



**Reviewed provisional condensed
consolidated results** ▶
for the year ended 29 February 2020



COMPANY PROFILE

Delta is a JSE listed Real Estate Investment Trust (“REIT”) with a property portfolio of R10.6 billion. The Fund is black managed with a level 2 B-BBEE contributor status which is the highest in the sector and continues to be the dominant sovereign listed property fund in South Africa.



Full year distributable earnings of

45.69 cents
per share



Cash generated from operations of

R452.7 million



Disposal of non-core assets totalling

R153.5 million



Contents

Delta’s vision is to be a specialist sovereign-underpinned property fund offering sustainable returns to investors while being the landlord of choice to sovereign and empowerment-sensitive tenants.

COMMENTARY

Financial results

Delta's full year distributable earnings declined 38.1% to 45.69 cents per share (2019: 73.84 cents per share), primarily due to rental reversions on leases renewed, increased vacancies within a challenging economy and corporate tax payable on earnings retained. Net asset value per share declined 11% to R8.28 (2019: R9.30) and was negatively affected by the fair value adjustment to investment properties.

The Board of directors of Delta ("the Board") have taken a decision not to declare a final dividend for the six months ended 29 February 2020 after carefully considering the forecast solvency and liquidity requirements of the Group in light of market uncertainty as a result of the COVID-19 pandemic and the contractual capital expenditure.

Net property income decreased by 9.6%, largely as a result of rental reversions on leases renewed and increased vacancies. On a like-for-like basis this translated into net property income declining 8.5% compared to the prior year. The increased vacancies contributed to certain fixed costs not being recoverable, thereby increasing the gross cost to income and net cost to income ratio to 34.8% and 20.7% respectively.

Performance



Extended
R3.8 billion
in expiring debt
facilities



Renewed
211 764m²
expiring leases



Concluded
17 344m²
new leases

Administrative expenses decreased by 6.8%, primarily due to lower asset management fees based on Delta's reduced share price. On a normalised basis, administrative expenses decreased 9.9%, which excludes the expected credit loss allowance raised on loans receivable. The Group's total cost to income ratio including administration costs increased to 39.8%.

Finance costs increased by 3.9% mainly due to higher interest rates during the year under review and debt structuring fees on facilities that were extended. The combined 250 basis points reduction in interest rates between March and May this year will translate into a significant reduction in finance costs on the unhedged portion of the Group's interest-bearing borrowings of R3 billion.

Interest income decreased by 11.6% due to the settlement of loans owing to the Group. Dividend income from Grit Real Estate Income Group Limited ("Grit") remained flat primarily due to the weakening of the rand during the year.

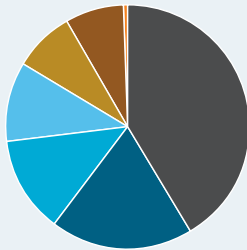
COMMENTARY continued

Property portfolio

Delta's property portfolio is valued at R10.6 billion and consists of 102 properties with a total GLA of 928 531m². The full portfolio was valued by external independent valuers of which 42% were formal valuations and 58% were desktop valuations.

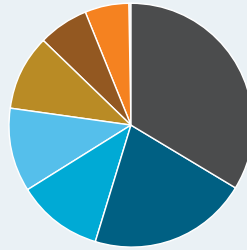
Tenant profile

Detailed tenant breakdown - revenue (%)



- ▶ National government (41.4)
- ▶ Provincial government (19.1)
- ▶ State-owned enterprise (12.8)
- ▶ Office - other (10.4)
- ▶ Retail (8.2)
- ▶ Local government (7.6)
- ▶ Industrial (0.5)

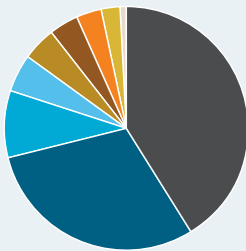
Detailed tenant breakdown - GLA (%)



- ▶ National government (33.6)
- ▶ Vacant (21.0)
- ▶ State-owned enterprise (11.3)
- ▶ Office - other (11.0)
- ▶ Provincial government (10.2)
- ▶ Retail (6.4)
- ▶ Local government (6.0)
- ▶ Industrial (0.5)

