Notes to the consolidated and separate financial statements continued

for the year ended 30 June 2019

I. OTHER LIABILITIES continued

I1 DEFERRED TAXATION continued

I1.4 Movement reconciliation

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Balance at the beginning of the year	178 002	139 599	85 832	73 993
Currency translation reserve adjustment	3 014	3 299	–	–
Movement through profit or loss	(93 455)	35 104	1 730	11 839
Building appurtenances and tenant installations	10 440	12 078	9 895	12 085
Reversal of wear and tear allowances on asset sales	(8 510)	(264)	(8 510)	(264)
Fair value of investment property – Gruppo	(13 252)	(51)	–	–
Prior year deferred taxation adjustment	345	2 927	345	18
Unutilised losses carried forward	(52 142)	–	–	–
Fair value adjustment on convertible loans – Gruppo	(23 323)	23 706	–	–
Rent and other receivables – Gruppo	(7 013)	(3 292)	–	–
Balance at the end of the year	87 561	178 002	87 562	85 832

I1.5 Tax rates used

South Africa – temporary differences (%)	28	28	28	28
Nigeria – temporary differences (%)	30	30	–	–
Nigeria – investment property (%)	10	10	–	–

I2 TRADE AND OTHER PAYABLES

I2.1 Accounting policy

Trade and other payables are measured at amortised cost. Short-term payables are measured at the original invoice amount as the effect of discounting is immaterial.

I2.2 Carrying value

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Trade payables and accrued expenses	83 421	154 636	84 561	65 278
Tenant deposits	80 218	86 647	80 218	72 511
Gift cards	17 885	15 425	17 885	15 425
Interest payable	67 667	44 980	58 042	37 749
Rent received in advance	64 829	86 944	64 829	85 281
Value added tax (VAT)	18 601	26 201	18 601	21 878
Municipal provisions	95 645	39 561	95 645	106 861
Employee provisions	22 950	28 064	22 950	26 770
Other payables	17 925	3 632	4 960	3 369
Total trade and other payables	469 141	486 090	447 691	435 122

J. RELATED PARTIES

J1 RELATED-PARTY TRANSACTIONS AND BALANCES

J1.1 Accounting policy

Related parties are entities that are subsidiaries, joint ventures, co-investors of the group, and individuals that are directors and prescribed officers of the group.

The group, in the ordinary course of business, entered into various sale and purchase transactions on an arm's length basis at market-related rates with related parties.

J1.2 Related-party transactions and balances – entities

	GROUP		COMPANY	
	30 June 2019 R000	30 June 2018 R000	30 June 2019 R000	30 June 2018 R000
Entities that are related parties and with whom the group transacted during the period are listed below:				
African Land – subsidiary				
Investment in subsidiary	–	–	758 264	758 264
Borrowings	–	–	761 125	761 125
Gruppo – subsidiary				
Other receivables	–	–	–	1 330
Hyprop share scheme – subsidiary				
Dividend declared/received	–	–	–	3 491
Loan receivable – refer to note F1 for further detail	–	–	53 603	43 444
Interest received	–	–	3 108	–
Word4Word Marketing – former subsidiary				
Dividend received	–	–	–	2 253
Hyprop Mauritius – subsidiary				
Dividend declared/received	–	–	–	55 403
Dividends receivable included in trade and other receivables	–	–	–	259
Loan receivable (net of impairments) – refer to note F1 for further detail	–	–	–	–
Interest received	–	–	2 259	–
Financial guarantees given by Hyprop on behalf of Hyprop Mauritius				
Debt guaranteed by Hyprop on behalf of Hyprop Mauritius[1]	–	–	2 671 017	3 945 111
Fair value of financial guarantees given by Hyprop on behalf of Hyprop Mauritius	–	–	186 023	202 822
Guarantee liability as percentage of debt guaranteed (%)	–	–	7,0	5,1
AttAfrica – co-investor and joint venture				
Loan receivable (net of impairments) – refer to note F1 for further detail	909 967	2 375 009	–	–
Interest received	80 493	221 568	–	–
Manda Hill Mauritius – joint venture				
Loan receivable (net of impairments) – refer to note F1 for further detail	423 139	543 712	–	–
Interest received	3 715	19 689	–	–
Hystead – financial asset				
Financial asset	218 444	152 556	218 444	152 556
Asset management and accounting fee income	27 715	17 338	27 715	17 338
Dividend declared/received	221 190	180 525	221 190	180 525
Dividends receivable included in trade and other receivables	16 278	76 484	16 278	76 484
Loan receivable	–	40 716	–	40 716
Financial guarantees given by Hyprop on behalf of Hystead				
Debt guaranteed by Hyprop on behalf of Hystead[1]	5 748 439	5 684 140	5 748 439	5 684 140
Fair value of financial guarantees given by Hyprop on behalf of Hystead	110 401	185 686	110 401	185 686
Guarantee liability as percentage of debt guaranteed (%)	1,9	3,3	1,9	3,3
PDI Investment Holdings Limited – co-investor and common director				
Credit enhancement fee: income	40 542	46 671	40 542	46 672
Credit enhancement fee: receivable included in trade and other receivables	2 984	17 789	2 984	17 789

