

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2015

FINANCIAL STATEMENTS

14. Stated capital

	GROUP June 2015 R000	GROUP June 2014 R000	COMPANY June 2015 R000	COMPANY June 2014 R000
Authorised				
500 000 000 no par value ordinary shares (2014: 500 000 000)				
Issued				
243 256 092 no par value ordinary shares (2014: 243 256 092)	6 987 996	1 661	6 987 996	1 661
Less: 153 659 no par value ordinary treasury shares (2014: 153 659) ⁽¹⁾	(11 068)			
Balance at end of year	6 976 928	1 661	6 987 996	1 661
Reconciliation – number of shares in issue				
Balance at beginning of year	243 102 433	243 113 169	243 256 092	243 113 169
Shares issued	243 256 092	243 113 169	243 256 092	243 113 169
Treasury shares	(153 659)			
Issued during the year ⁽²⁾		142 923		142 923
Less: treasury shares ⁽¹⁾		(153 659)		
Balance at end of year	243 102 433	243 102 433	243 256 092	243 256 092

⁽¹⁾ Shares held in treasury are to hedge the company's obligation in terms of the long-term Hyprop Employee Incentive Scheme (conditional unit plan (CUP)). Subsequent to year-end a further 112 000 shares were purchased in the market, also to hedge the company's obligations in terms of the CUP. Refer to notes 17 and 26.

⁽²⁾ 142 923 new combined units were issued during the 2014 year at an issue price of R73,43 per unit. The new combined units were issued under a general authority, as part consideration for the acquisition of Hyprop's interest in African Land.

Effective 18 August 2014 (the effective date), Hyprop converted its combined units (with a share linked to a debenture) to an all-equity capital structure.

Historical debenture capital and debenture premium, as well as amortised debenture premium included in non-distributable reserves, were transferred to stated capital on the effective date.

The capital conversion process entailed the following:

- The delinking of each Hyprop ordinary share from a Hyprop debenture so as to no longer constitute a combined unit.
- The cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the nominal value of each debenture.
- Capitalisation of the value allocated to each debenture in the books of account of the company plus the amortised debenture premium included in non-distributable reserves, equating to the issue price of each debenture, to Hyprop's stated capital account.
- The amendment and subsequent termination of Hyprop's debenture trust deed.
- The amendment of Hyprop's Memorandum of Incorporation to reflect the change in Hyprop's capital structure.