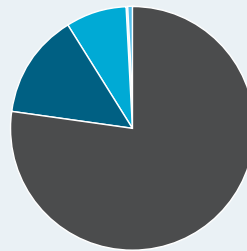
Geographic profile

Geographic profile - GLA (%)



- ▶ Gauteng (41.3)
- ▶ KwaZulu-Natal (30.0)
- ▶ Free State (8.9)
- ▶ Limpopo (4.8)
- ▶ Western Cape (4.5)
- ▶ Northern Cape (4.0)
- ▶ Mpumalanga (3.3)
- ▶ Eastern Cape (2.6)
- ▶ North West (0.6)

Sectoral split - GLA (%)



- ▶ Office - sovereign (77.4)
- ▶ Office - other (13.9)
- ▶ Retail (8.1)
- ▶ Industrial (0.6)

Acquisitions and disposals

Delta did not conclude any acquisitions during the year under review. Significant effort was focused on renewing leases. The disposal of Classic Corner and Top Trailers Site 1 was completed during the period for a total consideration of R49.1 million, with proceeds utilised to settle debt. Protea Coin Cape Town, with a total GLA of 5 700m² and a fair value of R10 million is expected to transfer by June 2020. Broadcast House transferred post the reporting date in March 2020.

Despite the current and future market uncertainty and a challenging economic environment, management will continue with its disposal programme relating to the existing R1.3 billion non-current assets held for sale.

Major capital projects

In response to low economic growth forecasts tenants are increasingly reviewing their real estate needs. Industry trends show large corporates, banks and state-owned enterprises are giving back space or opting to negotiate for rental reductions and space consolidation on reduced escalations and no onward charges of rates and taxes, with landlords obligated to fully service the leased premises.

Key to Delta's bulk lease renewal programme was the contractual commitment to tenant installations and capital expenditure on outstanding compliance matters in the portfolio.

To fulfil its contractual obligations, the Group has committed an investment of approximately R200 million per annum in defensive capex and regulatory health and safety upgrades over the next three financial years. The successful completion of this capex programme will coincide with the commencement of lease renewals on almost 40% of the bulk lease portfolio and is expected to support negotiations.

Letting and vacancies

The lease expiry profile of the portfolio at 29 February 2020 was as follows:

Segment (GLA per m ²)	Vacant	Month-to-month	29 February 2021	28 February 2022	28 February 2023	29 February 2024	28 February 2025	Beyond 28 February 2025	Total
National government		128 427	47 091	17 967	40 784	21 268	56 706	-	312 243
Provincial government		52 573	26 822	2 102	1 876	-	11 795	-	95 168
Local government		25 131	16 323	-	13 828	-	-	-	55 282
State-owned enterprise		2 065	50 135	23 038	7 824	2 834	18 956	-	104 852
Office - sovereign		208 196	140 371	43 107	64 312	24 102	87 457	-	567 545
Office - other		23 953	35 985	14 156	14 015	410	3 984	9 194	101 697
Retail		9 324	6 278	16 476	9 579	2 279	2 447	13 404	59 787
Industrial		-	4 265	-	-	-	-	-	4 265
Vacant buildings	195 237								195 237
	195 237	241 473	186 899	73 739	87 906	26 791	93 888	22 598	928 531

COMMENTARY continued

Vacancies in the Group's dominant nodes in the Pretoria and eThekweni CBDs are 10.4% (2019: 8.5%) and 17.6% (2019: 16.9%) respectively. The portfolio vacancies decreased to 19.8% post financial year-end due to the re-tenanting of three new provincial leases in Capital Towers. Ninety percent of our tenant base was retained despite tough trading conditions and increased competition in the sovereign leasing space.

We continue to make significant progress on our national government bulk lease renewals with 83 134m² of the expiries consisting of three major leases in two buildings that are at an advanced stage of being concluded. The remaining 45 293m² largely comprises default leases that have exit clauses which essentially renders them three-month leases. We are engaging with the National Department of Public Works to remove this clause so that we can finalise the lease renewals.