[1] *Details of investment properties mortgaged to secure guarantees on behalf of Hystead and Hyprop Mauritius are shown in note E1.8 – Mortgaged properties.*

Notes to the consolidated and separate financial statements continued

for the year ended 30 June 2019

J. RELATED PARTIES continued

J1 RELATED-PARTY TRANSACTIONS AND BALANCES continued

J1.3 Directors' interests in Hyprop shares*

	GROUP				COMPANY			
	30 June 2019				30 June 2018			
	Direct beneficial	Indirect beneficial	Non-beneficial	Total	Direct beneficial	Indirect beneficial	Non-beneficial	Total
Independent non-executive directors	30 500	2 940	–	33 440	25 500	2 940	–	28 440
Non-executive directors	–	378 000	–	378 000	–	378 000	3 447 855	3 825 855
Executive directors	6 000	1 870	–	7 870	–	526 501	–	526 501
Total	36 500	382 810	–	419 310	25 500	907 441	3 447 855	4 380 796

* *The above table excludes shares outstanding under the Hyprop share scheme for executive directors.*

Details of directors' remuneration are included in note K1 – *Directors' remuneration*.

K. REMUNERATION

K1 DIRECTORS' REMUNERATION

K1.1 Remuneration

30 June 2019	Fees R000	Basic salary R000	Pension fund contributions R000	Performance bonus R000	Share incentive scheme[4] R000	Other benefits R000	Total R000
Independent non-executive directors							
Gavin Tipper (chairman)	807	–	–	–	–	–	807
Lindie Engelbrecht[3]	230	–	–	–	–	–	230
Zuleka Jasper	479	–	–	–	–	–	479
Mike Lewin	421	–	–	–	–	–	421
Nonyameko Mandindi	383	–	–	–	–	–	383
Thabo Mokgatlha	567	–	–	–	–	–	567
Stewart Shaw-Taylor	637	–	–	–	–	–	637
Non-executive directors							
Kevin Ellerine	397	–	–	–	–	–	397
Louis Norval	397	–	–	–	–	–	397
Executive directors							
Morné Wilken (CEO)	–	2 087	162	–	–	492	2 741
Wilhelm Nauta (CIO)	–	2 432	280	2 186	–	77	4 975
Brett Till (CFO)	–	1 719	295	–	–	33	2 047
Pieter Prinsloo (former CEO)[1]	–	2 493	118	3 708	1 751	447	8 517
Laurence Cohen (former CFO)[2]	–	202	35	–	–	66	303
Total	4 318	8 933	890	5 894	1 751	1 115	22 901

[1] *Resigned with effect from 31 January 2019*
[2] *Resigned with effect from 31 July 2018*
[3] *Resigned with effect from 30 November 2018*
[4] *Market value of shares on vesting date*