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, 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 Mazars has been the auditor of Trematon Capital Investments Limited for eleven years.

Mazars

Mazars
Registered Auditors
Partner: Marc Edelberg
Registered Auditor

Cape Town
30 November 2021

DIRECTORS' REPORT

The directors submit their report for the year ended 31 August 2021.

Corporate information

Trematon Capital Investments Limited (the "company" or "Trematon") is a company domiciled in South Africa. The consolidated financial statements as at and for the year ended 31 August 2021 comprise the company and its subsidiaries (together referred to as the "group" and individually as "group entities") and the group's interest in associates and joint ventures.

Review of activities

The group is an investment group with investments, subsidiaries, joint ventures and associates engaged primarily in education, property and leisure. The primary aim of the group is to generate superior risk-adjusted long-term returns for its shareholders. The group operates in South Africa.

The operating results and state of affairs of the group are fully set out in the attached annual financial statements and do not, in our opinion, require any further comment.

Directors' interest in shares and convertible debentures

Directors' interest in shares

	2021			2020		
	Direct beneficial	Indirect beneficial	Total	Direct beneficial	Indirect beneficial	Total
Executive						
A Groll	1 000 000	47 550 000	48 550 000	1 000 000	47 550 000	48 550 000
AJ Shapiro	1 429 584	9 350 243	10 779 827	1 429 584	9 350 243	10 779 827
AL Winkler	822 673	–	822 673	822 673	–	822 673
Non-executive						
AM Louw*	–	–	–	–	463 626	463 626
R Stumpf	–	10 399 808	10 399 808	–	10 399 808	10 399 808
K Getz	114 865	–	114 865	114 865	–	114 865
	3 367 122	67 300 051	70 667 173	3 367 122	67 763 677	71 130 799

* Resigned 26 January 2021.

Directors' interest in convertible debentures

The executive directors participate in a share scheme by way of convertible debentures being issued that are convertible to ordinary shares after a minimum period of three years.

	Balance at the beginning of the year	Balance at the end of the year
Executive		
A Groll	7 897 589	7 897 589
AJ Shapiro	7 897 589	7 897 589
AL Winkler	876 777	876 777
Total	16 671 955	16 671 955

Subsequent to the release of the group's results on SENS on 18 November 2021, the executive directors and company secretary decided to exercise their rights to convert their convertible debentures to ordinary shares. This resulted in 17 282 944 new ordinary shares being issued.

Directors' interest in share grants

The executive directors participate in a share scheme by way of share grants being issued in terms of the group's remuneration policy which vest after a minimum period of three years. The balance at the end of the year represents shares issued in terms of the share scheme. Trading in these shares is restricted until the end of the vesting period.

	Balance at the beginning of the year	Balance at the end of the year
Executive		
A Groll	891 037	891 037
AJ Shapiro	1 386 084	1 386 084
AL Winkler	811 673	811 673
Total	3 088 794	3 088 794

Accounting policies

The accounting policies have been applied consistently to all periods presented in these results.

Issue of shares

Nil shares were issued by the company during the current year (2020: 895 075 shares issued).

Treasury shares

7 441 459 treasury shares were acquired during the year. All the acquired treasury shares plus an additional 664 539 treasury shares held at the previous year-end were cancelled, resulting in no treasury shares being held at year-end.

Borrowing limitations

The borrowing powers of the company are unlimited in terms of the Memorandum of Incorporation.

Compliance with applicable laws

The directors confirm that Trematon is in compliance with the provisions of the Companies Act, specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation.

Special resolutions

The following special resolutions considered at the annual general meeting held on 27 January 2021 as proposed in the annual report for the 2020 financial year were passed:

Special Resolution Number 1: Specific authority to amend Trematon's Memorandum of Incorporation – To authorise the amendment of Trematon's Memorandum of Incorporation to allow for electronic communication to shareholders;

Special resolution number 2: Financial assistance for subscription of securities – To authorise the directors of the company, in terms of section 44 of the Act, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to any person (as defined by the Act) for the purposes of, or in connection with, the subscription of any option or any securities (as such term is defined in the Act), issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company;

Special resolution number 3: Financial assistance – To authorise the directors of the company, in terms of section 45 of the Act, to cause the company to provide any direct or indirect financial assistance to any director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person (as defined in the Act) related to any such company (including the company), corporation, director, prescribed officer or member;

Special resolution number 4: General authority to repurchase shares – To authorise the company or any of its subsidiaries to repurchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide; and

Special resolution number 5: The authority to pay non-executive directors' fees – Non-executive directors' fees paid for the period ended 31 August 2020, and further that the non-executive directors' fees proposed for the period from 1 September 2020 until 31 August 2021 were approved.

Capital distribution

On 11 November 2021, subsequent to year-end, the board of directors declared a capital distribution of 30.0 cents per share (2020: 7.5 cents) as a return of contributed tax capital to shareholders recorded in the share register of the company at the close of business on Friday, 17 December 2021.

In compliance with IAS 10 – Events After the Reporting Period date, the capital distribution will only be accounted for in the financial statements in the year ending 31 August 2022.

The directors have reasonably concluded that the company will satisfy the solvency and liquidity requirements of sections 4 and 46 of the Companies Act, 2008, immediately after the capital distribution.

Future distributions will be decided on a year-to-year basis.

DIRECTORS' REPORT
(continued)

The net amount payable to shareholders is R62.8 million, being 30.0 cents per share, based on the current number of 209 397 290 shares in issue.

The income tax reference number of Trematon Capital Investments Limited is 9340/323/84/0.

Last date to trade:	Monday, 13 December 2021
Ex-date:	Tuesday, 14 December 2021
Record date:	Friday, 17 December 2021
Payment date:	Monday, 20 December 2021

Share certificates may not be dematerialised or rematerialised between Tuesday, 14 December 2021 and Friday, 17 December 2021, both days inclusive.

Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Classification
Executive directors	
AJ Shapiro	Chief Executive Officer
AL Winkler	Chief Financial Officer
A Groll	
Non-executive directors	
R Lockhart-Ross	Independent Chairman
AM Louw*	Independent
JP Fisher	Independent
MA Sessions**	Independent
K Getz	
R Stumpf	

* Resigned 26 January 2021.
** Appointed 18 February 2021.

Covid-19 impact

The outbreak of the Covid-19 pandemic which resulted in a nationwide lockdown in March 2020 has had a significant impact on the world and South African economy. The group was not an essential service provider, however they continued operating during the lockdown with staff working from home. The group had the financial resources available to provide relief, however the possibility of future relief and the financial impact is uncertain and cannot be quantified at this stage as the country is still in level 1 lockdown post year-end. There were no staff retrenchments as a result of Covid-19 and the impact of Covid-19 is included in the group's results for the 2021 financial year-end. The group activities have returned to normal levels. The group has treated the impact of the Covid-19 pandemic as an adjusting event and other than as summarised below, there were no significant adjustments to the group's annual financial statements for the year ended 31 August 2021.

The financial impact of Covid-19 is summarised below:

- increase in bad debts written off, mainly in ARIA amounting to R8.3 million. Other bad debts written off and provision for expected credit losses are insignificant;
- there are no material bad debts or provision for expected credit losses in the current year, other than as mentioned above;
- increase in capitalisation rates used for the valuation of investment properties which is disclosed in note 36;
- reduction in rental income due to concessions given to tenants in the form of rental discounts amounting to R3.2 million (2020: R2.1 million) and rental deferrals amounting to R0.3 million (2020: R0.7 million);
- the loan receivable and investment in The Woodstock Hub was impaired as a result of Covid-19's impact on the property values within the company; and
- the value of investment property was reduced by R10.3 million during the year as a result of the fair value adjustment. This decrease is mainly as a result of Covid-19 which has resulted in vacancies and reductions in market rentals as well as changes in capitalisation rates used in valuing the properties.

Subsequent events

The impact of Covid-19 has been considered after year-end and there has been no further material impact on the group's profit and loss and statement of financial position after year-end. The group continues to monitor the impact of the pandemic and on date of signing the impact is not considered to be material.

ARIA has acquired Riverside Mall Shopping Centre in Rondebosch, Cape Town for a purchase price of R126.1 million. The acquisition was funded using bank debt and was registered in the Cape Town deeds registry on 17 September 2021.

Subsequent to year-end ARIA entered into a loan agreement with Nedbank for an amount of R654 million, which combined three existing Nedbank loans payable at year-end. The loan term is three years at JIBAR-linked rates. Trematon's sureties on these loans have been reduced from R407 million to R215 million.

After year-end ARIA declared a dividend of R10 million to shareholders, of which R6 million was received by Trematon.

Subsequent to year-end properties with a carrying value of R4.6 million recognised as non-current assets held-for-sale transferred to the buyers of those properties and were derecognised.

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

Going concern

The annual financial statements contained in this annual report have been prepared on a going concern basis as the directors have every reason to believe that the company and the group have adequate resources to continue in operation for the year ahead, including specific consideration of the risk associated with Covid-19.

Auditor

Mazars will continue in office as external auditors of the company in accordance with section 90 of the Companies Act, No. 71 of 2008.

Cape Town
11 November 2021

STATEMENTS OF **FINANCIAL POSITION**

at 31 August 2021

	Notes	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
ASSETS					
Non-current assets					
Property, plant and equipment	3	345 119 031	315 792 770	–	–
Investment properties	4	1 481 253 729	1 548 182 775	–	–
Right-of-use asset	5	70 764 725	–	–	–
Investments in subsidiaries	6	–	–	20	20
Investments in joint ventures	7	–	5 831 841	–	–
Investments in associate entities	8	125 277 239	121 896 884	–	–
Loans to group companies	9	–	–	206 805 168	189 476 587
Deferred tax asset	10	22 858 037	22 739 576	–	–
Loans receivable	11	28 094 870	52 695 272	–	–
		2 073 367 631	2 067 139 118	206 805 188	189 476 607
Current assets					
Financial assets at fair value through profit and loss	12	6 392 345	8 133 695	–	–
Trade and other receivables	13	11 251 143	19 147 191	–	–
Loans to group companies	9	–	–	23 370 000	48 483 641
Inventories	14	41 662 979	42 081 276	–	–
Cash and cash equivalents	15	203 495 098	160 273 541	339 956	3 908 896
Current tax assets		641 649	936 755	–	–
		263 443 214	230 572 458	23 709 956	52 392 537
Non-current assets held-for-sale	4	6 892 747	91 411 180	–	–
Total assets		2 343 703 592	2 389 122 756	230 515 144	241 869 144
EQUITY AND LIABILITIES					
Equity					
Share capital and share premium	16	238 465 145	272 591 506	238 465 145	272 591 506
Treasury shares	16	–	(1 337 063)	–	(1 337 063)
Share-based payment reserve	17	13 161 116	12 355 549	13 161 116	12 355 549
Convertible debentures	18	–	–	30 742 072	30 742 072
Fair value reserve	19	33 353 081	33 353 081	–	–
Foreign currency translation reserve		13 323 395	27 670 101	–	–
Accumulated profit/(loss)		537 662 208	554 161 785	(149 827 892)	(146 064 030)
Total equity attributable to equity holders of the parent		835 964 945	898 794 959	132 540 441	168 288 034
Non-controlling interest	6	128 492 874	127 025 516	–	–
		964 457 819	1 025 820 475	132 540 441	168 288 034
Liabilities					
Non-current liabilities					
Loans payable	20	996 347 335	878 679 003	6 409 549	65 832 040
Derivatives	21	8 963 397	14 954 196	–	–
Trade and other payables	22	39 713 734	24 859 516	–	–
Lease liability	23	74 137 751	–	–	–
Deferred tax liability	10	95 052 373	110 927 960	–	–
		1 214 214 590	1 029 420 675	6 409 549	65 832 040
Current liabilities					
Loans payable	20	103 247 228	265 128 051	90 337 540	7 657 850
Current tax liabilities		609 412	608 511	–	–
Derivatives	21	2 002 704	1 192 311	1 107 895	–
Lease liability	23	3 886 388	–	–	–
Trade and other payables	22	55 285 451	66 952 733	119 719	91 220
		165 031 183	333 881 606	91 565 154	7 749 070
Total liabilities		1 379 245 773	1 363 302 281	97 974 703	73 581 110
Total equity and liabilities		2 343 703 592	2 389 122 756	230 515 144	241 869 144

STATEMENTS OF **COMPREHENSIVE INCOME**

for the year ended 31 August 2021

	Notes	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Revenue	24	**402 540 050**	375 245 550	**9 111 226**	8 991 882
Profit from property operations		**103 232 703**	133 598 940	**–**	–
Revenue – property		**260 403 829**	287 010 690	**–**	–
Cost of property and land sold		**(717 981)**	(9 252 057)	**–**	–
Employee benefits – property		**(20 640 207)**	(18 254 866)	**–**	–
Operating expenses – property		**(135 812 938)**	(125 904 827)	**–**	–
Loss from education operations		**(6 782 708)**	(4 690 521)	**–**	–
Revenue – education		**138 531 539**	86 520 229	**–**	–
Employee benefits – education		**(84 821 373)**	(50 344 958)	**–**	–
Operating expenses – education		**(60 492 874)**	(40 865 792)	**–**	–
(Loss)/profit from other operations		**(9 315 982)**	(13 091 105)	**5 730 980**	4 792 403
Revenue – other		**3 604 682**	1 714 631	**9 111 226**	8 991 882
Employee benefits – other		**(11 071 638)**	(12 882 535)	**(2 200 980)**	(3 002 862)
Operating expenses – other		**(1 849 026)**	(1 923 201)	**(1 179 266)**	(1 196 617)
Total realised profit		**3 524 383**	7 478 238	**–**	–
Realised profit/(loss) on financial assets at fair value through profit and loss		**1 088 692**	(243 775)	**–**	–
Realised profit on sale of non–current assets		**2 435 691**	7 722 013	**–**	–
Total loss from fair value adjustments		**(16 678 592)**	(28 680 923)	**(1 107 895)**	–
Fair value adjustment on investment properties	4	**(10 277 288)**	(7 711 864)	**–**	–
Fair value adjustment on financial assets at fair value through profit and loss		**–**	(1 295 001)	**–**	–
Fair value adjustment on financial liabilities at fair value through profit and loss		**11 571 761**	(16 146 507)	**(1 107 895)**	–
Impairment of loan	11	**(20 682 650)**	–	**–**	–
Foreign exchange (loss)/gain		**(738 783)**	1 557 236	**–**	–
Decrease/(increase) in loss allowance	13	**3 448 368**	(5 084 787)	**–**	–
Other income		**852 506**	2 080 246	**–**	–
Profit before finance costs	25	**74 832 310**	96 694 875	**4 623 085**	4 792 403
Total finance costs	26	**(90 207 741)**	(98 079 549)	**(8 386 947)**	(8 776 209)
Finance costs – property		**(76 024 199)**	(91 512 974)	**–**	–
– education		**(14 033 512)**	(534 851)	**–**	–
– other		**(150 030)**	(6 031 724)	**(8 386 947)**	(8 776 209)
Profit from equity accounted investments		**11 944 527**	3 497 911	**–**	–
(Loss)/profit from equity accounted joint ventures (net of tax) – property	7	**(5 831 841)**	650 721	**–**	–
Profit from equity accounted associates (net of tax) – property	8	**3 131 343**	1 097 418	**–**	–
Profit from equity accounted associates (net of tax) – other	8	**14 645 025**	1 749 772	**–**	–
(Loss)/profit before income tax		**(3 430 904)**	2 113 237	**(3 763 862)**	(3 983 806)
Income tax	27	**(5 221 315)**	(4 746 678)	**–**	–
Loss for the year		**(8 652 219)**	(2 633 441)	**(3 763 862)**	(3 983 806)

STATEMENTS OF
COMPREHENSIVE INCOME
for the year ended 31 August 2021 (continued)

	Notes	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Other comprehensive income					
Items that are or may subsequently be reclassified to profit/(loss):					
Foreign currency translation differences on equity accounted investments		(14 346 706)	20 694 200	–	–
Other comprehensive (loss)/income for the year		(14 346 706)	20 694 200	–	–
Total comprehensive (loss)/income for the year		(22 998 925)	18 060 759	(3 763 862)	(3 983 806)
(Loss)/profit attributable to:					
Equity holders of the parent		(16 499 577)	(4 182 415)	(3 763 862)	(3 983 806)
Non-controlling interests		7 847 358	1 548 974	–	–
		(8 652 219)	(2 633 441)	(3 763 862)	(3 983 806)
Total comprehensive (loss)/income attributable to:					
Equity holders of the parent		(30 846 283)	16 511 785	(3 763 862)	(3 983 806)
Non-controlling interests		7 847 358	1 548 974	–	–
		(22 998 925)	18 060 759	(3 763 862)	(3 983 806)
Basic loss per share (cents)	28	(7.9)	(2.0)		
Diluted loss per share (cents)	28	(7.9)	(2.0)		

The statement of comprehensive income has been split between property operations, education operations and other operations to provide more useful information to the users of the annual financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

for the year ended 31 August 2021

GROUP

	Share capital R	Share premium R	Total share capital R
Balance at 1 September 2019	2 189 706	288 106 450	290 296 156
Total comprehensive income for the year	–	–	–
(Loss)/profit for the year	–	–	–
Foreign exchange movements on investment in associate	–	–	–
Share-based payment expense	–	–	–
Restricted shares issued in terms of share incentive scheme	8 951	2 407 752	2 416 703
Treasury shares cancelled	(31 546)	(7 997 197)	(8 028 743)
Treasury shares acquired	–	–	–
Capital distribution	–	(12 092 610)	(12 092 610)
Dividends declared to non-controlling interest	–	–	–
Balance at 31 August 2020	2 167 111	270 424 395	272 591 506
Balance at 1 September 2020	**2 167 111**	**270 424 395**	**272 591 506**
Total comprehensive loss for the year	–	–	–
(Loss)/profit for the year	–	–	–
Foreign exchange movements on investment in associate	–	–	–
Share-based payment expense	–	–	–
Treasury shares cancelled	**(81 060)**	**(17 961 104)**	**(18 042 164)**
Treasury shares acquired	–	–	–
Capital distribution	–	**(16 084 197)**	**(16 084 197)**
Dividends declared to non-controlling interest	–	–	–
Balance at 31 August 2021	**2 086 051**	**236 379 094**	**238 465 145**
Notes	16	16	16

Treasury shares R	Share-based payment reserve R	Foreign currency translation reserve R	Fair value reserve R	Accumulated profit R	Total R	Non-controlling interest R	Total equity R
–	11 769 389	6 975 901	33 353 081	558 344 200	900 738 727	156 004 787	1 056 743 514
–	–	20 694 200	–	(4 182 415)	16 511 785	1 548 974	18 060 759
–	–	–	–	(4 182 415)	(4 182 415)	1 548 974	(2 633 441)
–	–	20 694 200	–	–	20 694 200	–	20 694 200
–	3 002 863	–	–	–	3 002 863	–	3 002 863
–	(2 416 703)	–	–	–	–	–	–
8 028 743	–	–	–	–	–	–	–
(9 365 806)	–	–	–	–	(9 365 806)	–	(9 365 806)
–	–	–	–	–	(12 092 610)	–	(12 092 610)
–	–	–	–	–	–	(30 528 245)	(30 528 245)
(1 337 063)	12 355 549	27 670 101	33 353 081	554 161 785	898 794 959	127 025 516	1 025 820 475
(1 337 063)	**12 355 549**	**27 670 101**	**33 353 081**	**554 161 785**	**898 794 959**	**127 025 516**	**1 025 820 475**
–	**–**	**(14 346 706)**	**–**	**(16 499 577)**	**(30 846 283)**	**7 847 358**	**(22 998 925)**
–	**–**	**–**	**–**	**(16 499 577)**	**(16 499 577)**	**7 847 358**	**(8 652 219)**
–	**–**	**(14 346 706)**	**–**	**–**	**(14 346 706)**	**–**	**(14 346 706)**
–	**805 567**	**–**	**–**	**–**	**805 567**	**–**	**805 567**
18 042 164	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(16 705 101)	**–**	**–**	**–**	**–**	**(16 705 101)**	**–**	**(16 705 101)**
–	**–**	**–**	**–**	**–**	**(16 084 197)**	**–**	**(16 084 197)**
–	**–**	**–**	**–**	**–**	**–**	**(6 380 000)**	**(6 380 000)**
–	**13 161 116**	**13 323 395**	**33 353 081**	**537 662 208**	**835 964 945**	**128 492 874**	**964 457 819**
16	17		19			6	

STATEMENTS OF **CHANGES IN EQUITY**

for the year ended 31 August 2021 (continued)

COMPANY

	Share capital R	Share premium R	Total share capital R
Balance at 1 September 2019	2 189 706	288 106 450	290 296 156
Total comprehensive loss for the year	–	–	–
Treasury shares cancelled	(31 546)	(7 997 197)	(8 028 743)
Treasury shares acquired	–	–	–
Share-based payment expense	–	–	–
Restricted shares issued in terms of share incentive scheme	8 951	2 407 752	2 416 703
Capital distribution	–	(12 092 610)	(12 092 610)
Balance at 31 August 2020	2 167 111	270 424 395	272 591 506
Balance at 1 September 2020	**2 167 111**	**270 424 395**	**272 591 506**
Total comprehensive loss for the year	**–**	**–**	**–**
Treasury shares cancelled	**(81 060)**	**(17 961 104)**	**(18 042 164)**
Treasury shares acquired	**–**	**–**	**–**
Share-based payment expense	**–**	**–**	**–**
Capital distribution	**–**	**(16 084 197)**	**(16 084 197)**
Balance at 31 August 2021	**2 086 051**	**236 379 094**	**238 465 145**
Notes	16	16	16