The provincial government leases are concentrated in the Bloemfontein and Polokwane nodes. Three Polokwane-based leases accounting for 34 401m² are at an advanced stage of being concluded. Although vacancies have stemmed, the Bloemfontein node remains a challenge and we continue to engage with the respective departments. On the local government portfolio we have re-tendered to the existing tenant for 21 339m² and remain confident that this will be successfully finalised by August 2020.

Funding

Interest-bearing borrowings decreased by 4.5% due to settlement of debt from the disposal of non-core properties and investments amounting to R153.5 million and amortisation of bank facilities of R129.8 million. The Group has no current exposure to the debt capital markets and has made significant progress in respect of extending and refinancing its expiring debt facilities, with negotiations as follows:

- Restructuring Investec Bank's property facilities into a portfolio A and B facility of R380.8 million and R352.9 million respectively, effective from June 2020. Portfolio A comprises assets with shorter-term leases and higher vacancies for a 12-month period and amortised to a residual of R333 million. Portfolio B has a longer weighted average lease profile with a maturity term of 36 months and no amortisation.
- Extending R2.3 billion in expiring facilities with Nedbank for a period of three months to 31 August 2020 on the existing terms and conditions. This allows the Group the opportunity to conclude the remaining bulk lease renewals, thereby placing the Fund in a stronger position for longer-term debt and more competitive pricing.
- Refinancing of R464 million in expiring facilities with Standard Bank for a 12-month period from June 2020 and extending a R300 million facility to October 2020.

The conclusion of longer-dated facilities will term-out the current average debt expiry period of 0.5 years which has declined from prior years due to the passage of time and short-term extensions. The weighted average cost of debt increased marginally from 10.2% to 10.3%, with an interest cover ratio ("ICR") of 1.9. The ICR is below the contractually agreed cover of two times and have been condoned by lenders, as the Company expects its position to normalise in the 2021 financial year.

Provision of financial assistance

Delta shareholders are referred to special resolution number 4 relating to the provision of direct or indirect financial assistance in terms of section 45 of the Companies Act, No 71 of 2008 ("the Companies Act") to related or inter-related companies, which was approved at the annual general meeting of Delta on 18 September 2019.

Further to the above, Delta shareholders are notified in terms of section 45(5)(a) of the Companies Act, that the Board passed a resolution on 11 June 2020 (“the Board resolution”) granting financial assistance to the following related companies:

- **Somnipoint Proprietary Limited** – R26.0 million in respect of a loan to a company with common directors.
- **Delta Property Asset Management Proprietary Limited** – R11.1 million in respect of a loan to a company with common directors.
- **Hestitrix Proprietary Limited** – R240.9 million in the ordinary course of business.
- **K2014000273 (South Africa) Proprietary Limited** – R169.7 million in the ordinary course of business.
- **277 Vermeulen Street Properties Proprietary Limited** – R44.7 million in the ordinary course of business.
- **Hendisa Investments Proprietary Limited** – R33 614 in the ordinary course of business.

The financial assistance provided, as detailed above, is greater than one-tenth of 1% of Delta’s net asset value as at the date of the Board resolution. The Board further confirms that immediately after providing the financial assistance, the Company continues to satisfy the solvency and liquidity test as contemplated in section 4 of the Companies Act and that the terms and conditions of the financial assistance are fair and reasonable to the Company.

Changes to directorate during the period

There have been no changes to the directorate during the period.

Prospects

At the time of writing, the world economy is in the precarious position of trying to find a “new normal” in the aftermath of COVID-19 pandemic with volatility impacting on stock markets globally.

The efforts by South Africa’s government to curb the spread of the virus and the quantum of the stimulus package announced to support economic recovery is highly commendable, although the fluid nature of the pandemic may yet continue to lead to uncertainty and further lockdowns as the infection rate from the virus is currently expected to peak only in September 2020.

It remains too early to quantify the full impact of COVID-19 on the Group’s portfolio, however, collections have remained robust. The Group has collected more than 80% of its monthly billings for April and May this year and expects to collect a further 10% once its sovereign tenants return to work after the lockdown. There is a risk associated with our retail and non-government tenants of approximately 10% of monthly billings, and we continue to engage on an individual basis with these tenants to assist were possible to ensure their sustainability.

