24. Auditor's remuneration

	June 2017 R000	June 2016 R000
Auditor's remuneration – fees paid to external auditors for the attest function		
KPMG	2 362	
Grant Thornton	186	2 044
Ernst & Young	627	821
	3 175	2 865
Other auditor's remuneration – internal audit services		
PricewaterhouseCoopers	1 331	1 294
Other auditor's remuneration – other services		
KPMG	149	1 454
Grant Thornton		105
Ernst & Young		121
	1 480	2 974

25. Employee remuneration

Equity-settled share-based employee remuneration

On 1 January 2014, the group implemented a long-term employee incentive scheme (the conditional share plan (CUP)), which consists of two components – performance shares and retention shares. Both the performance and the retention components of the scheme are settled in Hyprop shares.

Performance shares

In terms of the CUP, fully paid awards are made on an annual basis, comprising performance shares and retention shares. The split between performance shares and retention shares is 70%:30% for all participants.

The performance conditions for the shares allocated as performance shares are as follows:

- Growth in distribution per share relative to the peer group (weighting 40%)
- Share price performance relative to the peer group (weighting 40%)
- Strategic component, which is determined by the remuneration committee in line with the prevailing circumstance and projects at the time of the award (weighting 20%).

Each of the performance conditions will be measured over a three-year performance period. Participants must be employed until the end of the vesting period to be eligible for the award.

Retention shares

Retention shares vest after five years, provided the participant is still employed by the group.

Reconciliation of shares allocated in terms of the CUP

	Number of performance shares	Number of retention shares
Unvested at 30 June 2015	214 617	91 981
Granted	78 282	33 549
Forfeited	(7 955)	(3 757)
Vested	(1 356)	(234)
Unvested at 30 June 2016	283 588	121 539
Granted	86 961	36 063
Forfeited	(3 368)	(405)
Vested	(106 370)	(3 591)
Unvested at 30 June 2017	260 811	153 606

25. Employee remuneration continued

Unvested share allocations by tranche	Performance shares	Retention shares
Tranche 1		
Grant date		1 January 2014
Vesting period ends		31 December 2018
Fair value of shares at grant date		R54,77
Share price at grant date		R76,50
The inputs used in the measurement of the fair value at grant date were as follows:		
Expected life		5 years
Risk-free rate after taxation		5,8%
Dividend yield (historic)		5,8%

Tranche 1 of the performance shares vested during the current financial year at a fair value of R123,46 per share.

	Performance shares	Retention shares
Tranche 2		
Grant date	1 July 2014	1 July 2014
Vesting period ends	30 June 2017	30 June 2019
Fair value of shares at grant date	R65,55	R58,12
Share price at grant date	R79,51	R79,51
The inputs used in the measurement of the fair value at grant date were as follows:		
Expected life	3 years	5 years
Risk-free rate after taxation	5,9%	5,9%
Dividend yield (historic)	6,0%	6,0%
Tranche 3		
Grant date	1 July 2015	1 July 2015
Vesting period ends	30 June 2018	30 June 2020
Fair value of shares at grant date	R105,76	R96,68
Share price at grant date	R121,00	R121,00
The inputs used in the measurement of the fair value at grant date were as follows:		
Expected life	3 years	5 years
Risk-free rate after taxation	6,0%	6,0%
Dividend yield (historic)	4,5%	4,5%
Tranche 4		
Grant date	1 July 2016	1 July 2016
Vesting period ends	30 June 2019	30 June 2021
Fair value of shares at grant date	R112,56	R102,32
Share price at grant date	R129,89	R129,89
The inputs used in the measurement of the fair value at grant date were as follows:		
Expected life	3 years	5 years
Risk-free rate after taxation	6,3%	6,3%
Dividend yield (historic)	4,8%	4,8%
Tranche 5		
Grant date	1 January 2017	1 January 2017
Vesting period ends	31 December 2019	31 December 2021
Fair value of shares at grant date	R100,11	R90,07
Share price at grant date	R117,31	R117,31
The inputs used in the measurement of the fair value at grant date were as follows:		
Expected life	3 years	5 years
Risk-free rate after taxation	6,4%	6,4%
Dividend yield (historic)	5,3%	5,3%

25. Employee remuneration continued

The executive directors were allocated the following percentages of the total shares allocated:

	Pieter Prinsloo (CEO)	Laurence Cohen (FD)
Tranche 1		
Retention shares	19%	10%
Tranche 1 of the performance shares vested during the current financial year		
Tranche 2		
Performance shares	20%	11%
Retention shares	20%	11%
Tranche 3		
Performance shares	20%	11%
Retention shares	20%	11%
Tranche 4		
Performance shares	21%	11%
Retention shares	21%	11%

The charge to the statement of profit or loss and other comprehensive income for the year ended 30 June 2017 amounted to R12,7 million (2016: R9,9 million). As the above are equity-settled shared-based payments, the accounting treatment recognises the share-based payments in profit and loss on a straight-line basis over the vesting period, with a corresponding credit to equity.

26. Taxation

	June 2017 R000	June 2016 R000
Major components of the taxation expense		
Current taxation – current year	2 714	7 891
– prior year		(520)
Deferred taxation – current year	2 538	43 636
– prior year	(912)	(77)
Taxation for the year	4 340	50 930
Reconciliation of taxation charge		
Net income before taxation at 28%	770 357	789 065
REIT dividend	(455 872)	(422 919)
Income exempt from tax and non-tax deductible expenses	(322 158)	(327 005)
Prior year tax adjustment		
Income taxation		3 657
Deferred taxation	(912)	6 099
Deferred taxation asset not recognised	26 587	40 848
Adjustment in respect of foreign tax rates	(13 662)	(38 563)
Security transfer tax		(252)
Taxation expense recognised in statements of profit or loss and other comprehensive income	4 340	50 930

The taxation rate applied in the reconciliation is 28%.

	June 2017 R000	June 2016 R000
Income exempt from tax and non-tax deductible expenses comprise the following:		
Change in fair value:		
Investment property	(344 327)	(353 398)
Derivative instruments	1 421	14 891
Financial guarantee	45 879	
Convertible loan	(998)	3 865
Straight-line rental income accrual	(9 551)	(24 381)
Profit on disposal of assets	477	
Write-off of goodwill	5 078	
Reversal of wear and tear allowances on asset sales	(14 297)	
Other	(5 840)	32 018
Total income exempt from tax and non-tax deductible expenses	(322 158)	(327 005)

27. Dividends

	June 2017 R000	June 2016 R000
Total dividend declared[1]	1 723 559	1 522 189
Final dividend in respect of the six months ended 30 June	862 149	798 907
Interim dividend in respect of the six months ended 31 December	861 410	723 282
Total dividend per share for the year (cents)	695,1	619,9
Final dividend in respect of the six months ended 30 June (cents)	347,8	322,1
Interim dividend in respect of the six months ended 31 December (cents)	347,3	297,8

[1] *The amount differs to the distributable earnings due to rounding of the dividends per share. Refer to* Segmental analysis *page 140*