Treasury shares R	Convertible debentures R	Share-based payment reserve R	Accumulated loss R	Total equity R
–	30 742 072	11 769 389	(142 080 224)	190 727 393
–	–	–	(3 983 806)	(3 983 806)
8 028 743	–	–	–	–
(9 365 806)	–	–	–	(9 365 806)
–	–	3 002 863	–	3 002 863
–	–	(2 416 703)	–	–
–	–	–	–	(12 092 610)
(1 337 063)	30 742 072	12 355 549	(146 064 030)	168 288 034
(1 337 063)	**30 742 072**	**12 355 549**	**(146 064 030)**	**168 288 034**
–	**–**	**–**	**(3 763 862)**	**(3 763 862)**
18 042 164	**–**	**–**	**–**	**–**
(16 705 101)	**–**	**–**	**–**	**(16 705 101)**
–	**–**	**805 567**	**–**	**805 567**
–	**–**	**–**	**–**	**(16 084 197)**
–	**30 742 072**	**13 161 116**	**(149 827 892)**	**132 540 441**
	18	17		

STATEMENTS OF **CASH FLOWS**

for the year ended 31 August 2021

	Notes	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Cash flows from operating activities					
Cash generated from operations	31	120 442 433	112 624 581	100 685	14 804
Finance income		7 871 591	7 874 929	62 360	90 691
Dividends received		443 788	–	1 875	95 359
Finance costs		(86 239 711)	(98 079 549)	–	–
Income tax paid	32	(20 922 862)	(17 887 284)	–	–
Dividends paid to non-controlling interest		(4 880 000)	(22 896 184)	–	–
Net cash inflow/(outflow) from operating activities		16 715 239	(18 363 507)	164 920	200 854
Cash flows from investing activities					
Acquisition of property, plant and equipment	3	(41 298 081)	(81 451 718)	–	–
Acquisition of and addition to investment properties	4	(4 992 746)	(5 186 841)	–	–
Proceeds on disposal of non-current assets		68 574 100	35 112 459	–	–
Loans receivable repaid		–	9 698 952	–	–
Loans advanced to group companies		–	–	–	(59 128)
Loans repaid by group companies		–	–	29 055 438	24 869 980
Proceeds on disposal of joint venture		–	19 382 062	–	–
Loan advanced to joint ventures and associates		(4 600 000)	(5 050 000)	–	–
Loans repaid by joint ventures and associates		8 197 768	7 390 756	–	–
Acquisition of investments		–	(2 966 976)	–	–
Shares repurchased by associates		–	4 566 240	–	–
Proceeds on disposal of investments		2 830 041	55 337	–	–
Net cash inflow/(outflow) from investing activities		28 711 082	(18 449 729)	29 055 438	24 810 852
Cash flows from financing activities					
Acquisition of treasury shares		(16 705 101)	(9 365 806)	(16 705 101)	(9 365 806)
Capital distribution	40	(16 084 197)	(12 092 610)	(16 084 197)	(12 092 610)
Decease in borrowings	31.1	(2 734 332)	(1 606 232)	–	–
Increase in borrowings	31.1	34 057 649	72 160 832	–	–
Net cash (outflow)/inflow from financing activities		(1 465 981)	49 096 184	(32 789 298)	(21 458 416)
Net cash increase/(decrease) in cash and cash equivalents		43 960 340	12 282 948	(3 568 940)	3 553 290
Foreign exchange translation adjustments on cash and cash equivalents		(738 783)	1 557 236	–	–
Cash and cash equivalents at the beginning of the year		160 273 541	146 433 357	3 908 896	355 606
Total cash and cash equivalents at the end of the year		203 495 098	160 273 541	339 956	3 908 896

1. Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, the JSE Listings Requirements, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa.

Functional and presentation currency

These financial statements are presented in South African Rands, which is the functional currency and presentation currency of the company and the group.

(a) International reporting standards adopted during the year

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The group applied the amendments relating to the definition of material in terms of IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors for the first time from 1 September 2020. The amendments relating to the definition of "material" clarify that materiality will depend on the nature and/or magnitude of information individually or in combination in the context of the financial statements; it explains how "obscured" information is similar to omitting or misstatement; and replaces the threshold of "could influence" with "could reasonably be expected to influence" in the definition of "material". The materiality assessment only considers reasonably expected influence on economic decisions of primary users. The amendment did not have a material impact on the group.

Conceptual Framework for Financial Reporting

The conceptual framework, including some new concepts providing updated definitions and recognition criteria for assets and liabilities, and clarifying some important concepts, was adopted for the first time from 1 September 2020 and did not have a material impact on the group.

IFRS 16 – Leases

Amendment to IFRS 16 relating to the impact of Covid-19-related rent concessions has on lease modifications as per IFRS 16. This amendment did not have a material impact on the group.

(b) International reporting standards not yet effective

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments relating to the definition of accounting estimates which distinguishes clearly between a change in accounting policy and a change in accounting estimate, revises the definition of an accounting estimate, provides reworded and specific examples of accounting estimates and clarifies that measurement techniques and inputs used in developing accounting estimates are not accounting policies. The group does not expect the amendment to have a material impact. The amendment to the standard is effective for periods beginning on or after 1 January 2023.

IAS 1 – Presentation of Financial Statements

Amendment relating to the classification of liabilities as current or non-current. Classification is to be based on whether the right to defer settlement by at least 12 months exists at the end of the reporting period; classification is unaffected by expectation of settlement; settlement refers to transfer of cash equity instruments, other assets or services; and clarifies that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Amendment relating to disclosure of accounting policies which are to be disclosed where the information is material, by nature or amount; explains when accounting policy information is considered material; and clarifies that when an entity chooses to disclose an immaterial accounting policy it must not obscure or affect other material or required disclosures.

The group does not expect the amendments to have a material impact. The amendment to the standard is effective for periods beginning on or after 1 January 2023.

IAS 12 – Income Taxes

Amendment relating to deferred tax related to assets and liabilities arising from a single transaction which narrows the scope of the exemption for recognition of taxable/deductible temporary differences that arise on certain transactions. The transaction should not give rise to equal taxable and deductible temporary differences. Further clarification that deferred tax must be recognised on initial recognition of IFRS 16 – Leases and similar types of transactions that give rise to the recognition of an asset and a liability, such as decommissioning, restoration and similar liabilities with corresponding amounts recognised as part of the related asset. The group does not expect the amendment to have a material impact. The amendment to the standard is effective for periods beginning on or after 1 January 2023.

Interest Rate Benchmark reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Amendments which provide temporary relief to address financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR") ("IBOR reform") including contractual and cash flow changes – to be treated as changes due to a floating rate of interest. The group has loans with JIBAR-linked rates (refer to note 20). The South African Reserve Bank will follow international progress on IBOR reform and identify a suitable reference rate for South Africa. Currently this rate has not been identified and the impact of the IBOR reform cannot be determined.

IFRS 3 – Business Combinations

Amendment which adds a requirement that transactions and other events within the scope of IAS 37 or IFRIC 21 must be accounted for per IAS 37 and IFRIC 21 to identify the liabilities assumed in a business combination and adds an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. The adoption of this amendment is applicable to the financial years beginning on or after

1 January 2022 and the group has not yet assessed the impact of this amendment.

IFRS 9 – Financial Instruments

Amendment: Fees in the "10 percent" test for derecognition of financial liabilities which clarifies which fees must be applied in the application of the "10 percent" test when assessing whether to derecognise a financial liability. Only include fees paid or received between the borrower and the lender, including those paid or received on the other's behalf. The adoption of this amendment is applicable to the financial years beginning on or after 1 January 2022 and the group has not yet assessed the impact of this amendment.

(c) Significant sources of estimation uncertainty

In preparing the annual financial statements, management has made estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant sources of estimation uncertainty include:

Impairment of financial assets

The group assesses loans and receivables for impairment on an ongoing basis. Refer to notes 2(b)(ii) and 2(b)(iv) below for factors that are considered in determining whether a receivable is impaired.

Fair value of investment property and land and buildings

The fair value of property is measured at the reporting date as determined by the directors or independent professional valuers, taking into account the effect of lease smoothing in terms of IAS 40. The fair value of properties is estimated using either an income approach which capitalises the estimated rental income stream, net of projected operating costs or the discounted cash flow model or recent sales information of similar properties in the same development, or a combination of the valuation approaches. Refer to note 36 for detail on assumptions applied in the valuation of property.

Property, plant and equipment

Items of property, plant and equipment are depreciated over their useful lives. The useful life of an item of property, plant and equipment is the period over which the group expects to use the item. Useful lives of assets are reviewed annually. The group uses the following indicators to determine useful life:

- expected usage of assets;
- expected physical wear and tear; and
- technical and commercial obsolescence.

The estimated useful lives for the current and comparative periods are as follows:

• Fixtures and fittings	5 years
• Motor vehicles	4 – 5 years
• Office furniture and equipment	6 years
• Harbour equipment	3 years
• Moorings	5 – 10 years
• IT equipment	3 years
• School equipment	5 years
• Buildings	50 – 75 years
• Land	Not depreciated

Share-based payments

Equity-settled share-based payments relating to the debenture incentive scheme are measured at fair value using the Black-Scholes valuation model. Refer to note 2(d)(ii) for the accounting policy and to note 17 for the significant assumptions applied in the valuation model.

Incremental borrowing rate implicit in the lease

The group cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example the lease terms). The group estimated the IBR using long-term historic interest rates in South Africa as the group believes this is the rate they would receive if they were to enter into a finance arrangement under terms and conditions similar to those of the lease entered into. The reasonableness of using this rate as a reference is supported by the fact that other financing activities (overdraft facilities and instalment sale agreements) conducted within the group have a cost of financing within a similar range. The rate of 9.69% is reflective of certain entity-specific estimates such as the company's stand-alone credit rating, lease term, nature of the asset and possible security. The IBR was calculated using this external funding rate as a starting point.

(d) Significant judgements

Group accounting

Consolidated structured entities

Subsidiary companies include the Trematon Share Incentive Trust, set up for the benefit of the group's employees. This trust is consolidated in the group results because the group effectively controls it through the specific mechanisms that were established when the trust was formed.

Also included as subsidiary companies are property investment trusts over which the group has control by virtue of majority trustee representation and rights to a majority of the variable returns from the trust. These include the Resi Investment Trust and Lion Property Investment Trust.

Taxation

Management may need to assess, from time to time, the extent to which it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Management has not recognised a deferred tax asset for the assessed loss in the company as it is not sufficiently probable that the related tax benefit will be realised. All other companies in the group with deferred tax asset balances are currently trading and expect to make profits which will enable them to recover the deferred tax assets.

The deferred tax rate applied to assets is determined by the expected manner of recovery, while the fair value adjustments of investment property in its entirety will be recovered through sale. Where the expected recovery of the asset is through sale, the effective capital gains tax rate of 22.40% (2020: 22.40%) is used.

If the expected manner of recovery is through use, the normal tax rate of 28% (2020: 28%) is applied.

Management does not consider the change in tax rate to 27% announced in the February 2021 budget speech to be substantively enacted and have therefore recognised deferred tax at a rate of 28%. The tax rate change is not yet promulgated and the Income Tax Act has not yet been changed, there is therefore uncertainty whether the tax rate will be changed to 27%.

Covid-19

The outbreak of the Covid-19 pandemic which resulted in a nationwide lockdown in March 2020 has had a significant impact on the world and South African economy. The group was not an essential service provider, however they continued operating during the lockdown with staff working from home. The group has treated the impact of the Covid-19 pandemic as an adjusting event and, other than as summarised in the directors' report, it did not result in any significant adjustments to the group's annual financial statements for the year ended 31 August 2021. The group is continuing to monitor the impact of the pandemic and there are no material adjustments to the results post year-end. The impact of Covid-19 is included in these results.

Significant judgements include the following:

Impairment of financial assets

Trade receivables and other financial assets are impaired through the use of an allowance account and the amount of the loss is recognised in profit or loss. Recoveries are written back to other income. There was an increase in the allowance for credit losses at the end of the 2021 financial year due to the impact of Covid-19. Please refer to note 13; the impact was not material.

Investment property and land and buildings

Investment property and land and buildings are carried at fair value. The impact of Covid-19 has been taken into account when valuing the properties at year-end. Refer to note 36 for detail on the assumptions used by management in determining the fair values at year-end.

Going concern assessment due to Covid-19

The Covid-19 pandemic situation is still uncertain and management will continue to monitor the impact on the business subsequent to year-end. Covid-19 was treated as an adjusting event – refer to note 42.

Classification of investment property as non-current assets held-for-sale

Investment property is classified as held-for-sale if its carrying amount is expected to be recovered primarily through sale rather than through continuing use. Investment property classified as non-current assets held-for-sale will be reclassified back to investment property in the event that the sale is no longer highly probable, including where the sale is no longer expected to qualify for recognition as a completed sale within one year. Refer to note 4 for additional information.

Leases

The lease referred to in note 5 contains an option to terminate and extend the lease. Judgement is required in determining whether there is reasonable certainty whether these options will be exercised. As at 31 August 2021 it was determined that there is no reasonable certainty that the lease will be terminated or extended, therefore the lease has been accounted for over the initial lease period of 15 years. It is unlikely that the group will exercise the option to terminate the lease within four years. It takes a number of years to establish a school and for the school to become profitable, therefore the group is highly likely to commit to the lease for longer than four years. The cancellation option included in the lease was not included as part of the lease term as it is not reasonably certain that the group will exercise this option. The decision regarding the extension will be impacted by uncertain future economic factors such as competition in the market and the impact of online learning compared to face-to-face learning.

2. Significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the group.

Company financial statements
Investments in subsidiaries are carried at cost less any accumulated impairment.

Group financial statements
Subsidiaries are consolidated from the date that control commences until the date that control ceases.

Non-controlling interests are measured at their proportionate share of the acquiree's net assets.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

(ii) Joint ventures

Joint ventures are arrangements jointly controlled by the group in which the group has rights to the net assets of the arrangement.

Company financial statements
Investments in joint ventures are carried at cost less accumulated impairment losses.

Group financial statements
Joint ventures are accounted for using the equity method. They are initially recognised at cost and subsequently increased or decreased by the group's share of income and expenses and equity movements in the joint venture from the date that joint control commences until the date that joint control ceases.

When the group's share of losses exceeds its interest in joint ventures, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the joint venture.

In instances where the year-ends of joint ventures differ from that of the group, monthly management accounts are used to ensure information is reported coterminous with the group's year-end.

(iii) Associates

Associates are entities over whose activities the group has significant influence but not control or joint control. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power or beneficial interest of another entity.

Company financial statements
Investments in associates are carried at cost less accumulated impairment losses.

Group financial statements
Associates are accounted for using the equity method and are initially recognised at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The investment in the associate is subsequently increased or decreased by the group's share of the income and expenses and equity movements in the associates, from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the associate.

In instances where the year-ends of associates differ from that of the group, monthly management accounts are used to ensure information is reported coterminous with the group's year-end.

Foreign associates
The results and financial position of foreign associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income.

(iv) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Changes in ownership

Transactions which result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the carrying amount of the change in the non-controlling interest and the consideration paid or received is recognised in accumulated profit.

(b) Financial instruments

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss. The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial liabilities at amortised cost are recognised initially at fair value.

Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the group commits itself to purchase or sell the asset.

(i) Financial assets at fair value through profit or loss (mandatory)

An investment in a listed or unlisted share held-for-sale in the near term is mandatorily measured at fair value through profit or loss. These financial instruments are measured at fair value, with changes recognised in profit or loss. Upon disposal the realised profit on sale of these investments is presented within "total realised profit" in the statement of profit or loss. Net gains or losses on items at fair value through profit or loss exclude interest and dividend income.

(ii) Trade and other receivables

Trade and other receivables are classified as financial assets subsequently measured at amortised cost, using the effective interest method.

Impairment

The group recognises a loss allowance for expected credit losses ("ECLs") on trade and other receivables. The amount of ECLs is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime ECLs, which represents the ECL that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The group makes use of a provision matrix as a practical expedient for the determination of ECLs on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. Forward-looking information includes the evaluation of industry-specific statistics regarding average recoveries post default, default rates observed in the education and property industry as well as the general financial health of the group's debtors.

The customer base is split into different portfolios, namely rental income and school fees. Each portfolio is assessed for impairment separately, however the loss allowance for the customers within each portfolio can be calculated on a collective basis due to their nature and similar loss patterns.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

(iii) Cash and cash equivalents

Cash and cash equivalents are classified as financial assets measured at amortised cost. Cash and cash equivalents include cash on hand, brokerage cash accounts, deposits held at call banks and other short-term highly liquid investments with maturity of three months or less at the date of purchase.

(iv) Loans receivable (including loans to group companies)

Loans receivable are initially recognised at fair value.

The loans are classified as financial assets measured at amortised cost, using the effective interest method. The loans are held to collect contractual cash flows on the principal amount and interest over the term of the loan. Loans receivable for which no repayment terms have been set are regarded as being repayable on demand.

Impairment

Subsequent to initial recognition the loans are tested for impairment using the general approach.

The group measures the loss allowance at an amount equal to lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12-month ECL.

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a loan. In contrast 12-month ECL represents the portion of a lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply a lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Impairment of loans with no fixed terms of repayment

For loans receivable with no fixed terms of repayment, ECLs are based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the probability of default is usually small and the ECL is immaterial as a result. If the borrower could not repay the loan if demanded at the reporting date, the group considers the expected manner of recovery to measure ECLs. This includes a "repay over time" strategy.

If the recovery strategies indicate that the lender would fully recover the outstanding balance of the loan, the ECL is limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which is regarded as 0% if the loan is interest free) over the period until cash is realised. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, no impairment loss is recognised.

If the full balance of the loan cannot be recovered over time, a loss allowance is recognised in profit or loss.

Significant increase in credit risk on loans receivable

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. This information includes budgets and forecasts and the financial health of the entity, as well as the future prospects of the industry in which the borrower operates.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Definition of default on loans receivable

The group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless the group has reasonable and supportable information that demonstrates otherwise.

For loans repayable on demand the group considers that an event of default has occurred if the borrower does not repay the loan when demanded. The group writes off a loan when there is information indicating that the borrower is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the borrower has been placed under liquidation or has entered into bankruptcy proceedings.

(v) Write-off policy of financial assets

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

(vi) Loans payable

Loans payable are recognised initially at fair value, net of transaction costs incurred. Loans payable are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Loans payable are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(vii) Trade payables

Trade payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method. Trade payables are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(viii) Convertible debentures (company financial statements)

Compulsory convertible debentures are compound instruments, consisting of a liability component and an equity component. At the date of issue the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds on and the fair value assigned to the liability component is included in equity under "convertible debentures" net of any related tax effect. The liability component is carried at amortised cost.

Upon redemption of the debentures, the amount recognised within equity, is transferred from "convertible debentures" to "share capital" in the statement of changes in equity.

(c) Equity

(i) Share capital and share premium

Ordinary shares are classified as equity and are recognised at the proceeds received upon issue. Incremental costs directly attributable to issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(ii) Treasury shares

Shares in the company held by the company or any subsidiaries of the group are recorded at cost, including any external costs of acquisition, and are deducted from equity as treasury shares. When these shares are subsequently sold or reissued, their cost is released and any gains or losses are included in share premium.

(d) Share-based payments

(i) Share incentive scheme

Ordinary shares that are granted to directors and selected employees at a fixed price at the vesting date are classified as equity-settled share-based payment transactions.

The share-based expense and the amount to be settled in shares is calculated using a formula based on the group's performance. This formula calculates a total bonus to be awarded (the bonus pool), which is then split up between the employees that participate in the scheme. The bonus is recognised as an employee benefit expense and an increase in the share-based payment reserve in equity on a straight-line basis over the vesting period. Any restricted shares issued in terms of the scheme decrease the share-based payment reserve.

(ii) Debenture incentive scheme

Debentures that are granted to directors and selected employees that are convertible to ordinary shares at their option at a fixed exercise price have an equivalent effect to share options and are classified as equity-settled share-based payment transactions.

These are measured at the fair value of the effective share option granted and are recognised as an employee benefit expense and an increase in the share-based payment reserve in equity on a straight-line basis over the three-year vesting period.

The fair value of the effective options is measured using the Black-Scholes valuation model.

The amount recognised in the share-based payment reserve related to any settled option is transferred to accumulated profit when options are exercised.

(e) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for land and buildings, which are measured at revalued amounts less accumulated depreciation and accumulated impairment losses.

Land is not depreciated.

The accumulated depreciation of the buildings is determined by using the proportionate restatement method with no transfer of the reserve to retained earnings.

(f) Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss in the period in which it arises.

Investment property is transferred to non-current assets held for sale in accordance with the group's accounting policy for non-current assets held-for-sale (see note 2(q) below).

Investment property is considered to be disposed of and is derecognised on date of transfer. The profit on disposal is recognised in profit or loss on date of transfer.

(g) Inventories

Inventories consist of developed and undeveloped property and is measured at the lower of cost and net realisable value.

The cost of the inventories is assigned using the specific identification method.

(h) Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. The recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right of-use assets are subject to impairment, in terms of IAS 36 – Impairment of Assets.

(i) Lease liabilities

At the commencement date of the lease the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date for all lease agreements for which the group is a lessee.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option;
- penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease; and

- lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments' change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

The lease payments also include payments of penalties for terminating a lease if the lease term reflects the group exercising the option to terminate.

In calculating the present value of lease payments the group uses the incremental borrowing rate at the lease commencement date. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The escalation in the lease payments is the lower of consumer price index ("CPI") plus 2% and increase in school fees minus 2%. The variable portion is adjusted for by making an adjustment to the lease liability and profit or loss when the lease payments change based on the agreed terms. The lease liability is calculated by adjusting the payments for increases linked to CPI. This is expected to be the most likely increase. Should the increase be linked to school fees, then the adjustment will be considered a variable lease payment.