Delta’s successful renegotiation of leases during exceptionally challenging times have secured longer lease terms and higher quality of earnings. The long-term leases will improve the Group’s credit profile and enable the conclusion of longer-term facilities at reduced pricing, which will improve both the cash flows of the business and the health of the balance sheet.

COMMENTARY continued

The reduction in interest rates between March and May this year will translate into a significant reduction in finance costs on the unhedged portion of our interest-bearing borrowings, however, it is anticipated that the reversions on rentals to secure long-term leases and the impact of COVID-19 on the Fund's retail and non-government portfolio will negate the positive impact of lower interest rates.

Our focus remains on managing the sustainability of the business through balance sheet optimisation, tenant retention and the execution of contractual capex commitments, within the context of a severely constrained economy and the fluidity of the potential impacts as a result of COVID-19.

This information has not been reviewed or reported on by Delta's auditors.

Final dividend ("the cash dividend")

Delta is a listed REIT and is required to pay at least 75% of its distributable earnings to shareholders, subject to the relevant solvency and liquidity requirements set out in section 46 of the Companies Act No 71 of 2008. Shareholders are advised that the Board has applied the solvency and liquidity test and has resolved not to declare a final dividend for the six months ended 29 February 2020 after concluding that although the solvency requirements have been met, the liquidity requirements post the payment of a dividend and the planned capital expenditure programme cannot be met.

Basis of preparation and accounting policies

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these provisional results are in terms of IFRS and are consistent with those applied in the previous annual financial statements except for the adoption in the current year of IFRS 16 Leases.

The condensed consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, Mr Shaneel Maharaj CA(SA)/HDipTax, and have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion.

A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report and can also be requested by emailing shaneel.maharaj@deltafund.co.za. The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the Company.

The directors take full responsibility for the preparation of the provisional report and the financial information has been correctly extracted from the underlying financial statements. Delta has complied with IFRS and JSE Listings Requirements by disclosing earnings and headline earnings per share. Distribution per share has been disclosed additionally.

By order of the Board

JB Magwaza
(Chairman)

SH Nomvete
(Chief Executive Officer)

12 June 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 29 February 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Revenue				
Rental income	1 488 201	1 581 669	1 458 582	1 522 713
Straight-line rental income accrual	(30 383)	(34 304)	(27 987)	(32 970)
	1 457 818	1 547 365	1 430 595	1 489 743
Property operating expenses	(518 591)	(509 579)	(508 072)	(496 835)
Net property rental and related income	939 227	1 037 786	922 523	992 908
Other income	2 499	6 356	2 499	6 356
Foreign currency translation reserve recognised on derecognition of associate	-	4 805	-	-
Dividend income	42 878	21 769	49 251	36 660
Loss on foreign exchange movements	(20 826)	(28 103)	(20 826)	(28 103)
Administration expenses	(74 321)	(79 727)	(73 959)	(76 361)
Net operating profit	889 457	962 886	879 488	931 460
Fair value adjustments	(867 217)	(168 152)	(804 544)	(151 437)
Profit from operations	22 240	794 734	74 944	780 023
Finance costs	(558 085)	(537 281)	(555 491)	(537 354)
Interest income	23 020	26 032	56 316	56 732
(Loss)/profit before taxation	(512 825)	283 485	(424 231)	299 401
Taxation	(75 472)	(27 692)	(75 472)	(27 692)
(Loss)/profit for the year	(588 297)	255 793	(499 703)	271 709
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Total comprehensive (loss)/income for the year	(588 297)	255 793	(499 703)	271 709
(Loss)/profit for the year attributable to:				
Owners of the parent	(588 297)	255 793	(499 703)	271 709
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(588 297)	255 793	(499 703)	271 709
Basic and diluted earnings and headline per share:				
Basic and diluted (loss)/earnings per share (cents)	(82.37)	39.80	-	-
Basic and diluted headline earnings per share (cents)	22.30	73.16	-	-

