NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2016

33. Business combinations and transactions with subsidiary

33.1 Subsidiary acquired

On 17 November 2015, Hyprop acquired a 100% interest in Hyprop Ikeja Mall Limited. Hyprop Ikeja Mall Limited holds a 75% interest in Gruppo Investments Nigeria Limited (Gruppo). Gruppo is the owner of Ikeja City Mall in Lagos, Nigeria.

	Principal activity	Date of acquisition	Proportion of voting equity interest acquired	June 2016 Consideration transferred R000
Hyprop Ikeja Mall Limited	Property investment company	17 November 2015	100%	707 471
Gruppo Investments Nigeria Limited	Property investment company – renting retail space to tenants	17 November 2015	75%	

33.2 Assets acquired and liabilities recognised at the date of acquisition[1]	Valuation techniques	
Non-current assets		
Investment property *(Refer to note 2.2 – Investment property)*	Discounted cash flow method (DCF)	2 138 690
Building appurtenances and tenant installations *(Refer to note 3.4 – Building appurtenances and tenant installations)*		5 327
Current assets		
Trade and other receivables		32 766
Cash and cash equivalents		48 964
Non-current liabilities		
Long-term loans	Amortised cost	1 217 968
Deferred taxation		47 909
Current liabilities		
Trade and other payables		151 536
Derivative instrument		2 365
Net assets (100%)		805 969

33.3 Non-controlling interests

The non-controlling interest recognised at the acquisition date was measured with reference to the agreements concluded with non-controlling shareholders	25%[2]	116 632

The non-controlling interest is recognised at its proportionate interest in the subsidiary acquired.

[1] *All amounts reflect 100% of acquisition values*
[2] *Represents minority interest in Ikeja City Mall, Lagos, Nigeria*

33. Business combinations and transactions with subsidiary continued

		June 2016 Consideration transferred R000
33.4	**Goodwill**	
	Consideration transferred	707 471
	Less: Fair value of identifiable net assets acquired (75%)	(689 337)
	Goodwill	18 134

The goodwill relates to Hyprop's acquisition of Hyprop Ikeja Mall and was calculated in terms of IFRS 3 *Business Combinations*. The goodwill represents the amount by which the consideration paid exceeds the fair value of net assets acquired and has no impact on distributable earnings.

The goodwill arose as a consequence of the effective purchase price for Ikeja City Mall (on the acquisition date of 17 November 2015) being higher than the fair valuation of the property on 31 December 2014.

33.5 Impact of acquisition on results of the group for June 2016

Revenue for the 2016 year includes R226,6 million attributable to revenue from Ikeja City Mall.

Included in profit for the 2016 year is R89,1 million from Ikeja City Mall.

Had the business combination been effected on 1 July 2015, the total Hyprop consolidated revenue would have been R300 million and the total Hyprop consolidated profit would have been R21 million.

		June 2016 R000
33.6	**Net cash outflow on acquisition of Ikeja City Mall**	
	Consideration transferred	
	Cash	707 471
	Less: Cash and cash equivalents acquired	(48 964)
	Net cash outflow	658 507

34. Related-parties and related-party transactions

Related parties with whom the group transacted during the period were:

	GROUP June 2016 R000	GROUP June 2015 R000
AttAfrica		
Loan receivable	2 633 939	1 739 053
Interest received	195 852	103 971
Relationship: co-investor and joint venture		
Manda Hill Mauritius		
Loan receivable	624 617	519 072
Interest received	38 705	20 031
Relationship: joint venture		
PDI Investments Limited		
Credit enhancement fee	7 372	
Relationship: co-investor and directorship		

All related-party transactions were made on terms equivalent to those in similar arm's-length transactions.