(j) Fair value reserve

The fair value reserve comprises the cumulative change, net of deferred tax, in the revaluation of land and buildings.

(k) Borrowing costs

Borrowing costs are capitalised to the cost of developed properties within inventories and buildings under construction within property, plant and equipment to the extent that they are directly attributable to their construction. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to the part of development cost financed out of general funds, the weighted average cost of borrowings.

All other borrowing costs are recognised in profit or loss using the effective interest method.

(l) Revenue

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognised as an integral part of the total rental income over the term of the lease. Rental income is paid in advance on a monthly basis.

Adjustments to leases which do not qualify as a lease modification are treated as a variable lease payment with a reduction in lease payments debited against rental income.

School and registration fees

School and registration fees are measured based on the transaction price in accordance with the school fee structure. Revenue from providing these services is recognised in the accounting period in which the services are rendered.

The school services are rendered on a consistent basis throughout the year and revenue is therefore recognised on a similar straight-line basis. Payment is received in advance on a monthly basis.

Registration fees are paid to grant access to or to provide a right to use a school. Registration fees paid are non-refundable and are recognised over the student's attendance period.

Sale of property

Revenue from sale of property and land is recognised once control has transferred to the customer. This is considered to be at a point in time when the property is registered in the customer's name as the risks and rewards of ownership pass to the customer at this point. Transfer of the property only takes place once payment has been made. The sale of the property is facilitated by a solicitor.

Commission

Commission is charged to owners for renting out their property on their behalf and the commission is recognised at a point in time when a tenant has been placed into the unit. The units are rented out on a short-term basis. The commission earned is the net amount of the consideration received after paying the owners' rental income, at which point the commission is paid.

Other revenue

Other revenue consists of various goods and services which is recognised at a point in time as and when the services are performed or the goods are sold. Payment is received when the services are performed or when the goods are sold.

There are no contracts with variable consideration components as well as multiple performance obligations.

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

Interest income is recognised as it accrues, using the effective interest method.

(m) Employee benefits

Short-term employee benefits include basic salaries, bonuses, paid annual leave and sick leave. The cost of short-term employee benefits is recognised in the period in which the related service is rendered and is not discounted.

(n) Income tax

The group implements a "comprehensive balance sheet method" of accounting for income taxes which recognises both the current tax consequences of transactions and events and the future tax consequences of the future recovery or settlement of the carrying amount of the entity's assets and liabilities (accounted for as deferred tax).

Current tax is recognised in accordance with relevant legislation. For transactions and events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and events recognised in other comprehensive income or directly in equity, the related tax effect is also recognised in other comprehensive income or directly in equity.

Differences between the carrying amount and tax base of assets and liabilities, and carried forward tax losses, are recognised, with limited exceptions, as deferred tax liabilities or deferred tax assets.

(o) Guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the ECL model under IFRS 9 – Financial Instruments. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(p) Segmental reporting

The principal segments of the group have been identified by investment genre. The basis is representative of the internal structure used for management reporting.

(q) Costs of property and land sold

Costs of property and land sold comprise the carrying amount of inventories sold during the period and any write-down of inventories to net realisable value.

(r) Non-current assets held-for-sale

Non-current assets are classified as assets (or disposal groups) held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

For the sale to be highly probable management must be committed to the sale and an active programme to locate a buyer and complete the plan must have been initiated. Further, the assets must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held-for-sale are measured at the lower of their carrying amount and fair value less cost to sell, other than certain assets such as investment properties, which are measured at fair value.

A non-current asset is not depreciated while it is classified as held-for-sale.

(s) Financial risk management

(i) Overview

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

- credit risk;
- liquidity risk; and
- market risk.

This note and note 33 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.

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's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The audit and risk committee oversees how management monitors 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.

(ii) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and credit risk arises principally from the group's loans to group companies, loans receivable, trade and other receivables, and cash balances.

Loans receivable

The group's exposure to credit risk on loans receivable is influenced by the underlying value of the asset. The entities to whom loans have been advanced does not have highly liquid assets. Recovery of the loan is assessed based on the long-term strategy of recovery, based on the value of the underlying asset for which the loan has been advanced. Management assesses the recoverability of loans receivable by reference to the listed share price or fair value of borrower's investments.

The value of the underlying asset is adjusted with market information to identify any decrease in value in future which can impact the recoverability of the loan. The impairment of the loan also takes into consideration a change in the expected timing of recovery of the loan. If the expectation of recovery changes, for example, if the repayment of loan is later than originally anticipated there would be an impairment due to the time value of money. The maximum exposure to credit risk is limited to the total carrying value of the loan receivable as at the reporting date.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the characteristics of each debtors book, rent receivable and school fees receivables. Management also considers the factors that may influence credit risk, including the default risk of the industry in which customers operate. For the different portfolios different economic factors will be considered. The credit-granting policy is set on a group basis and managed at operating entity level. Each business unit in the group is responsible for the management of credit risk in receivables and does so through ongoing credit evaluations and credit control policies and procedures.

Bank balances

The group only deposits cash with major banks with high-quality credit standing and limits exposure to any one counterparty. The cash brokerage account is held by a reputable institution in South Africa.

Guarantees

The group's exposure to credit risk on guarantees is influenced by the underlying value of the asset. Management assesses the credit risk with reference to the underlying asset for which the group stands as surety.

(iii) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have 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.

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.

The group ensures there is sufficient cash on demand through borrowing facilities and operating profits.

(iv) Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the group'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 returns.

(v) Currency risk

The group has no significant exposure to currency risk.

(vi) Interest rate risk

The group's only exposure to interest rate risk relates to bank balances, loans receivable, trade receivables and loans payable which are subject to variable market-related interest rates.

(vii) Other market price risk

Equity price risk arises from investments in equity instruments classified as available-for-sale and financial assets at fair value through profit or loss – held-for-trading.

Management monitors the equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the board of directors. The primary goal of the group's investment strategy is to maximise investment returns.

(viii) Capital management

Capital is regarded as total equity. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, to sustain future developments of the business and ensure the group will continue as a going concern whilst maximising returns to shareholders.

The level of dividends paid by the group is determined with reference to the liquidity and solvency of the group as well as consideration of forecasts.

The group aims for a maximum loan to value ratio of 70% for ARIA and 50% to 60% for GenEd and RESI. The ratios are monitored by the executive directors and each business was within their target range during the current financial year.

Financial covenants

There are externally imposed covenant requirements on the bank debt in ARIA and GenEd. The following covenants apply to the borrowings:

GenEd:
- the ratio of EBITDA to interest payable shall be not less than four times
- the EBITDA to gross debt ratio shall not be less than 2.5 times cover
- Trematon INAV to exceed R500 million
- minimum number of students to exceed 1 536
- performance covenants to be met by GenEd are revenue to exceed R154.9 million (2020: R118.5 million) and EBITDA to exceed R25.6 million (2020: R7.3 million) for the school calendar year

ARIA:
- the ratio of EBITDA to interest payable ranges between a minimum of not less than 1.25 and 1.6 times
- the minimum loan to value ratio ranges between 62% and 65%

None of the ARIA financial covenants were breached during the current and prior financial year and all indications are that future covenants will comfortably be met.

The financial covenants for GenEd are expected to be met for the 2021 calendar year. In the prior year GenEd missed their revenue covenant due to additional revenue items such as extra-mural activities and food not being charged for as students were not physically attending school due to the Covid-19 pandemic. The EBITDA performance covenant was met for the 2020 school year. The loan has a maturity date of 13 December 2021 and is classified as current in the statement of financial position. Management is busy finalising the extension of this loan and is confident it will be concluded prior to the maturity date.

The board of directors monitors the return on capital, which the group defines as profit attributable to equity holders of the parent divided by total equity attributable to equity holders of the parent, excluding non-controlling interest, on a continuous basis as follows:

	GROUP		COMPANY	
	2021 R	2020 R	**2021 R**	2020 R
Loss attributable to equity holders of the parent	**(16 499 577)**	(4 182 415)	**(3 763 862)**	(3 983 806)
Total equity attributable to equity holders of the parent	**835 964 945**	898 794 959	**132 540 441**	168 288 034
Ratio of loss to total shareholders' equity	**(2%)**	(0.5%)	**(3%)**	(2%)

There were no changes in the group's approach to capital management during the year.

3. Property, plant and equipment

	2021			2020		
	Cost/ valuation R	Accumulated depreciation R	Carrying value R	Cost/ valuation R	Accumulated depreciation R	Carrying value R
GROUP						
Land and buildings	315 471 199	(5 793 356)	309 677 843	300 373 025	(7 475 991)	292 897 034
Fixtures and fittings	15 467 591	(5 361 820)	10 105 771	10 174 596	(3 076 366)	7 098 230
Motor vehicles	6 796 953	(2 064 407)	4 732 546	2 170 216	(1 143 287)	1 026 929
Office furniture and equipment	14 649 966	(6 601 623)	8 048 343	10 266 489	(4 915 759)	5 350 730
Harbour equipment and moorings	4 997 882	(1 958 814)	3 039 068	2 053 506	(1 764 473)	289 033
IT equipment	17 389 595	(11 362 342)	6 027 253	13 992 825	(7 232 278)	6 760 547
School equipment	8 064 287	(4 576 080)	3 488 207	5 830 650	(3 460 383)	2 370 267
	382 837 473	(37 718 442)	345 119 031	344 861 307	(29 068 537)	315 792 770

Reconciliation of property, plant and equipment

	Opening balance R	Additions R	Disposals R	Depreciation R	Closing balance R
2021					
Land and buildings	292 897 034	17 794 390	(652 174)	(361 407)	309 677 843
Fixtures and fittings	7 098 230	5 292 994	–	(2 285 453)	10 105 771
Motor vehicles	1 026 929	4 626 738	–	(921 121)	4 732 546
Office furniture and equipment	5 350 730	4 383 478	–	(1 685 865)	8 048 343
Harbour equipment and moorings	289 033	3 485 573	(541 197)	(194 341)	3 039 068
IT equipment	6 760 547	3 481 272	–	(4 214 566)	6 027 253
School equipment	2 370 267	2 233 637	–	(1 115 697)	3 488 207
	315 792 770	41 298 082	(1 193 371)	(10 778 450)	345 119 031
2020					
Land and buildings	226 701 473	66 557 074	–	(361 513)	292 897 034
Fixtures and fittings	2 590 191	5 863 502	–	(1 355 463)	7 098 230
Motor vehicles	1 054 754	411 385	(40 351)	(398 859)	1 026 929
Office furniture and equipment	6 210 449	752 931	(19 686)	(1 592 964)	5 350 730
Harbour equipment and moorings	195 193	554 972	–	(461 132)	289 033
IT equipment	3 654 274	6 411 863	(10 430)	(3 295 160)	6 760 547
School equipment	2 577 753	899 991	(4 737)	(1 102 740)	2 370 267
	242 984 087	81 451 718	(75 204)	(8 567 831)	315 792 770

Expenditure incurred on construction of property, plant and equipment, included in additions above, amounted to R17.3 million for the year (2020: R67 million). Borrowing costs capitalised relating to the construction of property, plant and equipment amounted to R0.3 million (2020: R1.2 million) at a rate linked to prime.

The group has entered into capital commitments amounting to Rnil (2020: R13 million).

The carrying amount of land and buildings would have amounted to R280 million (2020: R263 million) had land and buildings been recognised under the cost model.

Refer to note 36 for detailed information on the revaluation of land and buildings.

4. Investment properties

	Notes	GROUP 2021 R	GROUP 2020 R
Carrying value		**1 481 253 729**	1 548 182 775
Carrying value at the beginning of the year		**1 548 182 775**	1 659 732 822
Straight-line rental income adjustment against investment properties		**(5 457 988)**	6 244 215
Fair value adjustment on investment properties	36	**(10 277 288)**	(7 711 864)
Disposal of investment properties		**(53 120 722)**	(35 934 422)
Transfer to non-current assets held-for-sale	41	**(6 892 747)**	(91 411 180)
Additions to investment properties		**8 819 699**	17 263 204
Carrying value at the end of the year		**1 481 253 729**	1 548 182 775
The carrying value comprises:			
Straight-line lease asset		**35 541 440**	40 999 428
Investment property		**1 445 712 289**	1 507 183 347
		1 481 253 729	1 548 182 775
Income and expenses relating to investment properties:			
Income from investment properties		**239 493 201**	259 853 956
Direct expenses from income-generating investment properties		**(112 059 231)**	(108 462 728)

The total value of investment properties pledged as security amounts to R1.36 billion (2020: R1.43 billion).

In the current year ARIA sold a property, namely The Wang in Gauteng, for a total consideration of R18.5 million, resulting in a profit on disposal of R1.6 million.

RESI, which includes Tremprop (Pty) Limited, The Resi Investment Trust and Lion Property Investment Trust, disposed of multiple residential properties for a total net consideration of R37.1 million, resulting in a profit on disposal of R1 million.

The above profits arose due to the disposal properties being sold at prices above their carrying values.

Non-current assets held-for-sale relate to properties held by CML and RESI where sale agreements were entered into before year-end. These assets therefore meet the definition of non-current assets held-for-sale and are carried at the total selling price less costs to sell with the majority of properties awaiting transfer. No gain or loss is expected on disposal of the investment properties as the investment properties are carried at their fair value which is based on signed sale agreements.

In the prior year an investment property situated in Gansbaai and owned by ARIA was classified as a non-current asset held-for-sale and was sold for a consideration of R53.7 million.

In the prior year residential properties owned by the RESI group were classified as non-current assets held-for-sale and were sold for a consideration of R36.7 million.

Property valuations

The fair value of the investment properties, which equals the carrying value, is based on directors' valuations. Refer to note 36 for the detailed valuation techniques used.

5. Right-of-use asset

	GROUP	
	2021 R	2020 R
Balance at the beginning of the year	–	–
New leases	74 056 108	–
Depreciation	(3 291 383)	–
Balance at the end of the year	70 764 725	–
Cost	74 056 108	–
Accumulated depreciation	(3 291 383)	–
Net book value	70 764 725	–
Amounts recognised in profit and loss:		
Depreciation expense of right-of-use asset	(3 291 383)	–
Interest expense on lease liabilities	(4 887 371)	–
Total cash flows recognised	920 000	–
Repayments of interest	920 000	–

The group has no commitments to short-term leases.

The group leases a property in which a Generations school in Somerset West operates. The lease was entered into during the current year for a period of 15 years.

The lease liability is disclosed in note 23.

6. Investments in subsidiaries

Name of entity	Principal activity	COMPANY % holding/control 2021	2020	Carrying amount 2021 R	2020 R
Held directly					
Tremgrowth (Pty) Limited	Equity investments	**100.0**	100.0	**10**	10
Tremtrade (Pty) Limited	Equity investments	**100.0**	100.0	**10**	10
Trematon Share Incentive Trust	Share incentive	**100.0**	100.0	**–**	–
Held indirectly					
Club Mykonos Langebaan (Pty) Limited	Property and investments	**100.0**	100.0	**–**	–
Club Mykonos Executive Sales (Pty) Limited	Property investments	**100.0**	100.0	**–**	–
Club Mykonos Langebaan Rental Services Company (Pty) Limited	Property management	**100.0**	100.0	**–**	–
Club Mykonos Langebaan Resort Managers (Pty) Limited	Marina and property services	**100.0**	100.0	**–**	–
West Coast Holiday Lifestyles (Pty) Limited	Marina and property services	**75.0**	75.0	**–**	–
Aria Property Group (Pty) Limited	Property investments	**60.0**	60.0	**–**	–
Tremprop (Pty) Limited	Property investments	**100.0**	100.0	**–**	–
Resi Investment Trust	Property investments	**100.0**	100.0	**–**	–
Lion Property Investment Trust	Property investments	**100.0**	100.0	**–**	–
Stalagmite Property Investments (Pty) Limited	Property investments	**66.7**	66.7	**–**	–
Generation Holdings (Pty) Limited	School investments	**87.0**	87.0	**–**	–
Propgen (Pty) Limited	Property investments	**87.0**	87.0	**–**	–
Generation Education (Pty) Limited	School operations	**87.0**	87.0	**–**	–
Si Institute (Pty) Limited	School operations	**87.0**	87.0	**–**	–
Genbridge UK Limited	School operations	**87.0**	87.0	**–**	–
Blue Moon Montessori School (Pty) Limited	School operations	**78.3**	78.3	**–**	–
				20	20

All subsidiaries other than Genbridge UK Limited are incorporated and operate solely in South Africa. Genbridge UK Limited is incorporated in the United Kingdom.

Due to the nature of the subsidiaries, Trematon Share Incentive Trust, Resi Investment Trust and Lion Property Investment Trust have 28 February reporting dates. Where the annual reporting dates are different to the group's, financial information is obtained as at 31 August, in order to report on an annual basis consistent with the group's reporting date. All other subsidiaries have a 31 August reporting date.

The company provides financial support in the form of guarantees and sureties for loans granted to certain of its property investment subsidiaries, as described in note 20.

6. Investments in subsidiaries (continued)

Details of subsidiaries that have non-controlling interests

Name of company	% holding by non-controlling interests		Profit/(loss) allocated to non-controlling interests	
	2021	2020	**2021 R**	2020 R
Aria Property Group (Pty) Limited	**40.0**	40.0	**10 113 928**	1 553 872
Stalagmite Property Investments (Pty) Limited	**33.3**	33.3	**(107 462)**	(121 466)
Generations Group*	**13.0**	13.0	**(2 494 922)**	(643 252)
West Coast Holiday Lifestyles (Pty) Limited	**25.0**	25.0	**335 814**	759 820
			7 847 358	1 548 974

Name of company	Distributions to non-controlling interests		Accumulated non-controlling interests	
	2021 R	2020 R	**2021 R**	2020 R
Aria Property Group (Pty) Limited	**(4 880 000)**	(30 528 245)	**127 726 104**	122 492 176
Stalagmite Property Investments (Pty) Limited	**–**	–	**1 820 282**	1 927 744
Generations Group*	**–**	–	**(3 241 247)**	(746 325)
West Coast Holiday Lifestyles (Pty) Limited	**(1 500 000)**	–	**2 187 735**	3 351 921
	(6 380 000)	(30 528 245)	**128 492 874**	127 025 516

* The Generations Group consists of Generation Holdings (Pty) Limited, Propgen (Pty) Limited, Generation Education (Pty) Limited, Si Institute (Pty) Limited, GenBridge UK Limited and Blue Moon Montessori School (Pty) Limited.

6. Investments in subsidiaries (continued)

Summary financial information in respect of each of the group's subsidiaries that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	GROUP	
	2021 R	2020 R
Aria Property Group (Pty) Limited		
Current assets (excluding cash and cash equivalents)	**6 365 713**	12 742 277
Cash and cash equivalents	**98 533 043**	50 977 930
Non-current asset held-for-sale	**–**	53 660 000
Non-current assets	**1 226 524 176**	1 250 382 422
Total assets	**1 331 422 932**	1 367 762 629
Current liabilities	**24 513 933**	312 241 604
Non-current liabilities	**988 816 602**	750 513 446
Total liabilities	**1 013 330 535**	1 062 755 050
Revenue	**204 541 535**	217 412 253
Fair value adjustments on investment properties	**(4 737 106)**	(11 172 977)
Fair value adjustments on derivatives	**12 679 656**	(17 441 508)
Realised profit from sale of non-current assets	**2 687 958**	6 267 110
Profit from equity accounted investments	**–**	4 599 021
Interest received	**4 631 308**	5 113 872
Finance costs	**(69 538 021)**	(80 934 759)
Net operating expenses	**(115 667 457)**	(114 471 229)
Profit before tax	**34 597 873**	9 371 783
Profit after tax	**25 284 819**	3 884 680
Total comprehensive income	**25 284 819**	3 884 680
Net cash inflow/(outflow) from operating activities	**14 212 201**	(54 173 831)
Net cash inflow from investing activities	**33 570 715**	29 030 771
Net cash (outflow)/inflow from financing activities	**(227 804)**	12 227 669
Dividends paid to non-controlling interests	**(4 880 000)**	(30 528 246)
Dividends received by equity holders of the parent	**7 320 000**	45 792 368

6. Investments in subsidiaries (continued)

	GROUP 2021 R	GROUP 2020 R
Generations Group		
Current assets (excluding cash and cash equivalents)	2 127 838	4 318 837
Cash and cash equivalents	2 185 322	830 506
Non-current assets	426 460 489	330 980 950
Total assets	430 773 649	336 130 293
Current liabilities	19 443 859	10 606 437
Shareholder loan – current	310 580 939	281 038 007
Non-current liabilities	113 425 120	37 970 517
Total liabilities	443 449 917	329 614 961
Revenue	137 701 684	86 570 081
Realised profit	–	4 831
Interest received	829 856	1 293 510
Finance costs – bank loan	(1 831 377)	(534 851)
– shareholder loan	(7 297 780)	(4 690 295)
– IFRS 16: Right-of-use asset	(4 904 355)	–
Depreciation	(12 621 338)	(6 706 858)
Net operating expenses	(133 919 783)	(83 681 724)
Loss before tax	(22 043 093)	(7 745 306)
Loss after tax	(19 191 706)	(4 948 937)
Total comprehensive loss	(19 191 706)	(4 948 937)
Net cash inflow/(outflow) from operating activities	5 647 618	(6 391 500)
Net cash outflow from investing activities	(32 903 912)	(81 790 483)
Net cash inflow from financing activities	28 611 002	78 261 182

7. Investment in joint ventures

Name of entity	Principal activity	GROUP 2021 R	GROUP 2020 R
The Woodstock Hub (Pty) Limited	Property investments	–	5 831 841
		–	5 831 841

This entity is strategic to the group's operations.

