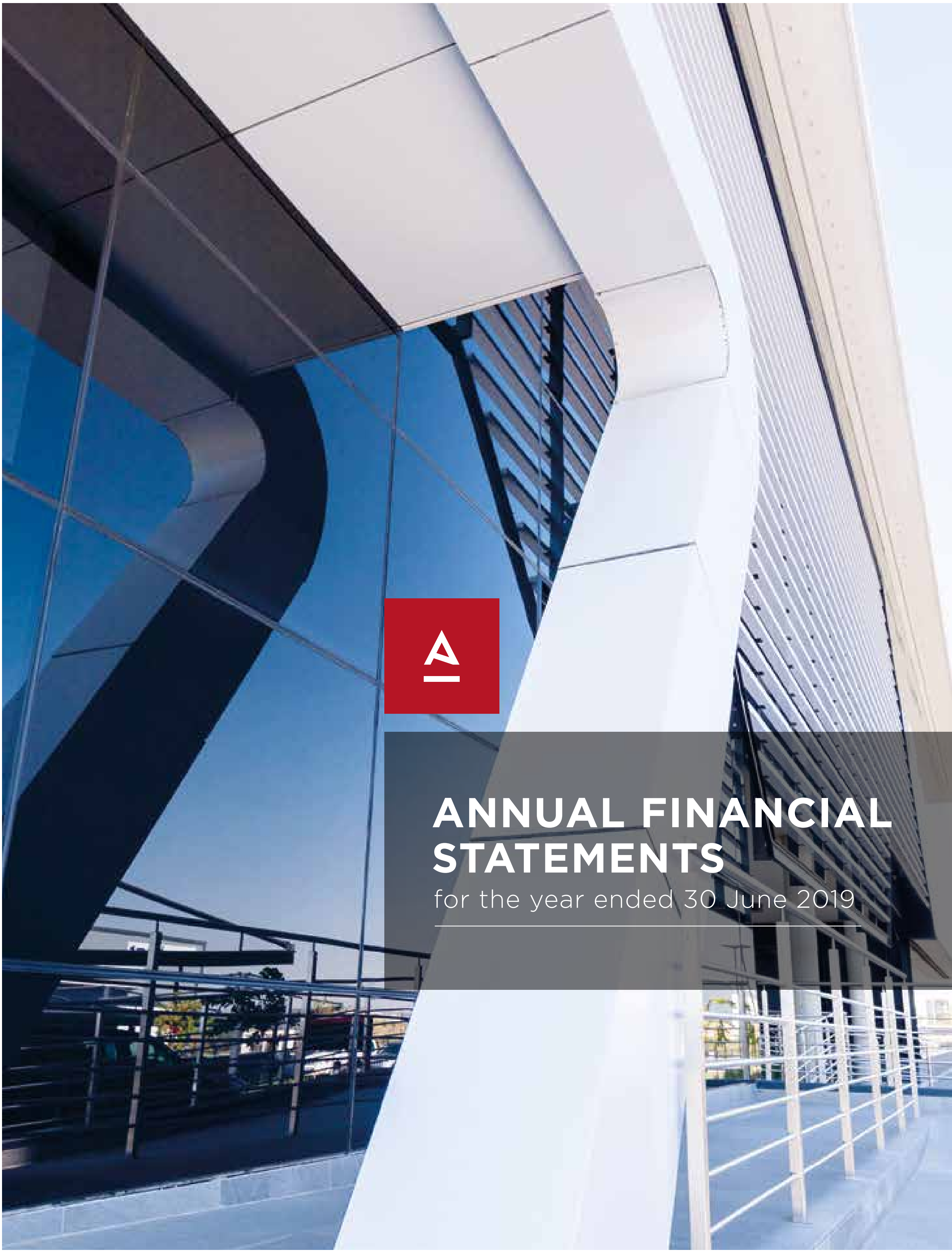

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

ATTACQ

INVEST • DEVELOP • GROW

The reports and statements set out below comprise the annual financial statements presented to the shareholders.

Contents

Level of assurance

These AFS have been audited in compliance with the applicable requirements of the Companies Act.

Approval of the annual financial statements

The audited AFS, set out on pages 4 to 168, were approved by the board of directors on 9 September 2019.

Our reporting suite

we produce a suite of reports to cater for stakeholders' needs. Supplementary reports, see below, support our IR, and are tailored to meet our readers' specific information requirements.

