	GROUP June 2016 R000	GROUP June 2015 R000
9. Goodwill		
Cost		
Balance at 1 July	29 566	29 566
Acquisition of business	18 134	
Balance at 30 June	47 700	29 566
Accumulated impairment		
Balance at 1 July	(29 566)	(25 286)
Impairment of goodwill		(4 280)
Balance at 30 June	(29 566)	(29 566)
Carrying value at end of the year	18 134	
Goodwill by region and segment		
Investment property – sub-Saharan Africa (excluding SA)		
Ikeja City Mall (Lagos, Nigeria)	18 134	
Carrying value at end of the year	18 134	

Impairments/reversal of impairments

The group reviews the carrying amounts of cash-generating units (CGU) to which goodwill has been allocated for impairment at each reporting date. A review may be triggered during the financial year if indicators of impairment (suggesting that the carrying amount may be greater than the recoverable amount) are observed in the ordinary course of business.

Once an impairment has been recognised, no reversal of a previous impairment is processed in subsequent periods, even if the prospects of the impaired CGU improve.

Value-in-use calculations

The recoverable amount is determined based on the CGU's value-in-use by using the discounted cash flow method over three years. Key assumptions relating to this valuation include the discount rate and cash flows used to determine the value-in-use.

Cash flows

Future cash flows are estimated based on local currency financial budgets approved by management, covering a three-year period and are extrapolated over the useful life of the assets, to reflect the long-term plans for the group, using an estimated growth rate for the asset. The estimated future cash flows and discount rates used are post-tax, based on an assessment of the current risks applicable to the asset and country in which it operates.

Discount rate

The weighted average cost of capital (WACC) is derived from a pricing model based on credit risk and the cost of the debt. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating the future cash flows of the CGU.

Impairments – 2016

During 2016, Hyprop acquired Ikeja City Mall in Lagos, Nigeria, and allocated USD1,3 million of goodwill. Management paid the additional amount due to an expectation of an increase in value of the property. Subsequent to the acquisition, the property was revalued at 30 June 2016 and increased in value by USD2,7 million (75% – USD2,0 million) confirming management's initial assessment. *Refer to note 33 – Business combinations and transactions with subsidiary*.

Based on the valuation at 30 June 2016, management did not recognise an impairment for goodwill in 2016. For detailed assumptions and valuation techniques used, *refer to note 2 – Investment property*.