All joint ventures are incorporated and operate solely in South Africa.

When the annual reporting date is different to the group's, financial information is obtained as at 31 August in order to report on an annual basis consistent with the group's reporting date.

Vredenburg Property Trust and Tremtrust 1 had a 28 February reporting date.

The Woodstock Hub (Pty) Limited

The investment represents a 50% (2020: 50%) interest and comprises:

	2021 R	2020 R
Shares at cost	50	50
Post-acquisition reserves	(50)	5 831 791
	–	5 831 841

The group has signed total sureties in favour of Nedbank Limited for an amount limited to R24 million (2020: R24 million) and Investec Limited for an amount limited to R46.8 million (2020: R46.8 million) in respect of the above investment. At year-end the total borrowings of The Woodstock Hub (Pty) Limited relating to the sureties amounted to R137.7 million (2020: R149.0 million).

	2021 R	2020 R
Current assets (excluding cash and cash equivalents)	15 423 453	355 702
Cash and cash equivalents	6 840 936	1 760 743
Non-current assets	138 570 048	210 536 371
Total assets	160 834 437	212 652 816
Current liabilities	62 712 673	50 736 186
Non-current liabilities	137 697 010	150 252 948
Total liabilities	200 409 683	200 989 134
Revenue	11 605 073	12 387 942
Expenses	(7 979 780)	(8 433 115)
Loss on disposal of investment property	(599 031)	–
Fair value adjustments	(43 888 167)	–
Finance costs	(9 976 083)	(13 944 518)
Loss before tax	(50 837 988)	(9 989 691)
Tax	(701 282)	2 797 141
Loss	(51 539 270)	(7 192 550)
Share of loss for the year	(25 769 635)	(3 596 275)
Net asset value	(39 575 246)	11 663 682
Subordination of shareholder loan to the extent of excess liabilities over assets	39 575 246	–
Adjusted net asset value (non-IFRS measure)	–	11 663 682
Equity accounted loss	(5 831 841)	(3 596 275)
Impairment of shareholder loan to The Woodstock Hub	(20 682 650)	–
Total loss for the year	(26 514 491)	(3 596 275)

7. Investment in joint ventures (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture is set out below:

	GROUP	
	2021 R	2020 R
The Woodstock Hub (Pty) Limited		
Net assets of the joint venture	–	11 663 682
Proportion of the group's ownership in the joint venture	50%	50%
Carrying amount of the group's interest in the joint venture	–	5 831 841
Summary of profit from equity accounted joint ventures (net of tax)		
The Woodstock Hub (Pty) Limited	(5 831 841)	(3 596 275)
The Vredenburg Property Trust	–	4 508 822
Tremtrust 1	–	(261 826)
	(5 831 841)	650 721

8. Investment in associate entities

Name of entity	Principal activity	GROUP 2021 R	GROUP 2020 R
Leopard ASK Intermediate Investco Limited*	Specialised property financing	104 537 219	112 444 168
ASK Partners Holdco Limited*	Specialised property financing	15 652 521	7 447 250
Yieldex Trading 2 (Pty) Limited	Property investments	5 087 499	1 956 156
Buffshelf 70 Trust	Property investments	–	49 310
		125 277 239	121 896 884

* These entities are strategic to the group's operations.

Buffshelf 70 Trust and Yieldex Trading 2 (Pty) Limited are incorporated and operate solely in South Africa.

Leopard ASK Intermediate Investco Limited and ASK Partners Holdco Limited are incorporated and operate solely in the United Kingdom.

Where the annual reporting date is different to the group's, financial information is obtained as at 31 August in order to report on an annual basis consistent with the group's reporting date.

Due to the nature of Buffshelf 70 Trust, the trust has a 28 February reporting date. Leopard ASK intermediate Investco Limited and ASK Partners Holdco Limited's reporting date is 31 December which is in line with the controlling shareholder's reporting date.

Leopard ASK Intermediate Investco Limited

The investment represents a 40% (2020: 40%) interest and comprises:

	2021 R	2020 R
Cost	67 649 200	67 649 200
Foreign currency translation reserve	13 001 463	26 057 158
Post-acquisition share of reserves	23 886 556	18 737 810
	104 537 219	112 444 168

ASK Partners Holdco Limited

The investment represents a 40% (2020: 40%) interest and comprises:

	2021 R	2020 R
Cost	4 735 444	4 735 444
Shares repurchased	(4 566 240)	(4 566 240)
Foreign currency translation reserve	321 933	1 612 942
Post-acquisition share of reserves	15 161 384	5 665 104
	15 652 521	7 447 250

Yieldex Trading 2 (Pty) Limited

The investment represents a 30% (2020: 30%) interest and comprises:

	2021 R	2020 R
Cost at acquisition	30	30
Post-acquisition share of reserves	5 087 469	1 956 126
	5 087 499	1 956 156

Buffshelf 70 Trust

The investment represents a nil% (2020: 20%) interest on formation of the trust and comprises:

	2021 R	2020 R
Cost at acquisition	–	–
Post-acquisition share of reserves	–	49 310
	–	49 310

8. Investment in associate entities (continued)

Summarised financial information of the material associates is set out below, not adjusted for the percentage ownership of the group:

	GROUP 2021 R	GROUP 2020 R
Leopard ASK Intermediate Investco Limited		
Current assets	176 987 903	204 745 376
Cash and cash equivalents	63 580 603	39 171 147
Total assets	240 568 506	243 916 523
Current liabilities	136 031 288	131 472 338
Total liabilities	136 031 288	131 472 338
Revenue	16 881 700	17 637 632
Expenses (excluding depreciation)	(2 697 241)	(7 378 470)
Finance costs	(9 035 714)	(9 890 776)
Profit before tax	5 148 745	368 386
Tax	–	–
Profit after tax	5 148 745	368 386
Other comprehensive (loss)/income	(13 055 696)	19 254 489
Total comprehensive (loss)/income	(7 906 951)	19 622 875
Share of profit for the year	5 148 745	368 395
Share of other comprehensive (loss)/income	(13 055 696)	19 254 489
Net asset value	104 537 218	112 444 185
Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate is set out below:		
Net assets of the associate	104 537 218	112 444 185
Less amounts attributable to Trematon	(67 649 200)	(67 649 200)
	36 888 018	44 794 985
% ownership of associate	40.00%	40.00%
Proportion of the group's ownership in the associate	14 755 207	17 917 994
Add additional share of profits due	22 132 811	26 876 991
Add cost of investment	67 649 200	67 649 200
Carrying amount of the group's interest in the associate	104 537 218	112 444 185
Trematon Group has a 40% investment in Leopard ASK Intermediate Investco Limited, but a right to dividend distribution equal to 100% of the entity's profits. This is due to the controlling shareholder receiving their percentage by way of interest income.		
Summarised information in respect of associates that are not individually material:		
Aggregate share of profit for the year	12 627 623	2 478 804
Aggregate total comprehensive income	12 627 623	2 478 804
Summary of profit from equity accounted associates (net of tax)		
Yieldex Trading 2 (Pty) Limited	3 131 343	1 096 227
Leopard ASK Intermediate Investco Limited	5 148 745	368 386
ASK Partners Holdco Limited	9 496 280	1 381 386
Buffshelf 70 Trust	–	1 191
	17 776 368	2 847 190

9. Loans to group companies

	COMPANY 2021 R	COMPANY 2020 R
Trematon Share Incentive Trust	**39 954 259**	39 954 259
Tremtrade (Pty) Limited	**190 220 909**	198 005 969
	230 175 168	237 960 228
Non-current assets	**206 805 168**	189 476 587
Current assets	**23 370 000**	48 483 641
	230 175 168	237 960 228

The loan to Tremtrade is unsecured and a portion of the loan bears interest at a rate linked to prime with the remaining balance interest free. The loan has no repayment terms and is therefore considered to be repayable on demand.

The loan to the Trematon Share Incentive Trust is unsecured and attracts interest at rates linked to prime. The loan is repayable when the convertible debentures are converted into ordinary shares.

Credit quality

Management reviewed the credit risk at period-end and determined the credit risk has not significantly increased from initial recognition with a low risk of default in the next 12 months. ECLs are limited to the 12-month ECLs only. ECLs for the 12-month period have been determined as below:

Trematon Share Incentive Trust

ECLs are limited to the 12-month ECLs. Credit losses on the outstanding capital and interest are not expected as the loan is linked to the underlying investment held by the Trust (being shares in Trematon). The estimated value of Trematon is significantly more than the weighted average share price which, together with forward-looking financial information of the Trematon Group, were all taken into account in this estimate. Trematon's shares have remained stable over the years and a significant decrease is not anticipated based on budgets and forecasts.

Tremtrade

ECLs are limited to the 12-month ECLs. Credit losses on the outstanding capital and interest are not expected as the value of the underlying assets consist of investment property which would be sufficient to recover the loan balance over time, as the value of the properties are significantly more than the loan balance including other liabilities within each entity. The expected value changes in the property industry, future cash forecasts and the credit ratings of tenants were all taken into account in this assessment.

The expected period of recovery has not changed from what was originally anticipated and therefore no impairment on the loans have been identified. All the loans have been assessed as performing and no impairment has been recognised. Between balance sheet date and the date on which the financial statements were signed there have been no indications or events that have increased the ECL risk.

The group's exposure to credit risk is disclosed in note 33.

10. Deferred tax

	GROUP	
	2021 R	2020 R
Deferred tax asset	22 858 037	22 739 576
Deferred tax liability	(95 052 373)	(110 927 960)
	(72 194 336)	(88 188 384)
Comprises:		
Deferred tax asset on fair value adjustments through profit and loss	1 153 306	3 635 671
Temporary differences arising from fair value adjustments on acquisition of subsidiary	(2 780 984)	(2 780 984)
Temporary difference on tax losses	30 185 235	27 999 452
Temporary differences arising from revaluation of property, plant and equipment	(7 404 925)	(9 453 918)
Temporary differences from fair value adjustments on investment properties	(83 511 386)	(97 306 030)
Temporary differences arising from operating lease assets	(10 034 807)	(11 108 892)
Temporary differences arising from accelerated allowances on property, plant and equipment	(12 158 537)	(6 414 717)
Temporary differences arising from income received in advance	3 850 882	2 169 007
Temporary differences arising from prepayments	(1 190 163)	(1 447 090)
Temporary differences arising on derivatives	2 552 356	4 521 022
Temporary differences arising from accrued expenses	2 371 628	556 298
Temporary difference on right-of-use asset	(19 814 123)	–
Temporary difference on lease liability	21 846 575	–
Temporary differences arising from ECLs	2 740 607	1 441 797
	(72 194 336)	(88 188 384)
Reconciliation of deferred tax liability		
At the beginning of the year	(88 188 384)	(101 540 183)
Fair value adjustment through profit and loss	(2 482 365)	430 857
Fair value adjustments on acquisition of subsidiaries	–	(225 478)
Tax losses	2 185 783	6 350 432
Revaluation of property, plant and equipment	2 048 993	–
Fair value adjustments on investment properties	13 794 644	4 538 208
Operating lease assets	1 074 085	(1 398 704)
Accelerated allowances on property, plant and equipment	(5 743 820)	(1 198 560)
Fair value adjustment on income received in advance	1 681 875	(738 228)
Temporary differences arising from prepayments	256 927	48 914
Temporary differences arising from derivatives	(1 968 666)	4 521 022
Temporary differences arising from accrued expenses	1 815 330	(418 461)
Temporary difference on right-of-use asset	(19 814 123)	–
Temporary difference on lease liability	21 846 575	–
Temporary differences arising from ECLs	1 298 810	1 441 797
	(72 194 336)	(88 188 384)

Deferred tax has been calculated at 22.4% (2020: 22.4%) on the fair value adjustments on investment properties.

Deferred tax asset amounting to R5.1 million (2020: R4.1 million) for the company in respect of estimated tax losses has not been recognised as it is not sufficiently probable that the related tax benefit will be realised.

The directors have assessed that it is appropriate to recognise the deferred tax asset for tax losses on the remaining companies as they will be realised through future profits generated by the individual subsidiaries of the group.

11. Loans receivable

	GROUP 2021 R	GROUP 2020 R
Long-term portion		
The Woodstock Hub (Pty) Limited	8 919 592	25 002 242
Tremtrust 1	–	615 561
Yieldex Trading 2 (Pty) Limited	–	7 582 703
Epstein Family Investments (Pty) Limited	17 410 035	16 647 391
Glisan Street Investments (Pty) Limited	1 652 068	1 591 356
The Vondeling Family Trust	113 175	1 256 019
	28 094 870	52 695 272

The creation and release of provision for ECLs have been included in profit and loss. Amounts charged to the provision account are generally written off when there is no expectation of recovering the cash.

The loans bear interest at variable rates linked to prime. The loans have no repayment terms and are therefore considered to be repayable on demand. The loans to Tremtrust 1 and Yieldex Trading 2 (Pty) Limited were settled during the year.

Credit quality

Management reviewed the credit risk at period-end and determined the credit risk has not significantly increased from initial recognition with a low risk of default in the next 12 months for all the loans except the loan to The Woodstock Hub (Pty) Limited. ECLs are limited to the 12-month ECLs only. ECLs for the 12-month period have been determined as below:

The loan to The Woodstock Hub (Pty) Limited has experienced a significant increase in credit risk due to a decrease in the value in the assets of the company. The ECL is based on lifetime ECLs due to the increase in the credit risk.

	GROUP 2021 R	GROUP 2020 R
The Woodstock Hub (Pty) Limited loan		
Gross loan value	29 602 242	25 002 242
Provision for impairment*	(20 682 650)	–
	8 919 592	25 002 242
Movement in the group provision for impairment of loans receivable are as follows:		
Opening balance	–	–
Additional provision for impairment charged in profit or loss (as a result of The Woodstock Hub loan moving from performing to underperforming)	(20 682 650)	–
	(20 682 650)	–

* Management has recognised an impairment for their share being 50% of the investment in the joint venture.

The loans to Yieldex Trading 2 and Tremtrust 1 were settled during the year.

11. Loans receivable (continued)

Epstein Family Investments (Pty) Limited

ECLs are limited to the 12-month ECLs. Credit losses on the outstanding capital and interest are not expected as the loan is secured by the shares in GenEd. The net asset value and intrinsic net asset value of the group is significantly more than the outstanding loan balance. Forward-looking financial information such as forward-looking price-earnings ratios, future cash flow forecasts and credit quality of parents were all taken into account in this assessment. In terms of the shareholders' agreement any dividends declared by the group is first used to settle the outstanding interest and capital which further reduces the ECL risk.

The expected period of recovery has not changed from what was originally anticipated and therefore no impairment on the loans have been identified. All the loans have been assessed as performing and no impairment has been recognised. Between balance sheet date and the date on which the financial statements were signed there have been no indications or events that have increased the ECL risk.

The company's exposure to credit risk is disclosed in note 33.

Glisan Street Investments

ECLs are limited to the 12-month ECLs. Credit losses on the outstanding capital and interest (if applicable) are not expected as the value of the entity's underlying assets consists of investment property and would be sufficient to recover the loan balance over time, as the value of the properties are significantly more than the loan balances including other liabilities within ARIA. The expected value changes in the property industry, future cash forecasts and the credit ratings of tenants were all taken into account in this assessment.

The Vondeling Family Trust

ECLs are limited to the 12-month ECLs. Credit losses on the outstanding capital and interest are not expected as the loan is secured by the shares in West Coast Holiday Lifestyles (Pty) Limited. The net assets of West Coast Holiday Lifestyles is significantly more than the outstanding loan balance and has a history of making profits. Forward-looking financial information such as forecasts and budgets have been reviewed and the financial health of the company is positive. In terms of the shareholders' agreement any dividends declared by the company is first used to settle the outstanding interest and capital.

12. Financial asset at fair value through profit or loss

	GROUP 2021 R	GROUP 2020 R
Listed investments		
91 319 220 (2020: 91 319 220) shares in Freedom Property Fund Limited	6 392 345	6 392 345
Nil (2020: 705 000) shares in Redefine Properties Limited	–	1 741 350
	6 392 345	8 133 695

13. Trade and other receivables

	GROUP 2021 R	GROUP 2020 R
Trade accounts receivable	6 540 948	15 830 946
Loss allowance	(1 636 419)	(5 084 787)
Other receivables	307 550	2 634 323
Prepayments and deposits	5 131 998	5 581 275
VAT	907 066	185 434
	11 251 143	19 147 191
Categorisation of trade and other receivables		
At amortised cost	5 212 079	13 380 482
Non-financial instruments	6 039 064	5 766 709
	11 251 143	19 147 191

13. Trade and other receivables (continued)

Credit quality

The group's exposure to credit risk is influenced mainly by characteristics of each debtors book, namely rent receivable and school fees receivables.

Management also considers the factors that may influence credit risk including the default risk of the industry and geographical location in which customers operate. For the different portfolios different economic factors will be considered. The credit-granting policy is set on a group basis and managed at operating entity level. Each business unit in the group is responsible for the management of credit risk in receivables and does so through ongoing credit evaluations and credit control procedures.

Trade receivables comprise a widespread customer base in South Africa and is split into different portfolios, namely rental income and school fees. The majority of the customers are concentrated in the private sector. Due to the diverse nature of the operations, management does not believe that the group is significantly exposed to a high concentration of credit risk. Any change in the credit quality of trade receivables is considered from the date credit was granted up to the reporting date. The credit quality of the customer for the different portfolios are considered on a collective basis taking into account past experience and their factors. For all the portfolios there has been a history of low levels of credit risk. This is mainly due to the following:

- Rent and school fee receivables are paid monthly in advance for the respective service to be performed.
- Lease tenants are required to provide a deposit amounting to two months of rental income before occupying the premises.
- Due to the long-term nature of educational services, the academic well-being of their children and the limited places available, this proves to be a strong factor in encouraging parents to settle their children's school fees.
- Before accepting a new client the group runs thorough credit and background checks in order to determine the potential customer's creditworthiness.

Expected credit loss model

The group applied the simplified approach to determine the ECL for trade receivables including lease receivables, by calculating the lifetime ECLs for these trade receivables and lease receivables. An impairment analysis is performed at each reporting date using a provision matrix. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The group split is customer based, based on the portfolios mentioned above. The calculation reflects the probability-weighted outcome at the reporting date about past events, current conditions and a forecast on future economic conditions, such as inflation and financial position of tenants and parents. The assessment on future economic conditions are based on past history and experience.

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

The group's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in note 33.

Expected credit loss allowances on trade and other receivables

As of 31 August 2021 trade and other receivables of R1.6 million (2020: R5.1 million) were impaired and provided for.

	GROUP	
	2021 R	2020 R
Reconciliation of provision for ECLs		
Balance at the beginning of the year	5 084 787	–
Increase in allowances	1 636 419	5 084 787
Bad debts written off during the year (included in operating expenses)	(5 084 787)	–
Balance at the end of the year	1 636 419	5 084 787

14. Inventories

	GROUP	
	2021 R	2020 R
Property and land for development	**32 824 454**	33 265 497
Residential – developed and undeveloped	**24 008 854**	24 449 897
Commercial – undeveloped	**8 815 600**	8 815 600
Residential units	**8 671 068**	8 671 068
Other	**167 457**	144 711
	41 662 979	42 081 276

15. Cash and cash equivalents

	GROUP		COMPANY	
	2021 R	2020 R	**2021 R**	2020 R
Bank balances	**203 495 098**	160 273 541	**339 956**	3 908 896
Current assets	**203 495 098**	160 273 541	**339 956**	3 908 896

The group has undrawn borrowing facilities of Rnil (2020: R25 million) with Nedbank Limited and R15.5 million (2020: R20 million) with Investec Bank Limited.

The credit ratings of individual banks were obtained and it was noted that the credit ratings were moved from Ba1 to Ba2 for the long-term local currency ratings of the banks. Risks on South African banks are considered negligible as all cash deposits are guaranteed by the South African Reserve Bank and banks are financially sound.

16. Share capital and share premium

	GROUP		COMPANY	
	2021 R	2020 R	**2021 R**	2020 R
Authorised				
1 000 000 000 ordinary shares of 1 cent each	**10 000 000**	10 000 000	**10 000 000**	10 000 000
791 394 969 (2020: 783 288 971) unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
Issued				
208 605 031 (2020: 216 711 029) ordinary shares of 1 cent each	**2 086 051**	2 167 111	**2 086 051**	2 167 111
Share premium	**236 379 094**	270 424 395	**236 379 094**	270 424 395
	238 465 145	272 591 506	**238 465 145**	272 591 506

16. Share capital and share premium (continued)

	GROUP 2021	GROUP 2020
Treasury shares		
Number of treasury shares held at year-end	–	664 539
Net shares in issue		
Total shares in issue at year-end	208 605 031	216 711 029
Number of treasury shares held at year-end	–	(664 539)
Net shares in issue at year-end	208 605 031	216 046 490
Number of shares in issue (unrestricted)		
Balance at the beginning of the year	212 325 184	216 144 326
Treasury shares acquired	(7 441 459)	(3 819 142)
Ordinary shares issued	–	895 075
Restricted shares issued in terms of share scheme (note 16)	–	(895 075)
Balance at the end of the year (unrestricted)	204 883 725	212 325 184

Restricted shares are shares issued in terms of the share incentive scheme (refer to note 17) and remain restricted until certain conditions are met.

Included in the balance at year-end are 3 721 306 (2020: 3 721 306) restricted shares.

