Notes to the consolidated and separate financial statements continued

for the year ended 30 June 2019

G. EQUITY AND RESERVES

G1 SHARE CAPITAL AND TREASURY SHARES

G1.1 Accounting policy

Stated capital: Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity.

Treasury shares: Company shares held by the Hyprop share scheme that have not yet vested are classified as treasury shares on consolidation and deducted from equity. These shares are carried at cost and deducted from equity.

Any subsequent gain or loss on the sale or cancellation of the company's own equity instruments is recognised directly in equity.

Distributions and unrealised losses on own shares are eliminated from group profit or loss for the year.

G1.2 Carrying value

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Stated capital				
Ordinary shares	8 462 327	8 462 327	8 462 327	8 462 327
Balance at the beginning of the year	8 462 327	7 683 651	8 462 327	7 683 651
Issued during the year	–	778 676	–	778 676
Treasury shares	(54 932)	(43 423)	–	–
Balance at the beginning of the year	(43 423)	(35 435)	–	–
Purchased during the year[1]	(17 569)	(18 162)	–	–
Vested during the year	6 060	10 174	–	–
Balance at the end of the year	8 407 395	8 418 904	8 462 327	8 462 327

G1.3 Number of shares

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Authorised				
500 000 000 no par value ordinary shares (2018: 500 000 000)				
Issued and fully paid up shares				
Ordinary shares	255 894 516	255 894 516	255 894 516	255 894 516
Balance at the beginning of the year	255 894 516	248 441 278	255 894 516	248 441 278
Issued during the year	–	7 453 238	–	7 453 238
Treasury shares	(611 519)	(446 260)	–	–
Balance at the beginning of the year	(446 260)	(387 246)	–	–
Purchased during the year[1]	(252 000)	(155 000)	–	–
Vested during the year	86 741	95 986	–	–
Net number of shares in issue at the end of the year	255 282 997	255 448 256	255 894 516	255 894 516

[1] *Purchased (at an average price of R67,72 per share) during the year by Hyprop share scheme and held as treasury shares to hedge Hyprop's obligation to deliver Hyprop shares to employees under the CUP.*

G2 RESERVES

G2.1 Accounting policy

Non-distributable reserves	The non-distributable reserves relate to items that are not distributable to shareholders, such as fair value adjustments on the revaluation of investment property and derivatives, any impairment adjustments, share-based payment transactions, profit or loss on sale of assets, the straight-line lease income adjustment, deferred taxation and reserves held by the non-controlling shareholders.
Currency translation reserve	The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the group's presentation currency (Rand) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at the dates of the transactions (an average rate for the year is used). Foreign currency translation differences are recognised in other comprehensive income (OCI) and accumulated in the currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest (NCI).

G2.2 Carrying value

The following table reflects the composition of non-distributable reserves:

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Revaluation reserves	16 322 939	16 953 415	16 025 588	16 403 072
Investment property	16 051 918	16 432 551	15 646 280	15 888 242
Listed property securities	616 759	616 759	616 759	616 759
Financial asset	(161 321)	(76 094)	(161 321)	(76 094)
Other investment	(12 705)	–	(12 705)	–
Loans receivable	(105 809)	–	–	–
Derivative instruments	(65 903)	(19 801)	(63 425)	(25 835)
Derecognition of financial guarantees	197 670	11 984	492 899	274 121
Realised gains/(losses) on disposals	331 551	328 725	469 239	466 414
Investment property	171 209	168 383	171 209	168 384
Listed property securities	276 630	276 630	276 630	276 630
Subsidiaries	(131 010)	(131 010)	–	–
Associate	17 431	17 431	21 400	21 400
Shares	(2 709)	(2 709)	–	–
Non-distributable reserves of associate	125 344	125 344	121 374	121 374
Impairment of goodwill	(577 847)	(577 847)	25 400	25 400
Gain on bargain purchase (African Land)	191 235	191 235	–	–
Impairment of loans receivable	(1 542 545)	(191 818)	(1 512 106)	(26 716)
Impairment of other assets	(29 964)	–	(510 818)	(494 524)
Balance at the end of the year	15 018 383	16 841 038	15 111 577	16 769 141