



Investec Australia Property Holdings Pty Limited

Special purpose consolidated financial statements

ABN 35 138 087 993

At 31 March 2020



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Directors' report

The directors of Investec Australia Property Holdings Pty Limited ("the Group") submit the following special purpose consolidated financial statements at 31 March 2020.

Directors

The names and details of the Group's directors in office during the financial year and until the date of this special purpose financial statements are shown below. Directors were in office for the entire period unless otherwise stated.

Graeme Katz

Milton Samios

Principal activities

The Principal Activity of the Group during the financial year was acting as the holding company of the property related subsidiaries of Investec Australia operations. Prior to this, Investec Australia Property Holdings Pty Limited (formerly Collgar Wind Farm Services Pty Limited) was a dormant wholly owned subsidiary of Investec Bank (Australia) Limited.

Review of operations and results

The net profit after tax of the Group for the year was Nil (2019: gain of \$3,000).

Dividends

No dividends were paid or provided for during the year.

Significant change in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year ended 31 March 2020.

Significant events after the reporting date

Events affecting operations, results or the state of affairs are detailed in Note 6.

Likely developments

No other matters, circumstances or likely developments have arisen since the end of the reporting period which have significantly affected or may significantly affect in subsequent years:

- (i) the operations of the Group;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Group.

Rounding

The consolidated statement of financial position is presented in Australian Dollars and all values have been rounded to the nearest thousand dollars unless otherwise stated, under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.



Graeme Katz

Director

Sydney

13 October 2020

Independent auditor's report



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Independent Auditor's Report

To the shareholders of Investec Australia Property Holdings Pty Limited

Opinion

We have audited the consolidated statement of financial position of Investec Australia Property Holdings Pty Limited (the company) at 31 March 2020 and notes to the consolidated statement of financial position, including a summary of significant accounting policies (together 'the consolidated statement of financial position').

In our opinion, the accompanying special purpose consolidated financial statements presents fairly, in all material respects, the consolidated statement of financial position of Investec Australia Property Holdings Pty Limited at 31 March 2020 in accordance with International Financial Reporting Standards.

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 statement of financial position section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Inc, a South African company and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.
Document classification: KPMG Confidential

Independent auditor's report



Emphasis of matter - basis of accounting

We draw attention to note 2(a) to the consolidated statement of financial position, which describes the basis of accounting. The consolidated statement of financial position is prepared to assist the company in complying with the JSE Limited Listings Requirements related to the Investec Property Limited Explanatory Memorandum. As a result, the consolidated statement of financial position may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

The statutory Annual Financial Report of the company as at and for the year then ended 31 March 2019, was audited by another auditor who expressed an unmodified opinion on the Annual Financial Report on 21 June 2019. The comparative information included in these special purpose consolidated financial statements have been extracted from the audited statutory Annual Financial Report.

We were not engaged to audit, review, or apply any procedures to the comparative information. Accordingly, we do not express an opinion or any other form of assurance on comparative information.

Responsibilities of the directors for the consolidated statement of financial position

The directors are responsible for the preparation of the consolidated statement of financial position in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the consolidated statement of financial position that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated statement of financial position

Our objectives are to obtain reasonable assurance about whether the consolidated statement of financial position as a whole is 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

Independent auditor's report



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 this consolidated statement of financial position.

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

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

Independent auditor's report



KPMG Inc.
Registered Auditor

A handwritten signature in black ink that reads 'Tracy Middlemiss'.

Per Tracy Middlemiss
Chartered Accountant (SA)
Registered Auditor
Director
13 October 2020

Consolidated statement of financial position

		Consolidated	
At 31 March			
A\$'000	Notes	2020	2019
Cash at bank		10,176	10,128
Trade and other receivables	3	564	568
Total current assets		10,740	10,696
Total assets		10,740	10,696
Trade and other payables	4	10,740	10,696
Total current liabilities		10,740	10,696
Total liabilities		10,740	10,696
Net assets		–	–
Share capital	5	–	–
Retained earnings		–	–
Total equity		–	–

Notes to the consolidated statement of financial position

At 31 March 2020

1. Corporate information

The special purpose financial statements of Investec Australia Property Holdings Pty Limited for the year ended 31 March 2020 was authorised for issue in accordance with a resolution of the directors on 13th October 2020.

Investec Australia Property Holdings Pty Limited is a company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent is Investec plc, a United Kingdom entity listed on the London Stock Exchange.

The nature of the operations and principal activities of the entity are described in the Directors' Report.

The registered office of Investec Australia Property Holdings Pty Limited is located at:

Level 23

The Chifley Tower

2 Chifley Square

Sydney NSW 2000

2. Summary of significant accounting policies

(a) Basis of Preparation

The consolidated statement of financial position is a special purpose consolidated statement of financial position, which has been prepared in accordance with the requirements of International Financial Reporting Standards for inclusion in the circular prepared in connection with internalisation of the Investec Australia Property Fund I's management function for the purpose of satisfying the JSE Limited Listings Requirements.

The consolidated statement of financial position is presented in Australian dollars which is also the functional currency.

The comparative financial information, included in these special purpose consolidated financial statements, have been extracted from the audited statutory financial statements for the year ended 31 March 2020 but are themselves not audited for purposes of these special purpose consolidated financial statements,

The consolidated statement of financial position has also been prepared on a historical cost basis.

(b) Basis of consolidation

The consolidated special purpose financial statements comprise the consolidated statement of financial position of Investec Australia Property Holdings Pty Limited and its subsidiaries as at 31 March each year.