	GROUP 2021	GROUP 2020
Weighted number of shares		
Balance at the beginning of the year	212 325 184	216 144 326
Ordinary shares issued – weighted	–	703 799
Restricted shares issued in terms of share plan – weighted	–	(703 799)
Treasury shares acquired – weighted	(4 667 939)	(2 094 463)
Weighted average number of ordinary shares in issue during the year	207 657 245	214 049 863
Diluted weighted average number of shares		
Weighted average number of ordinary shares in issue during the year	207 657 245	214 049 863
Convertible debentures issued in prior years – weighted	18 075 203	18 075 203
Restricted shares issued in terms of share plan – weighted	–	703 799
Diluted weighted average number of shares at the end of the year	225 732 448	232 828 865

Treasury shares are held by Trematon Capital Investments Limited.

7 441 459 (2020: 3 819 142) treasury shares were purchased during the year. The weighted average price per treasury share purchased during the year was R2.24 (2020: R2.45).

During the year 8 105 998 (2020: 3 154 603) treasury shares were cancelled and added to unissued ordinary shares.

17. Share-based payments

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Share-based payment	805 567	3 002 862	805 567	3 002 862
Equity	13 161 116	12 355 549	13 161 116	12 355 549
Reconciliation of share-based payment reserve:				
Balance at the beginning of the year	12 355 549	11 769 389	12 355 549	11 769 389
Share-based payment expense for the year (recognised in profit/loss)	805 567	3 002 863	805 567	3 002 863
Settlement of share-based payment	–	(2 416 703)	–	(2 416 703)
Balance at the end of the year	13 161 116	12 355 549	13 161 116	12 355 549

No convertible debentures were converted to ordinary shares during the current and prior year.

17.1 Share incentive scheme

In the 2018 financial year the company implemented a new incentive scheme for executive directors and selected employees which was approved at the annual general meeting of the company on 24 January 2018.

The terms of the scheme, which grants to the participants ordinary shares at a fixed price that vest at various dates, have given rise to a share-based payment transaction. The scheme consists of yearly tranches and each tranche is dependent on the performance of the group. The vesting periods range from two to three years. The share-based payment transaction has been recognised and measured in terms of IFRS 2.

Details of the arrangements are as follows:

Participants:	Executive directors and selected employees
Date of grant:	25 January 2018
Number of shares granted:	1 981 243
Vesting period:	2 years
Price per share:	R2.92

Participants:	Executive directors and selected employees
Date of grant:	19 November 2018
Number of shares granted:	844 988
Vesting period:	3 years
Price per share:	R2.96

Participants:	Executive directors and selected employees
Date of grant:	19 November 2019
Number of shares granted:	895 075
Vesting period:	3 years
Price per share:	R2.70

The price of the shares is calculated based on the 30-day volume-weighted average price of the company's shares at the date of grant.

17. Share-based payments (continued)

17.1 Share incentive scheme (continued)

Restricted shares issued in terms of share incentive scheme

	Opening balance	Restricted shares issued	Closing balance	Exercise price per share issued during the year
2021				
AJ Shapiro	1 386 084	–	1 386 084	
A Groll	891 037	–	891 037	
AL Winkler	811 673	–	811 673	
Other employees	632 512	–	632 512	
	3 721 306	–	3 721 306	
2020				
AJ Shapiro	1 060 590	325 494	1 386 084	R2.70
A Groll	681 811	209 226	891 037	R2.70
AL Winkler	609 389	202 284	811 673	R2.70
Other employees	474 441	158 071	632 512	R2.70
	2 826 231	895 075	3 721 306	

17. Share-based payments (continued)

17.2 Debenture incentive scheme

During the year ended 31 August 2012 the company implemented an incentive scheme for executive directors and selected employees. Further details regarding the scheme are contained in note 18.

The terms of the scheme, which grants to the participants the option to convert the debentures into ordinary shares at a fixed price at any stage after the expiry of three years, have given rise to a share-based payment transaction (see note 18 for further details). The share-based payment transaction has been recognised and measured in terms of IFRS 2.

Details of the arrangements are as follows:

Participants:	Executive directors and selected employees
Date of grant:	25 January 2012
Number of shares granted:	12 500 000
Vesting period:	3 years
Grant/exercise price per share:	R1.60

Participants:	Executive directors and selected employees
Date of grant:	13 August 2013
Number of shares granted:	1 250 000
Vesting period:	3 years
Grant/exercise price per share:	R2.81

Participants:	Executive directors and selected employees
Date of grant:	14 August 2014
Number of shares granted:	1 300 000
Vesting period:	3 years
Grant/exercise price per share:	R3.65

Participants:	Executive directors and selected employees
Date of grant:	26 February 2015
Number of shares granted:	3 380 203
Vesting period:	3 years
Grant/exercise price per share:	R3.00

Participants:	Executive directors and selected employees
Date of grant:	14 November 2016
Number of shares granted:	1 445 000
Vesting period:	3 years
Grant/exercise price per share:	R3.07

No options were granted during the current and prior year in terms of the original share option scheme.

18. Convertible debentures

	COMPANY 2021 R	COMPANY 2020 R
Debentures	**30 742 072**	30 742 072
Equity	**30 742 072**	30 742 072
Reconciliation of debentures:		
Balance at the beginning of the year	**30 742 072**	30 819 670
Unwinding of liability	**–**	(77 598)
Balance at the end of the year	**30 742 072**	30 742 072

The terms and conditions of the scheme are as follows:

Debentures are granted to executive directors and selected employees.

In terms of the incentive scheme, which was approved at the annual general meeting of the company on 25 January 2012, participants were issued convertible debentures that can be converted into ordinary shares at the option of the participant after a minimum period of three years, exercisable at the debenture issue price. The vesting period is deemed to be three years and the debentures have no expiry date.

The cost of the debentures are calculated as the average trading price of a Trematon share over the 20 trading days prior to the debentures being issued.

A corresponding loan was issued to participants. This loan was approved simultaneously with the issue of debentures at the annual general meeting mentioned above.

The debentures and the loan carry interest at the same rate which is linked to the official rate of borrowing. The loans must be settled once the debentures are converted to shares. The participants' loans will have the same value as the debentures they received as disclosed in the table below.

The convertible debentures and corresponding loans receivable have been eliminated on consolidation.

Movements in the number and price of debentures outstanding are as follows:

	2021		2020	
	Number of debentures	Price per debenture R	Number of debentures	Price per debenture R
Balance at the beginning of the year	**18 075 203**	**–**	18 075 203	–
Balance at the end of the year	**18 075 203**		18 075 203	

18 075 203 of the debentures are exercisable as at 31 August 2021 (2020: 18 075 203). The related weighted average exercise price is R2.21 per debenture (2020: R2.21).

There are no debentures that are outstanding and not exercisable as at 31 August 2021.

18. Convertible debentures (continued)

Number and price of debentures held by directors and selected employees:

	Opening balance	Closing balance
2021		
A Groll	**7 897 589**	**7 897 589**
AJ Shapiro	**7 897 589**	**7 897 589**
AL Winkler	**876 777**	**876 777**
Other employees	**1 403 248**	**1 403 248**
	18 075 203	**18 075 203**
2020		
A Groll	7 897 589	7 897 589
AJ Shapiro	7 897 589	7 897 589
AL Winkler	876 777	876 777
Other employees	1 403 248	1 403 248
	18 075 203	18 075 203

	Number of debentures	
	2021	2020
Debentures authorised for allotment – opening balance	**6 839 170**	6 839 170
Balance available for allotment at the end of the year	**6 839 170**	6 839 170

19. Fair value reserve

	GROUP	
	2021 R	2020 R
Comprises:		
Fair value gain on revaluation of property, plant and equipment	**42 806 999**	42 806 999
Tax effects on revaluation of property, plant and equipment	**(9 453 918)**	(9 453 918)
	33 353 081	33 353 081
Reconciliation of movement in fair value reserve		
Balance at the beginning of the year	**33 353 081**	33 353 081
Balance at the end of the year	**33 353 081**	33 353 081

20. Loans payable

	GROUP		COMPANY	
	2021 R	2020 R	**2021 R**	2020 R
Current portion				
Standard Bank of South Africa Limited	**1 142 875**	254 340 139	**–**	–
Nedbank Limited	**90 337 540**	7 657 850	**90 337 540**	7 657 850
Investec Bank Limited	**10 819 981**	2 233 178	**–**	–
Other loan	**946 832**	896 884	**–**	–
	103 247 228	265 128 051	**90 337 540**	7 657 850
Long-term portion				
Standard Bank of South Africa Limited	**267 199 183**	32 342 886	**–**	–
Nedbank Limited	**656 164 192**	735 200 141	**6 409 549**	65 832 040
Investec Bank Limited	**72 983 960**	111 135 976	**–**	–
	996 347 335	878 679 003	**6 409 549**	65 832 040
	1 099 594 563	1 143 807 054	**96 747 089**	73 489 890

The amount owing to Standard Bank Limited comprises various loans which bear interest at rates linked to prime. Repayments vary on each loan. Some loan repayments are interest only, where others include capital and interest. The loans are secured by a first covering mortgage bond over the respective properties. In the prior year a loan payable by ARIA was classified under current liabilities. The loan expired in August 2021 and was transferred to a new facility which is now classified under long-term liabilities.

The amount owing to Nedbank Limited comprises various loans which bear interest at rates linked to prime. Repayments vary on each loan. Some loan repayments are interest only, whereas others include capital and interest. The loans are secured by a first covering mortgage bond over the respective properties.

The amount owing to Investec Bank Limited comprises various loans which bear interest at rates linked to prime. Repayments vary on each loan. The loan repayments include capital and interest. The loans are secured by a first covering mortgage bond over the respective properties.

The company has signed sureties in favour of Nedbank Limited. Trematon Capital Investment's exposure is limited to R531.1 million (2020: R529.8 million) in respect of the above loans.

The company has signed sureties in favour of Standard Bank Limited. Trematon Capital Investment's exposure is limited to R89 million (2020: R89 million) in respect of the above loan.

The company has signed sureties in favour of Investec Bank Limited. Trematon Capital Investment's exposure is limited to R138.8 million (2020: R145.6 million) in respect of the above loans.

Subsequent to year-end ARIA entered into a loan agreement with Nedbank for an amount of R654 million, which combined three existing Nedbank loans payable at year-end. The loan term is three years at JIBAR-linked rates.

The group's exposure to interest rate and liquidity risk are disclosed in note 33.

The loans are recorded at amortised cost which approximates fair value.

21. Derivatives

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Financial liabilities at fair value through profit or loss				
Interest rate swap agreements	10 966 101	16 146 507	1 107 895	–
	10 966 101	16 146 507	1 107 895	–
Non-current liabilities	8 963 397	14 954 196	1 107 895	–
Current liabilities	2 002 704	1 192 311	–	–
	10 966 101	16 146 507	1 107 895	–

The group has entered into interest rate swap agreements to convert a portion of the borrowings from floating to fixed interest rates. This is to manage the interest rate risk profile of financial liabilities and to eliminate future exposure to interest rate fluctuations. The swap agreements are not linked to an underlying instrument but is rather used as an interest rate hedge.

The derivatives are Johannesburg Interbank Average Rate ("JIBAR") linked and the group benefits should the JIBAR increase. The group has no interest rate swaps or interest rate fixes linked directly to external party senior debt and 41% of the interest rate risk has been hedged by the group.

The total hedged value of the debt amounts to R400 million (2020: R590 million) of which R85 million expires within the next financial year and R315 million expires between September 2022 and April 2024. The JIBAR fixed interest rates range between 4.4% and 9.6%.

The total mark-to-market value at year-end amounts to R11 million (2020: R16.1 million).

Refer to note 36 for detailed information on the fair valuation of derivatives.

22. Trade and other payables

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Trade payables	**6 644 629**	8 800 311	**119 720**	91 220
Deposits	**13 574 341**	13 049 802	**–**	–
Sundry creditors	**7 025 286**	12 574 971	**–**	–
VAT	**1 420 833**	1 541 287	**–**	–
Accruals	**646 686**	1 986 778	**–**	–
Income received in advance	**14 357 318**	7 483 005	**–**	–
Other payables	**51 330 092**	46 376 095	**–**	–
	94 999 185	91 812 249	**119 720**	91 220
Non-current liabilities	**39 713 734**	24 859 516	**–**	–
Current liabilities	**55 285 451**	66 952 733	**119 720**	91 220
	94 999 185	91 812 249	**119 720**	91 220
Categorisation of trade and other payables				
At amortised cost	**78 574 348**	80 801 179	**119 720**	91 220
Non-financial instruments	**16 424 837**	11 011 070	**–**	–
	94 999 185	91 812 249	**119 720**	91 220

Included in other payables are amounts owing to ZRG Investments (Pty) Limited, a property investment company incorporated in South Africa in terms of profit share arrangements on three properties held by ARIA, namely York Street Boulevard, Maynard Mall and Edgars Wynberg which are located in Cape Town. The amount payable consists of accumulated profits and capital gains based on the third party's profit share percentage, which is equal to 33.33% for York Street Boulevard and 15% for both Maynard Mall and Edgars Wynberg. These arrangements are strategic to the group's activities. ZRG Investments (Pty) Limited is an external company not related to the group.

The liability owing to ZRG Investments (Pty) Limited ("ZRG") can be split into two components: ZRG's share of the fair value of the investment property relating to future contracts; and ZRG's share of profit from leasing the property for which there is an underlying lease contract. The amount owing to ZRG relating to future contracts is classified as a non-current liability. Trematon has a right to defer settlement beyond twelve months as this amount becomes payable on the sale of the property, which is subject to Trematon and ZRG Investments' unanimous consent and is not expected to occur in the next twelve months. The portion owing to ZRG relating to current lease contracts has been classified under current liabilities.

Fair value of trade and other payables approximates the carrying value due to the short-term nature thereof.

23. Lease liability

	GROUP	
	2021 R	2020 R
Total lease liabilities at 31 August 2021	78 024 139	–
Analysed as follows:		
Non-current	74 137 751	–
Current	3 886 388	–
Opening balance	–	–
New leases	74 056 109	–
Finance charges	4 888 030	–
Lease repayments	(920 000)	–
Closing balance	78 024 139	–
Maturity analysis:		
Year 1	3 680 000	–
Years 2 – 5	35 591 165	–
Years 5+	121 657 733	–
	160 928 898	–
Less: unearned interest	(82 904 759)	–
	78 024 139	–

The group does not face a significant liquidity risk with regard to its lease liability. There is sufficient cash and future expected profits within the group to settle the lease payments as they fall due.

The details of the right-of-use asset is disclosed in note 5.

The carrying value of the right-of-use asset amounts to R70.8 million (2020: Rnil) at year-end.

GenEd, an 87%-held subsidiary of Trematon entered into a 15-year lease agreement to occupy a school campus in Somerset West. The lease commencement date was 1 January 2021. GenEd is entitled to cancel the lease after four years subject to certain conditions. Total commitments for the first four years amount to R23.8 million. Thereafter, the rental payable will escalate based on the lower of revenue growth minus 2% or CPI plus 2%.

The lease has two renewal options of 15 years each, that are exercisable six months before the end of the lease. These have not been factored into the lease liability as it is not reasonably certain that the extensions will be exercised.

The group has the right to cancel the lease after four years subject to a minimum of six months' written notice. The termination option has not been factored into the lease term as the group is unlikely to exercise this option.

24. Revenue

	GROUP		COMPANY	
	2021 R	2020 R	2021 R	2020 R
Revenue				
Rental income	239 493 201	259 808 067	–	–
Sale of property and land	1 391 304	6 670 285	–	–
Administration fee income	1 537 550	1 492 560	–	–
School and registration fees	128 038 822	79 980 900	–	–
Other school income	3 582 918	6 539 329	–	–
Commission received	4 741 656	4 426 234	–	–
Services and other revenue	14 259 202	5 937 288	660 044	–
	393 044 653	364 854 663	660 044	–
Investment revenue				
Dividend income – listed investments	–	–	1 875	95 359
– unlisted investments	443 788	–	–	–
Interest received – associates	299 505	786 511	–	–
– subsidiaries	–	–	8 386 947	8 853 807
– bank	7 900 325	7 874 929	62 360	42 716
Interest – other	851 779	1 729 447	–	–
	9 495 397	10 390 887	8 451 182	8 991 882
	402 540 050	375 245 550	9 111 226	8 991 882
Revenue per segment				
Property investments	260 403 829	287 010 690	–	–
Education	138 531 539	86 520 229	–	–
Corporate and other revenue	3 604 682	1 714 631	9 111 226	8 991 882
	402 540 050	375 245 550	9 111 226	8 991 882
Timing of revenue recognition				
At a point in time	23 975 080	23 573 136	660 044	–
Over time	129 576 372	81 473 460	–	–
Straight-line basis	239 493 201	259 808 067	–	–
	393 044 653	364 854 663	660 044	–

Refer to note 34.1 for the financial category disclosure of investment revenue.

25. Operating profit/loss

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Operating profit/loss is stated after accounting for the following:				
Other income				
Sundry income	852 506	2 080 246	–	–
Other operating expenses				
Depreciation	(14 069 833)	(8 567 831)	–	–
Municipal expenses	(65 456 341)	(69 948 014)	–	–
Staff costs	(116 533 218)	(81 482 359)	(2 200 980)	(3 002 862)

26. Finance costs

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Loans payable	85 279 963	98 071 073	6 291 811	5 667 318
Other loans	23 423	8 476	2 095 136	3 108 891
IFRS 16 – Leases	4 904 355	–	–	–
	90 207 741	98 079 549	8 386 947	8 776 209

Refer to note 34.1 for the financial category disclosure of finance costs.

27. Income tax expense

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
South African normal tax				
Current tax – current year	21 218 869	17 866 684	–	–
Deferred tax				
Deferred tax – temporary differences	(15 997 554)	(13 120 006)	–	–
	5 221 315	4 746 678	–	–
	%	%	%	%
Reconciliation of effective tax rate:				
Statutory tax rate	28.0	28.0	28.0	28.0
Profit from equity accounted investments – exempt	(92.7)	(51.0)	–	–
Other tax-exempt income*	(24.6)	(5.4)	–	–
Trust distributions – non-deductible	82.2	32.7	–	–
Other non-deductible expenses**	71.5	72.2	–	–
Capital gains tax***	4.2	140.2	–	–
Tax losses	83.6	7.9	(28.0)	(28.0)
Effective tax rate	152.2	224.6	–	–

* Includes exempt income related to disposal of capital assets.
** Includes the share-based payment expense and expenses of a capital nature.
*** The prior year includes the gain on disposal of The Vredenburg Property Trust.

28. Earnings and net asset value per share

	GROUP	
	2021 Cents	2020 Cents
Net asset value per share	**401**	416
Basic loss per share	**(7.9)**	(2.0)
Diluted loss per share	**(7.9)**	(2.0)

The calculation of net asset value per share is based on 208 605 031 ordinary shares in issue at year-end (2020: 216 046 490) and a total equity attributable to ordinary shareholders of R835 964 945 (2020: R898 794 959).

The calculation of basic earnings per share is based on the weighted average number of 207 657 245 ordinary shares in issue during the year (2020: 214 049 863) and a loss attributable to ordinary shareholders of R16 499 577 (2020: loss of R4 182 415).

The calculation of diluted earnings per share is based on the diluted weighted average number of 207 657 245 ordinary shares in issue during the year (2020: 214 049 863) and a loss attributable to ordinary shareholders of R16 499 577 (2020: loss of R4 182 415). In the current and prior year the debentures and restricted shares were not taken into account in the calculation of diluted weighted average number of shares as the effect is anti-dilutive.

29. Reconciliation of headline earnings per share

	GROUP			
	2021		2020	
	Gross R	**Net R**	Gross R	Net R
Loss attributable to equity holders of the parent		**(16 499 577)**		(4 182 415)
Fair value adjustment on investment properties	**10 277 288**	**6 310 299**	7 711 864	3 023 874
Fair value adjustments within equity accounted profits	**19 629 539**	**15 950 957**	(3 689 330)	(1 717 752)
Realised profit on sale of non-current assets	**(2 435 692)**	**(1 393 685)**	(7 722 013)	(4 089 512)
Headline earnings/(loss)		**4 367 994**		(6 965 805)

	GROUP	
	2021 Cents	2020 Cents
Headline earnings/(loss) per share	**2.1**	(3.3)
Diluted headline earnings/(loss) per share	**1.9**	(3.3)

The calculation of headline earnings per share is based on the weighted average number of 207 657 245 ordinary shares in issue during the year (2020: 214 049 863).

The calculation of diluted headline earnings per share is based on the diluted weighted average number of 225 732 448 ordinary shares in issue during the year (2020: 214 049 863). In the prior year the debentures and restricted shares were not taken into account in the calculation of diluted weighted average number of shares as the effect was anti-dilutive.

30. Remuneration

Directors' emoluments	Fees for services R	Basic salary R	Taxable benefits R	Share-based payment* R	Total R
2021					
Executive directors					
AJ Shapiro	–	3 105 000	21 687	298 382	3 425 069
A Groll	–	1 995 600	17 403	191 806	2 204 809
AL Winkler	–	1 932 000	23 136	177 064	2 132 200
Non-executive directors					
R Lockhart-Ross	522 750	–	–	–	522 750
K Getz	220 331	–	–	–	220 331
JP Fisher	253 746	–	–	–	253 746
AM Louw**	108 540	–	–	–	108 540
R Stumpf	228 996	–	–	–	228 996
MA Sessions***	142 290	–	–	–	142 290
Total	1 476 653	7 032 600	62 226	667 252	9 238 731
Paid by subsidiaries	1 476 653	7 032 600	62 226	667 252	9 238 731
2020					
Executive directors					
AJ Shapiro	–	2 973 600	23 290	1 122 315	4 119 205
A Groll	–	1 911 420	21 550	742 969	2 675 939
AL Winkler	–	1 848 000	16 393	636 899	2 501 292
Non-executive directors					
R Lockhart-Ross	488 416	–	–	–	488 416
K Getz	211 680	–	–	–	211 680
JP Fisher	244 760	–	–	–	244 760
AM Louw	253 580	–	–	–	253 580
R Stumpf	220 500	–	–	–	220 500
Total	1 418 936	6 733 020	61 233	2 502 183	10 715 372
Paid by subsidiaries	1 418 936	6 733 020	61 233	2 502 183	10 715 372

* Share-based payments relate to shares issued in terms of the share incentive scheme which are spread over the vesting period of three years.
** Resigned January 2021.
*** Appointed February 2021.