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 29 February 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
ASSETS				
Non-current assets				
Investment property	9 300 966	9 913 811	9 055 582	9 664 809
Fair value of investment property	9 165 800	9 755 209	8 920 637	9 506 715
Straight-line rental income accrual	135 166	158 602	134 945	158 094
Property, plant and equipment	1 118	1 714	1 118	1 714
Investment in subsidiaries	-	-	62 273	62 273
Investment in listed security	277 734	461 822	277 734	461 822
Loans due from subsidiaries	-	-	455 233	439 038
	9 579 818	10 377 347	9 851 940	10 629 656
Current assets				
Loans due from related parties	30 635	43 511	30 635	43 511
Loan receivable	12 562	20 906	12 562	20 906
Trade and other receivables	317 963	357 973	315 443	334 393
Cash and cash equivalents	41 851	25 339	45 219	26 870
	403 011	447 729	403 859	425 680
Non-current assets held-for-sale	1 278 055	1 436 520	1 084 300	1 206 520
Total assets	11 260 884	12 261 596	11 340 099	12 261 856
Equity				
Share capital	4 868 461	4 868 461	4 868 461	4 868 461
Retained income	983 401	1 772 984	1 045 488	1 746 477
Total equity	5 851 862	6 641 445	5 913 949	6 614 938
LIABILITIES				
Non-current liabilities				
Derivative financial instruments	58 427	22 478	58 427	22 478
Interest-bearing borrowings	1 019 509	1 448 218	1 019 509	1 448 218
Lease liabilities	24 352	-	2 626	-
Loans due to subsidiaries	-	-	4 190	4 190
	1 102 288	1 470 696	1 084 752	1 474 886
Current liabilities				
Interest-bearing borrowings	4 002 608	3 810 253	4 002 608	3 810 253
Lease liabilities	4 079	-	1 209	-
Trade and other payables	227 111	172 003	215 267	161 391
Derivative financial instruments	3 805	28 625	3 805	28 623
Current tax payable	30 935	12 821	31 461	13 347
Bank overdraft	38 196	125 753	87 048	158 418
	4 306 734	4 149 455	4 341 398	4 172 032
Total liabilities	5 409 022	5 620 151	5 426 150	5 646 918
Total equity and liabilities	11 260 884	12 261 596	11 340 099	12 261 856

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 29 February 2020

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Cash generated from operations	926 641	905 500	885 613	846 033
Interest received	16 985	24 544	50 281	55 244
Dividend received	42 878	38 849	49 251	53 741
Finance costs	(476 423)	(486 027)	(473 829)	(486 027)
Taxation paid	(57 358)	(14 345)	(57 358)	(14 345)
Net cash from operating activities	452 723	468 521	453 958	454 646
Acquisition of property, plant and equipment	(102)	(164)	(102)	(164)
Capital expenditure on investment property and assets held-for-sale	(22 938)	(114 975)	(22 570)	(112 540)
Proceeds on disposal of assets held-for-sale	49 106	15 750	49 106	15 750
Proceeds on disposal of investment in Grit	104 351	-	104 351	-
Gross movement in loans with related parties	10 297	17 216	10 297	17 216
Decrease in loan receivable	5 000	33 034	5 000	33 034
Loans advanced to subsidiaries	-	-	(16 194)	(15 771)
Net cash from investing activities	145 714	(49 139)	129 888	(62 745)
Dividend reinvestment	-	14 429	-	14 429
Dividends paid	(201 286)	(643 139)	(201 286)	(643 139)
Deferred consideration settled in cash	-	(140 000)	-	(140 000)
Increase in interest-bearing borrowings	105 587	424 967	105 587	424 967
Repayment of lease liabilities	(969)	-	(728)	-
Repayment of interest-bearing borrowings	(368 908)	(179 115)	(368 908)	(179 115)
Repayment of other financial liabilities	(28 792)	-	(28 792)	-
Net cash from financing activities	(494 368)	(522 858)	(494 127)	(522 858)
Net movement in cash and cash equivalents	104 069	(103 476)	89 719	(130 687)
Cash at the beginning of the year	(100 414)	3 062	(131 548)	(861)
Total cash at the end of the year	3 655	(100 414)	(41 829)	(131 548)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 29 February 2020

