

## NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2016

### 23. Net operating income

|                                                                                                                    | GROUP<br>June 2016<br>R000 | GROUP<br>June 2015<br>R000 |
|--------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Net operating income is stated after accounting for the following:</b>                                          |                            |                            |
| Contingent rental income (turnover rental)                                                                         | 51 566                     | 50 459                     |
| Depreciation                                                                                                       | 24 738                     | 20 054                     |
| Small asset write offs                                                                                             | 66                         | 82                         |
| Employee remuneration                                                                                              | 118 501                    | 118 312                    |
| Share-based payments (CUP) (Refer to note 25 – Employee remuneration)                                              | 9 919                      | 6 707                      |
| Forex gains                                                                                                        | 144                        | 7 804                      |
| <b>Property expenses in the statement of profit or loss and other comprehensive income comprise the following:</b> |                            |                            |
| <b>Total property expenses</b>                                                                                     | <b>993 861</b>             | <b>887 918</b>             |
| Municipal expenses                                                                                                 | 586 524                    | 550 945                    |
| Salaries and staff-related expenses                                                                                | 82 896                     | 87 464                     |
| Security expenses                                                                                                  | 47 831                     | 47 797                     |
| Cleaning expenses                                                                                                  | 39 272                     | 39 022                     |
| Marketing expenses                                                                                                 | 38 974                     | 28 003                     |
| Maintenance costs                                                                                                  | 23 764                     | 16 623                     |
| Diesel costs                                                                                                       | 22 457                     | 2 489                      |
| Parking expenses                                                                                                   | 19 259                     | 17 911                     |
| Air-conditioning expenses                                                                                          | 16 801                     | 12 548                     |
| Other operating expenses                                                                                           | 116 083                    | 85 116                     |
| <b>Directors' remuneration</b>                                                                                     |                            |                            |
| <b>Independent non-executive</b>                                                                                   | <b>2 399</b>               | <b>2 117</b>               |
| Ethan Dube (paid to Vunani Capital Proprietary Limited)                                                            | 334                        | 284                        |
| Lindie Engelbrecht                                                                                                 | 535                        | 471                        |
| Gavin Tipper                                                                                                       | 562                        | 490                        |
| Louis van der Watt (paid to Atterbury Property Holdings Limited)*                                                  | 233                        | 235                        |
| Mike Lewin                                                                                                         | 334                        | 284                        |
| Thabo Mokgatla                                                                                                     | 401                        | 353                        |
| <b>Non-executive</b>                                                                                               | <b>1 040</b>               | <b>847</b>                 |
| Kevin Ellerine                                                                                                     | 314                        | 252                        |
| Louis Norval                                                                                                       | 306                        | 245                        |
| Stewart Shaw-Taylor                                                                                                | 420                        | 350                        |
| <b>Executive</b>                                                                                                   | <b>15 983</b>              | <b>13 685</b>              |
| Pieter Prinsloo (Chief executive officer)                                                                          | 11 131                     | 9 699                      |
| Basic salary                                                                                                       | 3 672                      | 3 464                      |
| Pension fund contributions                                                                                         | 173                        | 141                        |
| Performance bonus (paid in December)                                                                               | 3 710                      | 2 625                      |
| Other benefits                                                                                                     | 122                        | 33                         |
| Incentive scheme                                                                                                   | 3 454                      | 3 436                      |
| Laurence Cohen (FD)                                                                                                | 4 852                      | 3 986                      |
| Basic salary                                                                                                       | 2 089                      | 1 958                      |
| Pension fund contributions                                                                                         | 362                        | 296                        |
| Performance bonus (paid in December)                                                                               | 2 332                      | 1 650                      |
| Other benefits                                                                                                     | 69                         | 82                         |

\* Independent non-executive director Louis van der Watt resigned from the board on 4 May 2016

23. Net operating income continued

Directors' beneficial interests under the long-term employee incentive scheme (CUP)

|                                                      | Pieter Prinsloo<br>Hyprop shares | Laurence Cohen<br>Hyprop shares |
|------------------------------------------------------|----------------------------------|---------------------------------|
| <b>Number of shares:</b>                             |                                  |                                 |
| Balance at 1 July 2014                               | 28 790                           | 15 864                          |
| Allocated during the year                            | 31 207                           | 16 813                          |
| Balance at 30 June 2015                              | 59 997                           | 32 677                          |
| <b>Market value of shares at 30 June 2015 (R000)</b> | <b>7 260</b>                     | <b>3 954</b>                    |
| <b>Number of shares:</b>                             |                                  |                                 |
| Balance at 1 July 2015                               | 59 997                           | 32 677                          |
| Allocated during the year                            | 22 563                           | 12 156                          |
| Balance at 30 June 2016                              | 82 560                           | 44 833                          |
| <b>Market value of shares at 30 June 2016 (R000)</b> | <b>10 724</b>                    | <b>5 823</b>                    |

24. Auditor's remuneration

|                                                                                        | GROUP<br>June 2016<br>R000 | GROUP<br>June 2015<br>R000 |
|----------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Auditor's remuneration – fees paid to external auditors for the attest function</b> |                            |                            |
| Grant Thornton                                                                         | 2 044                      | 1 878                      |
| Ernst & Young                                                                          | 821                        |                            |
|                                                                                        | <b>2 865</b>               | <b>1 878</b>               |
| <b>Other auditor's remuneration – internal audit services</b>                          |                            |                            |
| PricewaterhouseCoopers                                                                 | 1 294                      | 1 388                      |
| <b>Other auditor's remuneration – other services</b>                                   |                            |                            |
| KPMG                                                                                   | 1 454                      |                            |
| Grant Thornton                                                                         | 105                        | 69                         |
| Ernst & Young                                                                          | 121                        |                            |
|                                                                                        | <b>2 974</b>               | <b>1 457</b>               |