31. Cash utilised in operations

	GROUP		COMPANY	
	2021 R	2020 R	**2021 R**	2020 R
(Loss)/profit before income tax	**(3 430 903)**	2 113 237	**(3 763 862)**	(3 983 806)
Adjusted for:				
Depreciation	**14 069 833**	8 567 831	**–**	–
Equity accounted earnings of associates and joint ventures	**(11 944 527)**	(3 497 911)	**–**	–
Other income	**–**	–	**(660 044)**	–
Dividend income	**(443 788)**	–	**(1 875)**	(95 359)
Finance income	**(9 051 609)**	(10 390 887)	**(8 449 307)**	(8 896 523)
Finance costs	**90 207 741**	98 079 549	**8 386 947**	8 776 209
Fair value adjustment on investment properties	**10 277 288**	7 711 864	**–**	–
Fair value adjustment on financial assets at fair value through profit and loss	**–**	1 295 001	**–**	–
Fair value adjustment on financial liabilities at fair value through profit and loss	**(11 571 761)**	16 146 507	**1 107 895**	–
Foreign exchange loss/(gain)	**738 783**	(1 557 236)	**–**	–
Realised (profit)/loss on financial assets at fair value through profit and loss	**(1 088 692)**	243 775	**–**	–
Impairment of loan	**20 682 650**	–	**–**	–
Profit on disposal of non-current assets	**(2 435 692)**	(7 722 013)	**–**	–
Share-based payment expense	**805 567**	3 002 862	**805 567**	3 002 862
Straight-line adjustment against investment properties	**5 457 988**	(6 244 215)	**–**	–
Capitalised fees and charges (note 31.1)	**227 608**	648 824	**–**	–
Expenses settled by group company	**–**	–	**2 646 867**	1 188 848
Changes in working capital:				
Decrease/(increase) in trade and other receivables	**7 945 358**	(4 216 613)	**–**	–
Decrease in inventory	**418 297**	3 549 155	**–**	–
Increase in trade and other payables	**9 578 292**	4 894 851	**28 497**	22 573
	120 442 433	112 624 581	**100 685**	14 804

31.1 Loans payable reconciliation

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Opening balance	**1 143 807 054**	1 106 917 314	**73 489 890**	35 142 164
Cash receipts	**34 057 649**	72 160 832	**–**	–
Cash payments	**(2 734 332)**	(1 606 232)	**–**	–
Non-cash flows				
Direct settlement of liabilities as a result of disposal of properties	**(79 586 864)**	(46 390 047)	**–**	–
Direct advances of liabilities as a result of property additions	**3 826 953**	12 076 363	**–**	–
Capitalised fees and charges	**224 103**	648 824	**–**	494 500
Capital amount advanced to subsidiary	**–**	–	**24 530 520**	39 997 000
Capital amount settled by subsidiary	**–**	–	**(1 273 321)**	(2 143 774)
Closing balance	**1 099 594 563**	1 143 807 054	**96 747 089**	73 489 890

32. Taxation paid

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Balance at the beginning of the year	328 244	307 644	–	–
Current tax charge	(21 218 869)	(17 866 684)	–	–
Balance at the end of the year	(32 237)	(328 244)	–	–
	(20 922 862)	(17 887 284)	–	–

33. Financial instruments

33.1 Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Carrying amount				
Loans receivable	28 094 870	52 695 272	–	–
Trade and other receivables	5 212 079	13 380 482	–	–
Cash and cash equivalents	203 495 098	160 273 541	339 956	3 908 896
Loans to group companies	–	–	230 175 169	237 960 228
Guarantees	81 380 000	83 021 295	694 173 000	764 439 070
	318 182 047	309 370 590	924 688 125	1 006 308 194

33. Financial instruments (continued)

33.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount R	Contractual cash flows per annum R	Not later than 1 month R	Between 1 – 3 months R
GROUP				
Non-derivative financial liabilities				
2021				
Loans payable	1 099 594 563	1 254 888 584	97 956 600	12 199 973
Trade and other payables	78 574 348	78 574 348	13 979 852	441 391
	1 178 168 911	1 333 462 932	111 936 452	12 641 364
Guarantees*	–	81 380 000	–	–
	1 178 168 911	1 414 842 932	111 936 452	12 641 364
Derivative financial liabilities				
Interest rate swap agreements	10 966 101	10 966 101	–	–
	10 966 101	10 966 101	–	–

	3 months – 1 year R	Total within 1 year R	Between 1 – 5 years R	Over 5 years R
GROUP				
Non-derivative financial liabilities				
2021				
Loans payable	58 024 375	168 180 948	1 086 707 636	–
Trade and other payables	24 439 371	38 860 614	4 630 115	35 083 619
	82 463 746	207 041 562	1 091 337 751	35 083 619
Guarantees*	81 380 000	81 380 000	–	–
	163 843 746	288 421 562	1 091 337 751	35 083 619
Derivative financial liabilities				
Interest rate swap agreements	2 002 704	2 002 704	8 963 397	–
	2 002 704	2 002 704	8 963 397	–

* These guarantees comprise sureties issued in respect of long-term loan contracts entered into by investments, joint ventures and associates, and are only liable in the event of default. As at the reporting date the directors are of the opinion that none of these guarantees are likely to be exercised as the value of the properties that serve as security for the loan contracts significantly exceed the outstanding balances of the loans, some of which have not been fully drawn on.

For the liquidity risk of lease liabilities refer to note 23.

The trade and other payables expected to be settled after five years relate to the cumulative fair value adjustments on investment properties which form part of the profit share arrangement and initial contribution by ZRG Investments (Pty) Limited which is more fully described in note 22.

33. Financial instruments (continued)

33.2 Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount R	Contractual cash flows per annum R	Not later than 1 month R	Between 1 – 3 months R
GROUP				
Non-derivative financial liabilities				
2020				
Loans payable	1 143 807 054	1 288 675 812	19 893 370	12 299 546
Trade and other payables	80 801 179	80 801 179	16 793 250	811 649
	1 224 608 233	1 369 476 991	36 686 620	13 111 195
Guarantees*	–	83 021 295	–	–
	1 224 608 233	1 452 498 286	36 686 620	13 111 195
Derivative financial liabilities				
Interest rate swap agreements	16 146 507	16 146 507	–	–
	16 146 507	16 146 507	–	–

	3 months – 1 year R	Total within 1 year R	Between 1 – 5 years R	Over 5 years R
GROUP				
Non-derivative financial liabilities				
2020				
Loans payable	308 868 136	341 061 052	947 614 760	–
Trade and other payables	38 336 764	55 941 663	–	24 859 516
	347 204 900	397 002 715	947 614 760	24 859 516
Guarantees*	83 021 295	83 021 295	–	–
	430 226 195	480 024 010	947 614 760	24 859 516
Derivative financial liabilities				
Interest rate swap agreements	1 192 311	1 192 311	14 954 196	–
	1 192 311	1 192 311	14 954 196	–

* These guarantees comprise sureties issued in respect of long-term loan contracts entered into by investments, joint ventures and associates, and are only liable in the event of default. As at the reporting date the directors are of the opinion that none of these guarantees are likely to be exercised as the value of the properties that serve as security for the loan contracts significantly exceed the outstanding balances of the loans, some of which have not been fully drawn on.

The prior-year disclosure for liquidity risk above was restated in the current year to better reflect the monitoring of cash flows.

The debt payable within one year will be funded by a combination of cash flows from operations and the renegotiation of loan terms. The long-term debt payable will be funded by operating cash flows and/or sale of underlying properties and investments.

33. Financial instruments (continued)

33.2 Liquidity risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount R	Contractual cash flows R	Not later than 1 month R	Between 1 and 3 months R	3 months to 1 year R	Within 1 year R	2 – 5 years R
COMPANY							
Non-derivative financial liabilities							
2021							
Trade and other payables	**119 720**	**119 720**	**119 720**	**–**	**–**	**119 720**	**–**
Loan payable	**96 747 089**	**99 325 542**	**90 873 446**	**1 071 812**	**546 353**	**92 491 611**	**6 833 931**
Guarantees*	**–**	**694 173 000**	**–**	**–**	**694 173 000**	**694 173 000**	**–**
	96 866 809	**793 618 262**	**90 993 166**	**1 071 812**	**694 719 353**	**786 784 331**	**6 833 931**
2020							
Trade and other payables	91 220	91 220	91 220	–	–	91 220	–
Loan payable	73 489 890	79 685 778	8 525 915	740 611	3 332 747	12 599 273	67 086 505
Guarantees*	–	764 439 070	–	–	764 439 070	764 439 070	–
	73 581 110	844 216 068	8 617 135	740 611	767 771 817	777 129 563	67 086 505

* These guarantees comprise sureties issued in respect of long-term loan contracts entered into by investments, joint ventures, associates and subsidiaries, and are only liable in the event of default. As at the reporting date the directors are of the opinion that none of these guarantees are likely to be exercised as the value of the properties that serve as security for the loan contracts significantly exceed the outstanding balances of the loans, some of which have not been fully drawn on.

33. Financial instruments (continued)

33.3 Market risk

33.3.1 Interest rate risk

The exposure to interest rate risk and the effective interest rates on financial instruments at reporting date is as follows:

	Interest rate %	Carrying amount Year 1 R	Carrying amount 2 – 5 years R	Carrying amount Total R
GROUP				
2021				
Assets				
Loans receivable	Variable rate	–	28 094 870	28 094 870
Trade and other receivables	Variable rate	5 212 079	–	5 212 079
Cash and cash equivalents	Variable rate	203 495 098	–	203 495 098
		208 707 177	28 094 870	236 802 047
Liabilities				
Loans payable	Variable rate	103 247 228	996 347 335	1 099 594 563
Derivatives	Variable rate	–	–	–
Trade and other payables	Interest free	38 860 614	39 713 734	78 574 348
		142 107 842	1 036 061 069	1 178 168 911
2020				
Assets				
Loans receivable	Variable rate	–	52 695 272	52 695 272
Trade receivables	Variable rate	13 380 482	–	13 380 482
Cash and cash equivalents	Variable rate	160 273 541	–	160 273 541
		173 654 023	52 695 272	226 349 295
Liabilities				
Loans payable	Variable rate	265 128 051	878 679 003	1 143 807 054
Derivatives	Variable rate	1 192 311	14 954 196	16 146 507
Trade and other payables	Interest free	55 941 663	24 859 516	80 801 179
		322 262 025	918 492 715	1 240 754 740

33. Financial instruments (continued)

33.3 Market risk (continued)

33.3.1 Interest rate risk (continued)

	Interest rate %	Carrying amount Year 1 R	2 – 5 years R	Total R
COMPANY				
2021				
Assets				
Cash and cash equivalents	Variable rate	**339 956**	**–**	**339 956**
Loans to group companies	Interest free	**23 370 000**	**110 058 079**	**133 428 080**
Loans to group companies	Variable rate	**–**	**96 747 089**	**96 747 089**
		23 709 956	**206 805 168**	**230 515 125**
Liabilities				
Trade and other payables	Interest free	**119 720**	**–**	**119 720**
Loan payable	Variable rate	**90 337 540**	**6 409 549**	**96 747 089**
		90 457 260	**6 409 549**	**96 866 809**
2020				
Assets				
Cash and cash equivalents	Variable rate	3 908 896	–	3 908 896
Loans to group companies	Interest free	40 825 791	83 690 288	124 516 079
Loans to group companies	Variable rate	7 657 850	105 786 299	113 444 149
		52 392 537	189 476 587	241 869 124
Liabilities				
Trade and other payables	Interest free	91 220	–	91 220
Loan payable	Variable rate	7 657 850	65 832 040	73 489 890
		7 749 070	65 832 040	73 581 110

Cash flow sensitivity analysis for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss after tax by the amounts shown below. A decrease of 100 basis points would have the same but opposite effect. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as 2020.

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Variable rate instruments	**(9 092 106)**	(6 721 951)	**652 878**	315 815

33.3.2 Equity risk

Equity price sensitivity analysis

An increase of 10% in the price of listed shares at the reporting date would have increased profit or loss after tax and other comprehensive income respectively by the amounts shown below. A decrease of 10% would have the same but opposite effect. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as 2020.

	GROUP 2021 R	GROUP 2020 R
Listed shares – fair value through profit and loss	**460 249**	585 626

34. Financial assets and liabilities by category

34.1 Financial assets by category

The accounting policies for financial instruments have been applied to the line items below.

	At amortised cost R	Fair value through profit or loss R	Total R
GROUP			
2021			
Loans receivable	28 094 870	–	28 094 870
Trade and other receivables	5 212 079	–	5 212 079
Cash and cash equivalents	203 495 098	–	203 495 098
Listed investments	–	6 392 345	6 392 345
	236 802 047	6 392 345	243 194 392
2020			
Loans receivable	52 695 272	–	52 695 272
Trade and other receivables	13 380 482	–	13 380 482
Cash and cash equivalents	160 273 541	–	160 273 541
Listed investments	–	8 133 695	8 133 695
	226 349 295	8 133 695	234 482 990
COMPANY			
2021			
Loans to group companies	230 175 169	–	230 175 169
Cash and cash equivalents	339 956	–	339 956
	230 515 125	–	230 515 125
2020			
Loans to group companies	237 960 228	–	237 960 228
Cash and cash equivalents	3 908 896	–	3 908 896
	241 869 124	–	241 869 124

34. Financial assets and liabilities by category (continued)

34.2 Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below.

	At amortised cost R	Fair value through profit or loss R	Total R
GROUP			
2021			
Loans payable	1 099 594 563	–	1 099 594 563
Derivatives	–	10 966 101	10 966 101
Trade and other payables	53 350 662	25 223 686	78 574 348
	1 152 945 225	36 189 787	1 189 135 012
2020			
Loans payable	1 143 807 054	–	1 143 807 054
Derivatives	–	16 146 507	16 146 507
Trade and other payables	55 941 663	24 859 516	80 801 179
	1 199 748 717	41 006 023	1 240 754 740
COMPANY			
2021			
Loan payable	96 747 089	–	96 747 089
Trade and other payables	119 720	–	119 720
	96 866 809	–	96 866 809
2020			
Loan payable	73 489 890	–	73 489 890
Trade and other payables	91 220	–	91 220
	73 581 110	–	73 581 110

35. Net gains or losses on financial assets and liabilities

35.1 Financial assets

	Interest income R	Fair value adjustments through profit and loss (mandatory) R	Dividend income R	Realised profit/(loss) on investments R	Impairment reversal/ (impairment) R
GROUP					
2021					
Financial assets at fair value	–	–	–	1 088 692	–
Financial assets at amortised cost	9 495 397	–	–	–	(17 234 282)
	9 495 397	–	–	1 088 692	(17 234 282)
2020					
Financial assets at fair value	–	(1 295 001)	–	(243 775)	–
Financial assets at amortised cost	10 390 887	–	–	–	(5 084 787)
	10 390 887	(1 295 001)	–	(243 775)	(5 084 787)

	Interest income R	Fair value adjustments through profit and loss (mandatory) R	Dividend income R	Realised profit/(loss) on investments R	Impairment reversal R
COMPANY					
2021					
Financial assets at fair value	–	–	1 875	–	–
Financial assets at amortised cost	8 449 307	–	–	–	–
	8 449 307	–	1 875	–	–
2020					
Financial assets at fair value	–	–	95 359	–	–
Financial assets at amortised cost	8 896 523	–	–	–	–
	8 896 523	–	95 359	–	–

35. Net gains or losses on financial assets and liabilities (continued)

35.2 Financial liabilities

	Interest expense R	Fair value adjustments through profit and loss (mandatory) R
GROUP		
2021		
Financial liabilities at amortised cost	**85 303 386**	**–**
Financial liabilities at fair value	**–**	**(11 571 761)**
	85 303 386	**(11 571 761)**
2020		
Financial liabilities at amortised cost	98 079 549	–
Financial liabilities at fair value	–	16 146 507
	98 079 549	16 146 507
COMPANY		
2021		
Financial liabilities at amortised cost	**8 386 947**	**–**
Financial liabilities at fair value	**–**	**1 107 895**
	8 386 947	**1 107 895**
2020		
Financial liabilities at amortised cost	8 776 209	–

36. Fair value measurement

Fair value hierarchy

Assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined, based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in an active market for an identical asset.

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

36. Fair value measurement (continued)

Financial instruments

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measured.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 R	Level 2 R	Level 3 R	Total R
GROUP				
2021				
Assets				
Listed investments at fair value through profit and loss	6 392 345	–	–	6 392 345
Liabilities				
Profit share arrangements at fair value through profit and loss	–	–	25 223 686	25 223 686
Derivatives at fair value through profit and loss	–	10 966 101	–	10 966 101
	–	10 966 101	25 223 686	36 189 787
2020				
Assets				
Listed investments at fair value through profit and loss	8 133 695	–	–	8 133 695
Liabilities				
Profit share arrangements at fair value through profit and loss	–	–	24 859 516	24 859 516
Derivatives at fair value through profit and loss	–	16 146 507	–	16 146 507
	–	16 146 507	24 859 516	41 006 023

There have been no transfers between levels 1, 2 and 3 in the period under review.

Fair value measurement of derivatives

The valuation of interest rate swaps uses observable market data and requires management judgement and estimation. The availability of observable market prices and model inputs reduces the need for management judgement and estimation, and also reduces uncertainty associated with the determination of fair values. The fair value of interest rate swaps is determined by the bank using a valuation technique that maximises the use of observable market inputs. Interest rate swaps are valued by discounting future cash flows using risk-free rates and yield curves derived from quoted rates.

36. Fair value measurement (continued)

Fair value measurement of profit-sharing arrangements

The fair value of the amount payable in terms of the profit share agreements is determined with reference to the proportionate share (due in terms of the profit-sharing agreement) in the fair value of the underlying investment properties. Two of the properties are retail properties and one of the properties is a commercial property. The inputs used in the valuation of the properties are disclosed in the note below.

Fair value measurement of non-financial assets (property)

The fair value of the investment properties and land and buildings measured at fair value, which equals the carrying value, is based either on independent professional valuers who have recognised professional qualifications and experience in the valuation of similar properties or directors' valuations. In the current and prior year no properties were independently valued.

The fair value of properties is estimated using either an income approach which capitalises the estimated rental income stream, net of projected operating costs or the market approach which uses prices and other relevant information generated by market transactions involving identical or comparable assets.

At the reporting date the key assumptions and unobservable inputs used by the group in determining the fair values were the following:

		Significant unobservable inputs and range of estimates used		
Description	**Valuation technique**	**Capitalisation rate %**	**Vacancy rate %**	**Rands per sqm**
2021				
Retail	Income approach	**9.0 – 9.9**	**0.0 – 5.1**	**N/A**
Commercial	Income approach and market approach	**8.2 – 10.0**	**1.1 – 4.3**	**12 587**
Industrial	Income approach	**9.6 – 13.2**	**0.0 – 8.9**	**N/A**
Residential	Market approach	**N/A**	**N/A**	**4 136 – 19 098**
Schools	Market approach	**N/A**	**N/A**	**3 920 – 28 844***
2020				
Retail	Income approach	9.0 – 9.8	0.0 – 2.5	N/A
Commercial	Income approach and market approach	8.6 – 10.0	0.0 – 5.0	2 500 – 8 500
Industrial	Income approach	9.0 – 12.8	0.0 – 10.0	N/A
Residential	Market approach	N/A	N/A	3 816 – 17 765
Schools	Market approach	N/A	N/A	8 916 – 21 572*

* School properties are classified as land and buildings within property, plant and equipment and are measured at the revalued amount.