	Group					
	Share capital R'000	Foreign currency translation reserve R'000	Deferred consideration R'000	Total reserves R'000	Retained income R'000	Total equity R'000
Balance at 1 March 2018	4 854 032	4 805	139 425	144 230	2 160 330	7 158 592
Total comprehensive income for the year	-	-	-	-	255 793	255 793
Profit for the year	-	-	-	-	255 793	255 793
Other comprehensive income	-	-	-	-	-	-
Deferred consideration settled	-	-	(139 425)	(139 425)	-	(139 425)
FCTR recognised in profit or loss	-	(4 805)	-	(4 805)	-	(4 805)
Distribution reinvestment	14 590	-	-	-	-	14 590
Share issue expenses	(161)	-	-	-	-	(161)
Distributions paid	-	-	-	-	(643 139)	(643 139)
Balance at 1 March 2019	4 868 461	-	-	-	1 772 984	6 641 445
Total comprehensive income for the year	-	-	-	-	(588 297)	(588 297)
Loss for the year	-	-	-	-	(588 297)	(588 297)
Other comprehensive income	-	-	-	-	-	-
Distributions paid	-	-	-	-	(201 286)	(201 286)
Balance at 29 February 2020	4 868 461	-	-	-	983 401	5 851 862

	Company					
	Share capital R'000	Foreign currency translation reserve R'000	Deferred consideration R'000	Total reserves R'000	Retained income R'000	Total equity R'000
Balance at 1 March 2018	4 854 032	-	139 425	139 425	2 117 907	7 111 364
Total comprehensive income for the year	-	-	-	-	271 709	271 709
Profit for the year	-	-	-	-	271 709	271 709
Other comprehensive income	-	-	-	-	-	-
Deferred consideration settled	-	-	(139 425)	(139 425)	-	(139 425)
Distribution reinvestment	14 590	-	-	-	-	14 590
Share issue expenses	(161)	-	-	-	-	(161)
Distributions paid	-	-	-	-	(643 139)	(643 139)
Balance at 1 March 2019	4 868 461	-	-	-	1 746 477	6 614 938
Total comprehensive income for the year	-	-	-	-	(499 703)	(499 703)
Profit for the year	-	-	-	-	(499 703)	(499 703)
Other comprehensive income	-	-	-	-	-	-
Distributions paid	-	-	-	-	(201 286)	(201 286)
Balance at 29 February 2020	4 868 461	-	-	-	1 045 488	5 913 949

CONDENSED CONSOLIDATED SEGMENT REPORT

Group 2020						
	Head office R'000	Industrial R'000	Office government R'000	Office other R'000	Retail R'000	Total R'000
Rental income	-	14 774	1 099 567	334 535	39 325	1 488 201
Straight-line rental income accrual	-	103	(32 429)	(632)	2 575	(30 383)
Property operating expenses	-	(3 345)	(335 096)	(163 211)	(16 939)	(518 591)
Net property rental and related income	-	11 532	732 042	170 692	24 961	939 227
Other income	701	-	1 107	423	268	2 499
Dividend income	42 878	-	-	-	-	42 878
Loss on foreign exchange movements	(20 826)	-	-	-	-	(20 826)
Administration expenses (excluding depreciation)	(67 264)	(22)	(4 439)	(1 768)	(130)	(73 623)
Depreciation	(698)	-	-	-	-	(698)
Net operating profit/(loss)	(45 208)	11 511	728 710	169 347	25 098	889 457
Fair value adjustment to investment properties	(3 415)	(11 603)	(545 023)	(180 349)	(7 166)	(747 556)
Fair value adjustment to investment in Grit	(79 738)	-	-	-	-	(79 738)
Fair value adjustment to derivative financial instruments	(39 923)	-	-	-	-	(39 923)
Profit/(loss) from operations	(168 284)	(92)	183 687	(11 003)	17 932	22 240
Finance costs	(556 786)	-	(404)	(819)	(76)	(558 085)
Interest income	8 795	-	11 058	3 062	105	23 020
Profit/(loss) before taxation	(716 275)	(92)	194 341	(8 760)	17 961	(512 825)
Taxation	(75 472)	-	-	-	-	(75 472)
Profit for the year	(791 747)	(92)	194 341	(8 760)	17 961	(588 297)
Reportable segment assets and liabilities						
Assets						
Fair value of investment property	-	-	6 411 330	2 455 748	298 722	9 165 800
Straight-line rental income accrual	-	-	96 236	22 352	16 578	135 166
Non-current assets held-for-sale	-	141 900	1 016 155	120 000	-	1 278 055
Other assets	372 093	(97)	500 252	(234 504)	44 119	681 863
	372 093	141 803	8 023 973	2 363 596	359 419	11 260 884
Liabilities						
Total liabilities	445 699	32 387	3 482 747	1 291 288	156 901	5 409 022