The annual financial statements of the subsidiaries are prepared for the same reporting period as the chief entity, using consistent accounting policies. In preparing the consolidated statement of financial position, all inter-company balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to Investec Australia Property Holdings Pty Limited and cease to be consolidated from the date on which control is transferred out of Investec Australia Property Holdings Pty Limited.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves allocation of the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

(c) Statement of Compliance

The special purpose financial statements complies with International Financial Reporting Standards.

New and amended standards

When a new Accounting Standard is first adopted, any change in accounting policy is accounted for in accordance with the specific transitional provisions (if any), otherwise retrospectively.

In these financial statements, no new Accounting Standard has been applied for the first time.

Notes to the consolidated statement of financial position

At 31 March 2020

Accounting standards issued but not yet effective

Amendments to IFRS 3 'Business Combinations – Definition of a Business'. IFRS 3 'Business Combinations – Definition of a Business' to clarify the definition of a business. This amendment applies prospectively to future acquisitions. It is not possible to determine if the amendment will have a material impact given the uncertainty in respect of such acquisition.

Amendments to IAS 1 and IAS 8 – Definition of Material IAS 1 and IAS 8 amended to clarify the definition of material as applied across all reporting standards. The intention of the amendment is to reduce and declutter financial reports and focus the user's attention on the key material items. The Group would look to review the disclosure in respect of non-material items.

(d) Trade and other receivables

Trade and other receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectable amounts.

(e) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided prior to the end of the financial year that are unpaid and arise when we become obliged to make future payments in respect of the purchase of these goods and services. Payables include loans between Investec Property Limited and Investec Holdings Australia Limited. These loans are interest free and repayable on demand.

(f) Share capital

Ordinary share capital is the amount of paid up capital from the issue of ordinary shares. Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of surplus assets in proportion to the number of and amounts paid up to shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Group.

(g) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Cash at bank

Cash and liquid assets includes cash on hand and in banks. Cash at bank earns interest at floating rates based on daily bank deposit rates. They are brought to account at the face value or the gross value of the outstanding balance.

2.1. Significant accounting judgements, estimates and assumptions

Investec Australia Property Holdings Pty Limited has considered material estimates and assumptions that may affect the reported amounts of assets, liabilities, income and expenses within the financial year ended 31 March 2020. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. For the year ended 31 March 2020 there are no material estimates for judgements.

Notes to the consolidated statement of financial position

At 31 March 2020

		Consolidated	
For the year to 31 March			
A\$'000	Notes	2020	2019
3. Trade and other receivables			
Trade debtors		564	568
4. Trade and other payables			
Trade and other payables		58	52
Loans — related entities	(a)	10,682	10,644
		10,740	10,696

(a) Refer to related party Note 8

5. Share capital

Issued and paid up capital

— 1 Ordinary share fully paid (par value — \$1 per share)

— —

6. Events after the balance date

On the 10 June 2020, the Board of Investec Property Limited (a wholly owned subsidiary of Investec Australia Property Holdings Pty Limited) announced that it has commenced discussions with the Investec Group to internalise the management of Investec Australia Property Fund (IAP), including retention of the existing management team. The Board of Investec Property Limited has established a sub-committee (IBC) comprising the independent directors to consider the proposal on behalf of IAP unitholders. An Explanatory Memorandum (circular) and Notice of Meeting was sent to the unitholders of IAP to vote on the proposal to internalise the management of the management of IAP. The vote is scheduled for 17 November 2020.

7. Contingent liabilities

A contingent liability exists relative to any future claims which may be made against the Group arising from trusteeship dealings.

Notes to the consolidated statement of financial position

At 31 March 2020

8. Related party disclosure

Investec Australia Property Holdings Pty Limited's ultimate parent is Investec plc, a listed entity incorporated in the United Kingdom.

Investec Australia Limited, the Australian employing and funding entity of the Investec Australia business, with the same ultimate parent of Investec plc as Investec Australia Property Holdings Pty Limited, provides administration, operational and intercompany lending services to the Group, in line with formally signed service agreement.

The special purpose consolidated financial statements include the special purpose consolidated financial statements of Investec Australia Property Holdings Pty Limited and the subsidiaries listed in the following table. All subsidiaries have the same reporting year end as the parent.

Name	Country of incorporation	% Beneficial interest		Investment (A\$)	
		2020	2019	2020	2019
Investec Property Limited	Australia	100%	100%	10,000,000	10,000,000
Investec Propco Pty Limited	Australia	100%	100%	100	100
Investec Property Management Pty Limited	Australia	100%	100%	100	100
Investec Wentworth Pty Limited	Australia	100%	100%	10	10
				10,000,210	10,000,210

The subsidiaries above were acquired at their carrying value which approximates fair value. Based on this, there was no goodwill on acquisition.

The following provides the total amount of transactions that were entered into with the related entities for the relevant year:

- Interest free loans were made between Investec Australia Property Holdings Pty Limited and Investec Holdings Australia Limited and are repayable on demand. (Note 4)

Related party	Balance Mar-20	Balance Mar-19	Average Interest rate	Facility Limit	Term
Investec Holdings Australia Limited	\$(10,681,984)	\$(10,643,518)	0.00%	n/a	repayable on demand

- All operating expenses including fees for audit services related to Investec Australia Property Holdings Pty Limited are paid by Investec Australia Limited, the main operating entity of Investec Australia operations.