Sensitivity analysis

The valuations of the investment properties and buildings held at fair value are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding the other inputs constant, would have the following effects on the fair values and fair value adjustment in profit or loss:

		GROUP	
Input	Change %	**2021 R**	2020 R
Increase in capitalisation rate	0.5	**(67 544 144)**	(67 548 746)
Decrease in capitalisation rate	0.5	**79 772 874**	75 184 521
Increase in vacancy rate	2.0	**(27 759 160)**	(27 794 749)
Decrease in vacancy rate	2.0	**21 005 055**	18 518 013
Increase in Rands per sqm	10.0	**40 212 819**	49 056 681
Decrease in Rands per sqm	10.0	**(40 212 819)**	(49 056 681)

36. Fair value measurement (continued)

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value:

	Level 3 R
GROUP	
2021	
Assets	
Investment property	**1 481 253 729**
Property, plant and equipment	**309 677 843**
Non-current assets held-for-sale	**6 892 747**
	1 797 824 319
2020	
Assets	
Investment property	1 548 182 775
Property, plant and equipment	292 897 034
Non-current assets held-for-sale	91 411 180
	1 932 490 989

37. Segmental information

The group comprises the following main reportable operating segments:

	Property investments R	Education R	UK investments R	Corporate and other R	Total R
2021					
Revenue	260 403 829	138 531 539	–	3 604 682	402 540 050
Revenue – at a point in time	20 392 162	3 582 918	–	–	23 975 080
Revenue – over time	1 537 550	128 038 822	–	–	129 576 372
Revenue – straight-line basis	239 493 201	–	–	–	239 493 201
Loss from equity accounted joint ventures	(5 831 841)	–	–	–	(5 831 841)
Profit from equity accounted associates	3 131 343	–	14 645 025	–	17 776 368
Fair value adjustments on investment properties	(10 277 288)	–	–	–	(10 277 288)
Realised profit on sale of held-for-trading investments	1 088 692	–	–	–	1 088 692
Interest expense	(76 024 199)	(14 033 512)	–	(150 030)	(90 207 741)
Depreciation	(1 448 494)	(12 621 338)	–	–	(14 069 833)
Staff costs	(20 640 207)	(84 821 373)	–	(11 071 638)	(116 533 218)
Net income/(loss) before tax	4 286 369	(14 745 313)	14 645 025	(7 616 985)	(3 430 904)
Taxation	(10 205 457)	2 851 386	–	2 132 756	(5 221 315)
Net (loss)/income for the year	(5 919 088)	(11 893 927)	14 645 025	(5 484 229)	(8 652 219)
Other comprehensive loss	–	–	(14 346 706)	–	(14 346 706)
Total assets	1 695 215 748	419 123 381	120 189 740	109 174 723	2 343 703 592
Non-current assets held-for-sale	6 892 747	–	–	–	6 892 747
Total liabilities	1 144 255 129	233 960 901	–	1 029 743	1 379 245 773
Non-controlling interest	131 734 121	(3 241 247)	–	–	128 492 874
Net asset value	419 226 497	188 403 727	120 189 740	108 144 981	835 964 945
Equity accounted investments	5 087 499	–	120 189 740	–	125 277 239
Non-current assets*	1 514 038 588	388 186 396	120 189 740	–	2 022 414 724
Additions to non-current assets	8 819 699	41 298 081	–	–	50 117 780

* Non-current assets other than financial instruments and deferred tax assets.

	Property investments R	Education R	UK investments R	Corporate and other R	Total R
Intrinsic value					
Club Mykonos Langebaan Group	162 131 458	–	–	–	162 131 458
ARIA Property Group	192 125 521	–	–	–	192 125 521
RESI Investment Group	93 861 489	–	–	–	93 861 489
Generation Education Group	–	419 480 922	–	–	419 480 922
ASK Partners	–	–	117 731 532	–	117 731 532
Other	–	–	–	29 946 781	29 946 781
Cash	–	–	–	102 807 070	102 807 070
Intrinsic net asset value	448 118 468	419 480 922	117 731 532	132 753 851	1 118 084 773
Fair value adjustments	(52 470 939)	(231 077 195)	2 458 208	(1 029 902)	(282 119 828)
Cash allocation	13 266 499	–	–	(13 266 499)	–
Other reallocations	10 312 469	–	–	(10 312 469)	–
Net asset value	419 226 497	188 403 727	120 187 740	108 144 981	835 964 945

37. Segmental information (continued)

	Property investments R	Education R	UK investments R	Corporate and other R	Total R
2020					
Revenue	287 010 690	86 520 229	–	1 714 631	375 245 550
Revenue – at a point in time	17 033 807	6 539 329	–	–	23 573 136
Revenue – over time	1 492 560	79 980 900	–	–	81 473 460
Revenue – straight-line basis	259 808 067	–	–	–	259 808 067
Profit from equity accounted joint ventures	650 721	–	–	–	650 721
Profit from equity accounted associates	1 097 418	–	1 749 772	–	2 847 190
Fair value adjustments on investment properties	(7 711 864)	–	–	–	(7 711 864)
Realised loss on sale of held-for-trading investments	(243 775)	–	–	–	(243 775)
Interest expense	(91 877 380)	(6 202 169)	–	–	(98 079 549)
Depreciation	(1 860 973)	(6 706 858)	–	–	(8 567 831)
Staff costs	(18 254 866)	(50 344 958)	–	(12 882 535)	(81 482 359)
Net income/(loss) before tax	14 382 157	(3 055 008)	1 749 772	(10 963 684)	2 113 237
Taxation	(8 663 458)	2 797 209	–	1 119 571	(4 746 678)
Net income/(loss) for the year	5 718 699	(257 799)	1 749 772	(9 844 113)	(2 633 441)
Other comprehensive income	–	–	20 694 200	–	20 694 200
Total assets	1 856 081 835	324 819 622	119 891 418	88 329 881	2 389 122 756
Non-current assets held-for-sale	91 411 180	–	–	–	91 411 180
Total liabilities	1 239 898 301	122 066 844	–	1 337 136	1 363 302 281
Non-controlling interest	127 771 841	(746 325)	–	–	127 025 516
Net asset value	488 411 693	203 499 103	119 891 418	86 992 745	898 794 959
Equity accounted investments	7 837 307	–	119 891 418	–	127 728 725
Non-current assets*	1 577 865 411	293 996 910	119 891 418	–	1 991 753 739
Additions to non-current assets	17 263 204	81 451 718	–	–	98 714 922

* Non-current assets other than financial instruments and deferred tax assets.

	Property investments R	Education R	UK investments R	Corporate and other R	Total R
Intrinsic value					
Club Mykonos Langebaan Group	157 596 992	–	–	–	157 596 992
ARIA Property Group	184 366 087	–	–	–	184 366 087
RESI Investment Group	141 264 603	–	–	–	141 264 603
Generation Education Group	–	378 078 497	–	–	378 078 497
ASK Partners	–	–	117 328 699	–	117 328 699
Other	–	–	–	33 649 422	33 649 422
Cash	–	–	–	109 264 345	109 264 345
Intrinsic net asset value	483 227 682	378 078 497	117 328 699	142 913 767	1 121 548 645

Comparative segment information has been restated to move staff costs from the property segment to the corporate and other segment.

Identification of reportable segments

The basis reported by the group is in accordance with the accounting policies adopted for the preparation and presentation of the consolidated financial statements.

Segment revenue excludes value-added taxation and intersegment revenue. Intersegment revenue is presented as a separate line item and eliminated at consolidation.

Segment expenses include direct and allocated expenses. Depreciation has been allocated to the segments to which they relate.

Segment assets comprise all assets of the different segments that are employed by the segment and that either are directly attributable to the segment, or can be allocated to the segment on a reasonable basis.

37. Segmental information (continued)

Reportable segments

Property investments
Income from this segment is derived from sale of investment property and inventory, rental income on investment property, fair value gains on property investments and dividend income from reporting entities within the segment.

Education
Revenue from this segment is derived from school fees.

UK property investments
Income is derived from equity accounted profits from Leopard ASK Intermediate Investco Limited and ASK Partners Holdco Limited.

Corporate and other
Consists of cash and cash equivalents and other non-significant assets.

Geographical information
Property investments, education, corporate and other represent the South African region and UK investments represent the United Kingdom region.

Intrinsic value report
The intrinsic net asset value is a non-IFRS measure and is one of the measures the board uses to assess shareholder value created and the performance of each operating segment and is therefore presented as part of the group's segment information.

The intrinsic value of assets is determined as follows:

- Investment property – IFRS carrying value (level 3), included at fair value as disclosed in note 36.
- Listed investments – IFRS carrying value (level 1), included at fair value as disclosed in note 36.
- Cash – IFRS carrying value, as disclosed in note 15.
- Unlisted investments – Directors' valuation using valuation methodology as indicated below (level 3). The unlisted investments comprise the Generation Education Group.
- Immovable property held as inventory – Directors' valuation using valuation methodology as indicated below (level 3).

Valuation of unlisted investments
The valuation of unlisted investments is estimated using either the discounted cash flow model or the price-earnings model, or a combination of both. The most significant inputs, all of which are unobservable, are the growth rate, the discount rate and the price-earnings ratio.

The significant inputs used in the valuations as at 31 August 2021 were:

- The price-earnings ratio applied to the investments was 15 (2020: 15) with the weighted average being 15 (2020: 15).
- The weighted average cost of capital applied to the investments was 13.1% (2020: 13.0%) with the weighted average being 13.1% (2020: 13.0%).

Valuation of inventory
The valuation of inventory is estimated using recent sales information of similar properties. The most significant input, which is unobservable, is the price per square metre.

The range of the price per square metre applied to the property are between R237 and R14 524 (2020: R280 and R14 524) with the weighted average being R2 646 (2020: R5 047).

38. Minimum lease payments receivable

	GROUP	
	2021 R	2020 R
Receivable within one year	**178 671 249**	161 715 591
Receivable within two to five years	**413 336 666**	374 730 810
Receivable beyond five years	**116 018 123**	119 087 254
	708 026 038	655 533 655

Minimum lease payments comprise contractual rental income, excluding the straight-line lease adjustments.

The lease terms range between one and ten years with escalations ranging from CPI to 10%.

39. Related parties

	GROUP 2021 R	GROUP 2020 R
Identity of related parties		
Investments in subsidiaries – refer to note 6;		
Investments in joint ventures – refer to note 7;		
Investments in associates – refer to note 8;		
Loans to/(from) subsidiaries – refer to note 9;		
Loans receivable to joint venture, associates and entities with common management – refer to note 9		
Related party transactions		
Distributions and dividends received from joint ventures and associates	443 788	–
(Loss)/profit from equity accounted joint ventures	(5 831 841)	650 721
Profit from equity accounted associates	17 776 368	2 847 190
Interest received from associates	299 505	786 511
Administration fees received from associate	300 000	300 000
Administration fees received from joint ventures	960 000	960 000

Directors' emoluments – refer to note 30.

	COMPANY 2021 R	COMPANY 2020 R
Interest from subsidiaries	8 386 947	8 853 807

40. Capital distributions

	GROUP 2021 R	GROUP 2020 R	COMPANY 2021 R	COMPANY 2020 R
Capital distribution	16 084 197	12 092 610	16 084 197	12 092 610

	Cents	Cents
The company has paid the following cash distributions per share to shareholders:		
Capital distribution paid (per share)	7.5	5.5
The company has proposed the following cash distributions per share to shareholders:		
Capital distribution proposed (per share)	30.0	7.5

		2021	2020
Capital distributions paid to shareholders holding greater than 20% of the issued share capital of the company			
Number of shares		113 657 160	113 657 160
Total distributions paid	(Rand)	8 524 287	6 251 144

41. Subsequent events

The impact of Covid-19 has been considered after year-end and there has been no further material impact on the group's profit and loss and statement of financial position after year-end. The group continues to monitor the impact of the pandemic and on date of signing the impact is not considered to be material.

ARIA has acquired Riverside Mall Shopping Centre in Rondebosch, Cape Town for a purchase price of R126.1 million. The acquisition was funded using bank debt and was registered in the Cape Town deeds registry on 17 September 2021.

Further to the above, ARIA entered into a loan agreement with Nedbank for an amount of R654 million, which combined three existing Nedbank loans payable at year-end. The loan term is three years at JIBAR-linked rates. The sureties signed by Trematon on these loans was reduced from R407 million to R215 million.

Subsequent to year-end properties with a carrying amount of R4.6 million recognised as non-current assets held-for-sale were transferred to the buyers of those properties and were derecognised.

After year-end ARIA declared a dividend of R10 million to shareholders, of which R6 million was received by Trematon.

Refer to note 40 for the capital distribution declared after year-end.

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

42. Going concern

The annual financial statements contained in this annual report have been prepared on a going concern basis as the directors have every reason to believe that the company and the group have adequate resources to continue in operation for the year ahead, including specific consideration of the risk associated with Covid-19.

Covid-19 impact

The outbreak of the Covid-19 pandemic which resulted in a nationwide lockdown in March 2020 has had a significant impact on the world and South African economy. The group was not an essential service provider, however they continued operating during the lockdown with staff working from home. The group had the financial resources available to provide relief, however the possibility of future relief and the financial impact is uncertain and cannot be quantified at this stage as the country is still in level 1 lockdown. There were no staff retrenchments as a result of Covid-19.

The group activities have returned to normal levels. The group has treated the impact of the Covid-19 pandemic as an adjusting event and, other than as summarised below, there were no significant adjustments to the group's annual financial statements for the year ended 31 August 2021. The group is continuing to monitor the impact of the pandemic and there are no material adjustments to the results post year-end.

The financial impact of Covid-19 is summarised below:

- increase in bad debts written off, mainly in ARIA, amounting to R8.3 million. Other bad debts written off and provision for expected credit losses are insignificant;
- increase in capitalisation rates used for the valuation of investment properties which is disclosed in note 36;
- reduction in rental income due to concessions given to tenants in the form of rental discounts amounting to R3.2 million (2020: R2.1 million) and rental deferrals amounting to R0.3 million (2020: R0.7 million);
- the loan receivable and investment in The Woodstock Hub was impaired as a result of Covid-19's impact on the property values within the company; and
- the value of property was reduced by R10.3 million during the year as a result of the fair value adjustment. This decrease is mainly as a result of Covid-19 which has resulted in vacancies and reductions in market rentals as well as changes in capitalisation rates used in valuing the properties.

ANALYSIS OF **SHAREHOLDERS**

Register date: 31 August 2021 Issued share capital: 208 605 031 shares

	Number of shareholders	%	Number of shares	%
Shareholder spread				
1 – 1 000 shares	546	52.25	98 925	0.05
1 001 – 10 000 shares	262	25.07	1 139 857	0.55
10 001 – 100 000 shares	174	16.65	5 098 534	2.44
100 001 – 1 000 000 shares	42	4.02	15 156 968	7.27
1 000 001 shares and over	21	2.01	187 110 747	89.69
Total	1 045	100.00	208 605 031	100.00
Distribution of shareholders				
Banks/Brokers	5	0.48	2 163 507	1.04
Close Corporations	7	0.67	397 811	0.19
Endowment Funds	2	0.19	528 287	0.25
Individuals	923	88.32	19 088 968	9.15
Mutual Funds	6	0.57	12 748 111	6.11
Other Corporations	7	0.67	382 849	0.18
Private Companies	38	3.64	41 453 724	19.87
Public Companies	1	0.10	1 900	0.00
Trusts	56	5.36	131 839 874	63.21
Total	1 045	100.00	208 605 031	100.00
Public/Non-public shareholders				
Non-public shareholders	9	0.87	137 406 845	65.87
Directors and associates of the company	8	0.77	71 299 685	34.18
Holding more than 10% (excluding directors and associates of the company)	1	0.10	66 107 160	31.69
Public shareholders	1 036	99.13	71 198 186	34.13
Total	1 045	100.00	208 605 031	100.00
Registered shareholders holding 3% or more				
The Suikerbos Trust			66 107 160	31.69
The Armchair Trust			47 550 000	22.79
Buff-Shares (Pty) Limited*			19 019 803	9.12
The Salvete Trust			9 350 243	4.48
Marr Holdings (Pty) Limited			8 978 872	4.30
Total			151 006 078	72.38

* Buff-Shares (Pty) Limited includes 10 399 808 shares held for the benefit of R Stumpf, a non-executive director of the company.

TREMATON CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/008691/06)
JSE code: TMT ISIN: ZAE000013991
("Trematon" or "the company" or "the group")

NOTICE OF ANNUAL GENERAL MEETING

for the year ended 31 August 2021

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF TREMATON CAPITAL INVESTMENTS LIMITED ("TREMATON" OR "THE COMPANY" OR "THE GROUP") WILL BE HELD ENTIRELY BY ELECTRONIC COMMUNICATION ON WEDNESDAY, 26 JANUARY 2022, AT 10:00 TO CONDUCT THE UNDERMENTIONED BUSINESS AND FOR THE UNDERMENTIONED ORDINARY AND SPECIAL RESOLUTIONS TO BE PROPOSED:

Date of posting of this notice of AGM and announcement of AGM on SENS	Wednesday, 30 November 2021
Record date to determine which shareholders are entitled to receive the notice of AGM	Friday, 19 November 2021
Last day to trade in order to be eligible to attend and vote at the AGM	Tuesday, 18 January 2022
Record date to determine which shareholders are entitled to attend and vote at the AGM	Friday, 21 January 2022
Forms of proxy to be lodged at transfer secretaries by 10:00 on	Monday, 24 January 2022
AGM of the company to be held at 10:00 on	Wednesday, 26 January 2022
Results of the AGM announced on SENS	Wednesday, 26 January 2022

The expression "Act" or "Companies Act 2008" as used in this notice means the Companies Act, No. 71 of 2008, as amended, the expression "JSE" as used herein means the JSE Limited, the expression "Listings Requirements" as used herein refers to the JSE Listings Requirements and the expression "MOI" or "Memorandum of Incorporation" refers to the Memorandum of Incorporation of the company.

Trematon appointed The Meeting Specialist Proprietary Limited ("TMS") to remotely host the AGM on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. TMS will also act as scrutineers.

The reason for the holding of the AGM by way of electronic communication is as a result of the Covid-19 virus outbreak and the resultant health distancing, legal restrictions and official advice on gatherings and movement as well as the uncertainty of a possible fourth wave of infections.

Kindly note that, in terms of section 63(1) of the Companies Act, AGM participants (including proxies) will be required to provide identification to the reasonable satisfaction of the chairman if they are not known to the chairman before being entitled to participate in or vote at the AGM as more fully detailed in this notice. Forms of identification that will be accepted include certified copies of valid identity documents, driver's licences and passports. If in doubt as to whether any document will be regarded as satisfactory proof of identification, AGM participants should contact the transfer secretaries for guidance.

Presentation of audited annual financial statements

The audited consolidated annual financial statements of the company, including the reports of the board of directors ("board" or "directors"), audit and risk committee, and the independent auditors, for the year ended 31 August 2021, will be presented to shareholders as required in terms of section 30(3)(d) of the Act. The complete set of audited consolidated annual financial statements, together with the report of the directors and the independent auditors' report are set out on pages 47 to 123 of the Integrated Annual Report ("report") and the audit and risk committee report is set out on pages 44 and 45 thereof.

Section A – Ordinary resolutions

To consider, and if deemed fit, pass, the undermentioned ordinary resolutions numbers 1 to 7 with or without modification.

In order to be adopted:

- ordinary resolutions numbers 1, 2, 3, 4, 5 and 7, require the support of more than 50% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting; and
- ordinary resolution number 6 requires the support of at least 75% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

1. Ordinary resolution number 1: The re-election of non-executive directors

"To re-elect the following non-executive directors who, in terms of the company's MOI, retire by rotation at the AGM, but, being eligible, offer themselves for re-election.

1.1 Mr R Lockhart-Ross; and
1.2 Mr K Getz."

Brief biographies of the aforementioned non-executive directors are included on page 10 of the report in which this notice is incorporated.

The appointments numbered 1.1 and 1.2 constitute separate ordinary resolutions and will be considered by separate vote.

2. Ordinary resolution number 2: The confirmation of non-executive director

"To confirm the appointment of Ms MA Sessions (independent non-executive director) who was appointed by the board during the year."

A brief biography of the aforementioned non-executive director is included on page 10 of the report in which this notice is incorporated.

3. Ordinary resolution number 3: The re-appointment of the independent auditor and designated auditor

"To re-appoint Mazars as the independent auditors of the group (as defined in the Listings Requirements) and to re-appoint Mr Marc Edelberg, being a partner of Mazars, as the individual designated auditor of the group who will undertake the audit of the group for the ensuing year."

4. Ordinary resolution number 4: The appointment of the audit and risk committee for the ensuing year

"To elect the following non-executive directors, who are eligible and offer themselves for election, to the audit and risk committee for the ensuing year, as recommended by the board:

4.1 subject to the adoption of ordinary resolution number 1.1, Mr R Lockhart-Ross*;

4.2 subject to the adoption of ordinary resolution number 2, Ms MA Sessions; and

4.3 Mr JP Fisher."

Brief biographies of the aforementioned directors are included on page 10 of the report.

* Mr R Lockhart-Ross is the chairman of the board and a member of the audit and risk committee.

The appointments numbered 4.1 to 4.3 constitute separate ordinary resolutions and will be considered by separate vote.

5.1 Ordinary resolution number 5.1: Non-binding advisory vote on the remuneration policy of the company

"To endorse, through a non-binding advisory vote, the remuneration policy of the company, as recommended by the King IV Report on Governance for South Africa in order to ascertain shareholders' views on the company's remuneration policy. The company's remuneration report and policy is set out on page 34 of the report."

5.2. Ordinary resolution number 5.2: Non-binding advisory vote on the implementation of the remuneration policy of the company

"To endorse, through a non-binding advisory vote, the remuneration implementation report of the company, as recommended by the King IV Report on Governance for South Africa. The company's remuneration implementation report is set out on page 35 of the report."

Ordinary resolutions numbered 5.1 and 5.2 constitute separate ordinary resolutions and will be considered by separate votes.

In accordance with Principle 14 of the King Report on Corporate Governance for South Africa, 2016 ("King IV™"), the company's remuneration policy and remuneration implementation report are tabled for consideration by shareholders. These votes enable shareholders to express their views on the remuneration policies adopted by the company and on the implementation thereof.

Ordinary resolution numbers 5.1 and 5.2 are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing remuneration arrangements, however, the board will take the outcome of the votes on these resolutions into consideration when considering amendments to the company's remuneration policy. Should either of the resolutions, or both, be opposed by 25% or more of the total number of votes exercisable by shareholders present or represented by proxy at the AGM, the board will issue an invitation, included in the announcement to shareholders advising of the results of the AGM, to be published on SENS on Wednesday, 26 January 2022, to those shareholders who voted against the applicable resolution to engage with the company at a meeting scheduled for this purpose.