Group 2019						
	Head office R'000	Industrial R'000	Office government R'000	Office other R'000	Retail R'000	Total R'000
Rental income	-	27 968	1 161 461	354 027	38 213	1 581 669
Straight-line rental income accrual	-	(211)	(36 635)	(33)	2 575	(34 304)
Property operating expenses	-	(8 434)	(310 288)	(175 287)	(15 570)	(509 579)
Net property rental and related income	-	19 323	814 538	178 707	25 218	1 037 786
Other income	5 053	28	847	253	175	6 356
FCTR recognised in profit or loss	4 805	-	-	-	-	4 805
Dividend income	21 769	-	-	-	-	21 769
(Loss)/gain on foreign exchange movements	(28 103)	-	-	-	-	(28 103)
Administration expenses (excluding depreciation)	(67 576)	(63)	(8 614)	(1 591)	(915)	(78 759)
Depreciation	(968)	-	-	-	-	(968)
Net operating profit/(loss)	(65 020)	19 288	806 771	177 369	24 478	962 886
Fair value adjustment to investment properties	(10 599)	11 665	(167 745)	(57 762)	(13 158)	(237 599)
Fair value adjustment to investment in Grit	79 954	-	-	-	-	79 954
Fair value adjustment to derivative financial instruments	(10 507)	-	-	-	-	(10 507)
Profit/(loss) from operations	(6 171)	30 953	639 026	119 607	11 320	794 735
Finance costs	(542 356)	(1)	3 782	1 328	(34)	(537 281)
Interest income	12 510	2	10 950	2 490	80	26 032
Share of profit in associate	-	-	-	-	-	-
Impairment of investment in associate	-	-	-	-	-	-
Profit/(loss) before taxation	(536 017)	30 954	653 758	123 425	11 366	283 486
Taxation	(27 692)	-	-	-	-	(27 692)
Profit for the year	(563 709)	30 954	653 758	123 425	11 366	255 794
Reportable segment assets and liabilities						
Assets						
Fair value of investment property	-	-	6 863 695	2 586 017	305 497	9 755 209
Straight-line rental income accrual	-	-	121 616	22 983	14 003	158 602
Non-current assets held-for-sale	-	198 400	1 078 120	160 000	-	1 436 520
Other assets	596 827	3 335	235 372	46 109	29 621	911 264
	596 827	201 735	8 298 803	2 815 109	349 121	12 261 595
Liabilities						
Total liabilities	(320 268)	85 247	3 985 492	1 705 114	164 566	5 620 151

CORPORATE INFORMATION

Delta Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
Share code: DLT ISIN: ZAE000194049
("Delta" or "the Fund" or "the Group")
(REIT status approved)

Directors

JB Magwaza[^] (Chairman), SH Nomvete* (CEO), S Maharaj* (CFO), ON Tshabalala* (COO), N Khan⁻, DN Motau[^], ID Macleod[^], MJN Njeke^{^#}, NN Afolayan[^], MCR Rampheri[^], M de Lange[^]

*Executive, [^]Independent non-executive, ⁻Non-executive, [#]Lead independent director

Registered office

Silver Stream Office Park, 10 Muswell Road South, Bryanston
(Postnet Suite 210, Private Bag X21, Bryanston, 2021)

Transfer secretaries

Computershare Investor Services Proprietary Limited

Sponsor

Nedbank Corporate and Investment Banking





www.deltafund.co.za