6. Ordinary resolution number 6: General authority to issue securities for cash

"To authorise the directors of the company, by way of a general authority, to allot and issue for cash any or all of its authorised but unissued ordinary shares and to issue any options/convertible securities that are convertible into an existing class of equity securities in the share capital of the company as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements, the Act and the MOI of the company, and provided further that:

(a) the approval shall be valid until the date of the next annual general meeting, provided it shall not extend beyond fifteen months from the date of this resolution;

(b) the number of ordinary shares issued for cash shall, in any one financial year in the aggregate, not exceed 62 581 509 shares, being 30% of the company's issued shares as at the date of this notice, excluding treasury shares;

(c) after the company has issued shares in terms of this general authority representing, on a cumulative basis within a financial year, 5% or more of the number of shares in issue prior to that issue, the company will publish an announcement containing full details of the issue, including the effects of the issue on the net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share, and diluted earnings and headline earnings per share;

(d) in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which such shares may be issued will be 10% of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the company's shares have not traded in such 30-business-day period;

(e) any shares issued under this authority during the period contemplated in paragraph (a) above, must be deducted from the number in paragraph (b) above;

(f) in the event of a sub-division or consolidation of issued shares during the period contemplated in paragraph (a) above, the existing authority must be adjusted accordingly to represent the same allocation ratio;

(g) any such issue will only be made to public shareholders as defined in the Listings Requirements and not to related parties; and

(h) the shares, which are the subject of the issue for cash, will be of a class already in issue, or where this is not the case, will be limited to such shares or rights that are convertible to a class already in issue."

Explanatory note

The reason for this ordinary resolution is, and the effect thereof will be, to authorise the directors to allot and issue, for cash, any of the company's unissued ordinary shares, as they in their discretion deem fit, subject to the applicable provisions of the Listings Requirements, the Act, the MOI and this resolution.

As mentioned above, in terms of the Listings Requirements, this ordinary resolution requires the support of at least 75% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting.

7. Ordinary resolution number 7: Directors to implement resolutions

"To authorise each and every director of the company to do all such things and sign all documents and take all such action as they consider necessary to give effect to and implement the ordinary and special resolutions as set out in this notice."

Section B – Special resolutions

To consider and if deemed fit, pass, the undermentioned special resolutions numbers 1 to 4, with or without modification. In order to be adopted these resolutions require the support of at least 75% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting:

8. Special resolution number 1: Financial assistance for subscription of securities

"To authorise the directors of the company, in terms of section 44 of the Act, to provide direct or indirect financial assistance by way of loans, guarantees, the provision of security or otherwise to any person (as defined in the Act and including the Trematon Share Incentive Trust and any participant thereof), for the purposes of, or in connection with, the subscription of any option, or any securities (as defined in the Act), issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company."

Explanatory note

The reason for this special resolution is, and the effect thereof will be, to grant the directors of the company the authority to cause the company to provide direct or indirect financial assistance to any person as contemplated in section 44 of the Act.

9. Special resolution number 2: Financial assistance

"To authorise the directors of the company, in terms of section 45 of the Act, to cause the company to provide any direct or indirect financial assistance to any director or prescribed officer of the company, or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, or to a person (as defined in the Act) related to any such company (including the company), corporation, director, prescribed officer or member or to the Trematon Share Incentive Trust (to the extent, if any, necessary in law) insofar as any director or prescribed officer thereof is a participant thereof or is related or inter-related, directly or indirectly, to any such participant."

Explanatory note

The reason for this special resolution is, and the effect thereof will be, to grant the directors of the company the authority to cause the company to provide financial assistance to any director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company (including the company), corporation, director, prescribed officer or member, as contemplated in section 45 of the Act.

10. Special resolution number 3: General authority to repurchase shares

"To authorise the company or any of its subsidiaries to repurchase or purchase, as the case may be, ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of the Act, the MOI, the Listings Requirements and the following further limitations:

(i) that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);

(ii) that this authority shall not extend beyond 15 months from the date of this resolution or the date of the next AGM, whichever is the earlier date;

(iii) that any authorisation thereto is given by the MOI;

(iv) that an announcement be made giving such details as may be required in terms of the Listings Requirements when the company, or any subsidiary or subsidiaries of the company collectively, has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that the general authority is granted) of the relevant class of securities and for each

3% in aggregate of the initial number of that class acquired thereafter;

(v) at any one time, the company or any subsidiary may only appoint one agent to effect any repurchase on behalf of the company or any subsidiary, as the case may be;

(vi) the repurchase of shares will not take place during a prohibited period as defined by the Listings Requirements unless a repurchase programme where the dates and quantities of shares to be traded during the relevant period are fixed (not subject to any variation) is in place and has been submitted to the JSE in writing. The company must instruct an independent third party which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;

(vii) the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued share capital at the time this authority is given, provided that a subsidiary, or subsidiaries of the company collectively, shall not hold in excess of 10% of the number of shares issued by the company;

(viii) the repurchase of shares may not be made at a price greater than 10% above the weighted average traded price of the market value of the shares as determined over the five business days immediately preceding the date on which the transaction was effected. The JSE should be consulted for a ruling if the company's shares have not traded in such five-business-day period;

(ix) prior to entering the market to proceed with the repurchase, the board shall have confirmed by resolution that the company and its subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Act and confirming that, subsequent to the test being performed, there had been no material changes to the financial position of the group; and

(x) the board is of the opinion that this authority should be in place so as to enable the company, as and when the opportunity presents itself, to repurchase shares.

Explanatory note

The reason for this special resolution is, and the effect thereof will be, to grant, in terms of the provisions of the Act and the Listings Requirements, and subject to the terms and conditions embodied in this special resolution, a general authority to the directors to approve the acquisition by the company or any of its subsidiaries of the company's own shares, which authority shall be used by the directors at their discretion provided that such authority shall not extend beyond 15 months of the date of this AGM.

Disclosures required in terms of the Listings Requirements

In terms of the Listings Requirements, the following disclosures are required with reference to the repurchase of the company's shares as set out in special resolution number 3 above:

Statement of directors

As at the date of this report the company's directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 months after the date of any resolution of the directors authorising such general repurchase:

(i) the company and the group will be able, in the ordinary course of business, to pay its debts;

(ii) the assets of the company and the group will be in excess of the liabilities of the company and the group, recognised and measured in accordance with International Financial Reporting Standards;

(iii) the share capital and reserves of the company and the group will be adequate for ordinary business purposes;

(iv) the working capital resources of the company and the group will be adequate for ordinary business purposes;

(v) the company and the group has complied with the applicable provisions of the Act and the Listings Requirements.

Directors' responsibility statement

The directors, whose names are given on pages 10 and 11 of the report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the Listings Requirements.

Material changes

Other than the facts and developments reported on in the report, there have been no material changes in the affairs, financial or trading position of the group since the signature date of the report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements are set out in accordance with the reference pages in the report of which this notice forms part:

Directors and management (refer to pages 10 and 11)

Directors' interests in the company's shares (refer to pages 50 and 51)

11. Special Resolution Number 4: The authority to pay non-executive directors' fees

"That the non-executive directors' (whose further details and designations are set out on pages 10 of the report) fees paid for the period ended 31 August 2021, as set out on page 103 of the report, be and are hereby approved.

Further, that the non-executive directors' fees payable for the period from 1 September 2021 until 31 August 2022 be and are hereby approved:

Name	2022 R	2021 R
JP Fisher	230 000	220 000
K Getz	230 000	220 000
R Lockhart-Ross	485 000	480 000
MA Sessions	230 000	116 415
R Stumpf	230 000	220 000

Additional fees are paid to non-executive directors for meeting attendance as follows:

Audit committee (per meeting)	R15 000 (2021: R16 875)
Audit committee – chairman (per meeting)	R20 000 (2021: R16 875)
Remuneration committee (per meeting)	R10 000 (2021: R9 000)
Social and ethics committee (per meeting)	R10 000 (2021: R9 000)

Explanatory note

The reason for this special resolution is, and the effect thereof will be, to grant the company the authority to pay fees to non-executive directors for their services as directors in terms of section 66 of the Act. Furthermore, in terms of the Act and the King IV Report on Governance for South Africa, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

Section C – To transact such other business (if any) as may be transacted at an AGM

Entitlement to attend and vote at the AGM in person or by proxy

- Equity securities held by a share trust or scheme will not have their votes at the AGM taken into account for the purposes of resolutions passed in terms of the JSE Listings Requirements.
- Unlisted securities (if applicable) and shares held as treasure shares may not vote.

Certificated and dematerialised shareholders with "own name" registration

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote in his/her place. The proxy need not be a member of the company. It is requested that proxy forms be forwarded so as to reach the transfer secretaries by no later than 10:00 on Monday, 24 January 2022, so as to assist the company to timeously verify the identity of the shareholders and their proxies who wish to participate by electronic communication at the AGM. Proxy forms may be presented at any time prior to or at the AGM, but not later than 08:00 on the day of the meeting in accordance with the instructions therein, by e-mailing those proxy forms to TMS at proxy@tmsmeetings.co.za.

Presentation of suitable identification by the proxy when registering his attendance on the day of the AGM will be required.

Dematerialised shareholders, other than with "own name" registration

Shareholders who have already dematerialised their shares other than with "own name" registration, must advise their Central Securities Depository Participant ("CSDP") or broker of their voting instructions if they are unable to attend the AGM but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM in person, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.

Participation in the meeting

The board of directors of the company has determined that the record date for the purposes of determining which shareholders of the company are entitled to receive notice of the AGM was Friday, 19 November 2021 and the last date for purposes of determining which shareholders of the company are entitled to participate in and vote at the AGM is Friday, 21 January 2022. Accordingly, only shareholders who are registered in the register of members of the company on Friday, 21 January 2022 will be entitled to participate in and vote at the AGM.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM if they are not known to the chairman and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

This notice of AGM includes the attached proxy form.

Electronic participation

Shareholders who wish to electronically participate in and/or vote at the AGM are required to complete the Electronic Participation Application Form available on page 133 and e-mail same to TMS at proxy@tmsmeetings.co.za and contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 10:00am on 24 January 2022. Shareholders are strongly encouraged to submit votes by proxy before the meeting. If shareholders wish to participate in the AGM, they should instruct their CSDP or broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in their custody agreement.

These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker, to accommodate such requests.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at the AGM. TMS is further obliged to validate (in correspondence with Trematon and, in particular, the transfer secretaries, and shareholders' CSDPs) each such shareholder's entitlement to participate in and/or vote at the AGM, before providing it with the necessary means to access the AGM and/or the associated voting platform.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of Trematon and/or TMS. Trematon or TMS cannot be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the AGM. Shareholders are strongly encouraged to submit votes by proxy in advance of the AGM to the transfer secretaries – JSE Investor Services (Pty) Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) South Africa, e-mail meetfax@linkmarketservices.co.za or facsimile 086 674 2450 by no later than 10:00 on Monday, 24 January 2022.

Kindly ensure that TMS is copied when submitting all completed proxy forms and/or letters of representation to the transfer secretaries.

Please forward all relevant information to the below-mentioned:

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
2 Gwen Lane
Sandown
South Africa
2196

Attention: Michael Wenner, Farhana Adam or Izzy van Schoor
Tel: +27 11 520-7950/1/2
E-mail: michael.wenner@tmsmeetings.co.za
E-mail: farhana.adam@tmsmeetings.co.za
E-mail: izzy.vanschoor@tmsmeetings.co.za
E-mail: proxy@tmsmeetings.co.za

As required in terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the presiding person at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as a proxy for a shareholder, has been reasonably verified. So as to comply with this verification procedure set out in section 63(1) of the Companies Act, shareholders wishing to participate electronically in the AGM are required to deliver written notice to TMS by e-mail to proxy@tmsmeetings.co.za by no later than 10:00 on Monday, 24 January 2022 that they wish to participate via electronic communication at the AGM (the electronic notice). For the electronic participation to be valid, it must contain:

- if the shareholder is an individual, a certified copy of his/her original identity document and/or passport and/or driver's licence;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution, which resolution must set out who from the relevant entity is authorised to represent the relevant entity at the AGM via electronic communication; and
- a valid e-mail address and/or mobile telephone number (the contact e-mail address/number).

Shareholder rights

In terms of section 58 of the Companies Act, No. 71 of 2008 (as amended), shareholders have rights to be represented by proxy as herewith stated.

(1) At any time, a shareholder of the company may appoint any individual, including an individual who is not a shareholder of the company, as a proxy to:

  (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or

  (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

  Provided that the shareholder may appoint more than one proxy to exercise voting rights attached to different shares held by the shareholder.

(2) A proxy appointment:

  (a) must be in writing, dated and signed by the shareholder; and

  (b) remains valid for:
    (i) one year after the date on which it was signed; or
    (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

(3) Except to the extent that the Memorandum of Incorporation of the company provides otherwise:

  (a) a shareholder of the company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;

  (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and

  (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

(4) Irrespective of the form of instrument used to appoint a proxy:

(a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;

(b) the appointment is revocable unless the proxy appointment expressly states otherwise; and

(c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:

(i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and

(ii) delivering a copy of the revocation instrument to the proxy and to the company.

(5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:

(a) the date stated in the revocation instrument, if any; or

(b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

(6) If the instrument appointing a proxy or proxies has been delivered to the company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:

(a) the shareholder; or

(b) the proxy or proxies, if the shareholder has:

(i) directed the company to do so, in writing; and

(ii) paid any reasonable fee charged by the company for doing so.

(7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

(8) If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:

(a) the invitation must be sent to every shareholder which is entitled to notice of the meeting at which the proxy is intended to be exercised;

(b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:

(i) bear a reasonably prominent summary of the rights established by this section;

(ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and

(iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;

(c) the company must not require that the proxy appointment be made irrevocable; and

(d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

(9) Subsections (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

By order of the board

JJ Vos
Company Secretary

Cape Town
30 November 2021

PROXY FORM

TREMATON CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/008691/06)
JSE code: TMT ISIN: ZAE000013991
("Trematon" or "the company" or "the group")

THIS FORM OF PROXY IS ONLY FOR USE BY:

- **shareholders who hold their shares in certificated form; and**
- **shareholders who hold dematerialised shares with "own name" registration,**

at the annual general meeting of shareholders of the company to be held entirely by electronic communication at 10:00 on Wednesday, 26 January 2022 (the "AGM").

Other shareholders must give their voting instructions to their CSDP or broker (see note 8).

Each shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy (who need not be a shareholder of the company) to attend, participate in, speak and vote in place of that shareholder at the AGM, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the company.

Please note that any shareholder of the company that is a company may authorise any person to act as its representative at the AGM.

Please also note that section 63(1) of the Act requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before they may so participate.

I/We (BLOCK LETTERS) ____

of ____

being the registered holder/s of ______________________________ ordinary shares

hereby appoint

1. ____ whom failing

2. ____ whom failing

3. the chairman of the AGM as my/our proxy to vote for me/us and on my/our behalf at the AGM of the company to be held on 26 January 2022 and at any adjournment thereof as follows:

	Number of shares	In favour of	Against	Abstain
Section A				
Ordinary resolution number 1 – Re-election of non-executive directors				
Ordinary resolution number 1.1 – Re-election of R Lockhart-Ross				
Ordinary resolution number 1.2 – Re-election of K Getz				
Ordinary resolution number 2 – Confirmation of MA Sessions				
Ordinary resolution number 3 – Re-appointment of the independent auditor and designated auditor				
Ordinary resolution number 4 – Appointment of the audit and risk committee				
Ordinary resolution 4.1 – Election of R Lockhart-Ross				
Ordinary resolution 4.2 – Election of MA Sessions				
Ordinary resolution 4.3 – Election of JP Fisher				
Ordinary resolution number 5.1 – Endorsement of remuneration policy				
Ordinary resolution number 5.2 – Implementation of remuneration policy				
Ordinary resolution number 6 – General authority to issue securities for cash				
Ordinary resolution number 7 – Directors to implement resolutions				
Section B				
Special resolution number 1 – Financial assistance for subscription of securities				
Special resolution number 2 – Financial assistance				
Special resolution number 3 – General authority to repurchase shares				
Special resolution number 4 – Authority to pay non-executive directors' fees				

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares held in respect of which you desire to vote (see note 2).

This form of proxy shall be valid only until the AGM of the shareholders of the company to be held on Wednesday, 26 January 2022 and any adjournment thereof.

Signed at ______________________________ on ____________________ 20______.

Signature____
(Authority of signatory to be attached if applicable – see note 5)

Assisted by me (where applicable – see note 10) ______________________ Telephone number ______________

Please also read the notes overleaf.

Registered office
3rd Floor
Aria North Wharf
42 Hans Strijdom Avenue
Cape Town, 8001

Postal address
PO Box 15176
Vlaeberg, 8018
Tel: 021 421 5550

Transfer secretaries
JSE Investor Services (Pty) Limited
17 Ameshoff Street, Braamfontein, 2001
PO Box 4844
Johannesburg, 2000

Notes to the proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting "the chairman of the AGM". The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, the proxy form will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat.

3. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of votes cast and in respect of which any abstention is recorded may not exceed the total votes exercisable by the shareholder or his/her proxy.

4. Any deletion, alteration or correction to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the chairperson.

5. Documentary evidence establishing the authority of a person signing this form of proxy in the representative capacity must be attached to this form of proxy unless previously recorded by the company.

6. Forms of proxy may be presented any time prior to or at the AGM and also at the company's registered office at 3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001 (PO Box 15176, Vlaeberg, 8018), or the company's transfer secretaries. Should forms of proxy be presented at the company's transfer secretaries these must be completed and received by:

   JSE Investor Services (Pty) Limited, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by not later than 10:00 on Monday, 24 January 2022, or if not so received by 10:00 on Monday, 24 January 2022, by e-mailing it to the TMS at proxy@tmsmeetings.co.za at any time before the commencement of the AGM but not later than 08:00 on the day of the AGM.

7. The completion and lodging of this form of proxy by certificated members and dematerialised members with "own name" registration will not preclude the shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such shareholder wish to do so.

8. Dematerialised shareholders, other than with "own name" registration, must advise their Central Securities Depository Participant ("CSDP") or broker of their voting instructions if they are unable to attend the AGM, but wish to be represented thereat. This should be done by the cut-off time stipulated by their CSDP or broker. If, however, such members wish to attend the AGM by electronic participation, then they will need to request their CSDP or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between the dematerialised shareholder and the CSDP or broker.

9. A form of proxy shall be deemed to include the right to demand or join in demanding a poll.

10. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.

ELECTRONIC PARTICIPATION
APPLICATION FORM

TREMATON CAPITAL INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/008691/06)
JSE code: TMT ISIN: ZAE000013991
("Trematon" or "the company" or "the group")

Name and surname of shareholder ______________________________

Name and surname of shareholder representative ______________________________
(If applicable)

ID number ______________________________

E-mail address ______________________________

Cell number ______________________________

Telephone number ______________________________

Name of CSDP or broker ______________________________
(If shares are held in dematerialised format)

SCA number or broker account number ______________________________

Number of shares ______________________________

Signature ______________________________

Date ______________________________

TERMS AND CONDITIONS FOR PARTICIPATION AT THE TREMATON AGM VIA ELECTRONIC COMMUNICATION

1. The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
2. The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Trematon and TMS against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Trematon and TMS, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the AGM.
3. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must act in accordance with the requirements set out above.
4. Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
5. The application will only be deemed successful if the Electronic Participation Application Form has been completed and fully signed by the Participant and e-mailed to TMS at proxy@tmsmeetings.co.za.

Shareholder name ______________________________

Signature ______________________________

Date ______________________________

Notes to the electronic participation application

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication ("Participants"), must deliver the Electronic Participation Application Form below to TMS via e-mail to proxy@tmsmeetings.co.za.
2. Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide TMS with the information requested below.
3. Each shareholder, who has complied with the requirements below, will be contacted between Monday, 24 January 2022 and Tuesday, 25 January 2022 via e-mail/mobile with a unique link to allow them to participate in the virtual meeting.
4. The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
5. The cut-off time, for administrative purposes, to participate in the meeting will be 10:00 on Monday, 24 January 2022.
6. The Participant's unique link will be forwarded to the e-mail/cell number provided in the Electronic Participation Application Form.

GENERAL INFORMATION

Country of incorporation and domicile
South Africa

Nature of business and principal activities
Investments

Directors
R Lockhart-Ross (Chairman – Independent Non-executive Chairman)
AJ Shapiro (Chief Executive Officer)
AL Winkler (Chief Financial Officer)
JP Fisher (Independent Non-executive Director)
K Getz (Non-executive Director)
A Groll (Executive Director)
MA Sessions (Independent Non-executive Director)
R Stumpf (Non-executive Director)

Registered office
3rd Floor
Aria North Wharf
42 Hans Strijdom Avenue
Foreshore
Cape Town, 8001
Tel: 021 421 5550

Postal address
PO Box 15176
Vlaeberg
8018

Website
www.trematon.co.za

Bankers
Investec Bank Limited

Auditor
Mazars

Company secretary
JJ Vos
3rd Floor
Aria North Wharf
42 Hans Strijdom Avenue
Foreshore
Cape Town, 8001

Company registration number
1997/008691/06

Audit and risk committee
JP Fisher (Chairman)
R Lockhart-Ross
MA Sessions

Remuneration committee
MA Sessions (Chairman)
R Lockhart-Ross
R Stumpf

Social and ethics committee
K Getz (Chairman)
JP FIsher
AJ Shapiro

Investment committee
R Lockhart-Ross (Chairman)
K Getz
A Groll
AJ Shapiro
R Stumpf
AL Winkler

Attorneys
Bernadt, Vukic, Potash & Getz

Sponsors
Sasfin Capital, a member of the Sasfin Group

Transfer secretaries
JSE Investor Services (Pty) Limited
19 Ameshoff Street, Braamfontein, 2001
PO Box 4844, Johannesburg, 2000
Tel: 011 713 0800

TREMATON

Capital Investments Limited