IR including the Summarised Consolidated Financial Statements
www.attacq.co.za/investors/integrated-report_2019

Company and group AFS for the year ended 30 June 2019
www.attacq.co.za/investors/annual_financial_statements_2019

Sustainability report
www.attacq.co.za/investors/sustainability-report_2019

Our website
www.attacq.co.za

Glossary

Absa	Absa Bank Limited
Adamax	Adamax Property Projects Brooklyn Proprietary Limited
Adjusted NAVPS	Net asset value per share adjusted for deferred taxation
A-F-S	Available-for-sale
AFS	Annual financial statements
AGM	Annual general meeting
AIHI Ikeja	AIHI Ikeja Limited
AIH International	AIH International Limited
AIM	AIM Investco Proprietary Limited
AMS	Attacq Management Services Proprietary Limited
APD	Atterbury Property Development Proprietary Limited
ARC	Audit and risk committee
APH	Atterbury Property Holdings Proprietary Limited
ARF	Attacq Retail Fund Proprietary Limited
ARS	Attacq Retail Services Proprietary Limited
Artisan Development	Artisan Development Partners Limited
Artisan Southport	Artisan Southport Limited
AttAfrica	Atterbury Africa Limited
AttAfrica SA	Atterbury Africa SA Proprietary Limited
Attacq and company	Attacq Limited
Attacq Energy	Attacq Energy Proprietary Limited
Attacq Foundation	The Attacq Foundation Trust Proprietary Limited
Attacq Namco	Attacq Namco Proprietary Limited
Attacq Treasury Share Company	Attacq Treasury Share Company Proprietary Limited
ATT MOA 20	ATT MOA 20 Proprietary Limited
AWIC	Attacq Waterfall Investment Company Proprietary Limited
Barrow	Barrow Construction Proprietary Limited
B-BBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
BOC	Bank of China Limited
Board	Board of directors
Brand Group	The Brand Group International Proprietary Limited
Brooklyn Bridge	Brooklyn Bridge Office Park Proprietary Limited
CAF	Combined assurance forum
CEO	Chief executive officer
CFC	Controlled Foreign Company
CFO	Chief financial officer
COO	Chief operating officer
CGT	Capital gains tax
CGU	Cash-generating unit
Companies Act	The Companies Act 71 of 2008
Coronation	Coronation Fund Managers Limited
Dale Creek Investments	Dale Creek Investments Proprietary Limited
Deloitte	Deloitte & Touche
DEPS	Distributable earning per shares
EAJV	EA Waterfall Logistics JV Proprietary Limited
ECL	Expected credit loss
ESD	Attacq Group ESD Proprietary Limited
fatti 365	fatti 365 Proprietary Limited
fatti Attacq	fatti Attacq Proprietary Limited
FCTR	Foreign currency translation reserve
Fountains Regional Mall	Fountains Regional Mall Proprietary Limited
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss

Glossary CONTINUED

GDP	Gross domestic product
GLA	Gross lettable area
GMR	Gross monthly rental
Group	Attacq and its subsidiaries
Group AFS	Consolidated AFS
Gruppo	Gruppo Investment Nigeria Limited
Growthpoint	Growthpoint Properties Limited
Harlequin Duck	Harlequin Duck Properties 204 Proprietary Limited
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act No 58 of 1962
IRBA	Independent Regulatory Board of Auditors
In Coatings	In Coatings Proprietary Limited (BEE)
Investec	Investec Bank Limited
Investec Securities	Investec Securities Limited
IR	Integrated report
JIBAR	Johannesburg Inter Bank Average Rate
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	The Listings Requirements, as issued by the JSE from time to time
JV	Joint Venture
JV15	Waterfall JVCO 15 Proprietary Limited
JV115	Waterfall JVCO 115 Proprietary Limited
Key Capital	Key Capital Holdings Proprietary Limited
King IV	King IV™ Report on Governance for South Africa 2016
Kompasbaai	Kompasbaai Property Development Proprietary Limited
Le Chateau	Le Chateau Property Company Proprietary Limited
Leipzig	Leipzig Nova Eventis Consortium Proprietary Limited
LibFin	Liberty Financial Services
Lisinfo 222	Lisinfo 222 Investments Proprietary Limited
LGD	Loss given default
LP	Land parcel
LTIP	Long-term incentive plan
Lynnaur	Lynnaur Investments Proprietary Limited
Lynnwood Bridge	Lynnwood Bridge Office Park Proprietary Limited
Majestic	Majestic Offices Proprietary Limited
Mall of Namibia	The Grove Mall of Namibia Proprietary Limited
MAS	MAS Real Estate Inc.
Micawber	Micawber 832 Proprietary Limited
MMI	MMI Holdings Limited
MOI	Memorandum of Incorporation
NAV	Net asset value
NAVPS	Net asset value per share
Nedbank	Nedbank Limited
NESA Capital	NESA Capital Proprietary Limited
Nieuwtown	Nieuwtown Property Development Company Proprietary Limited
Ndzilo	Ndzilo Fire Protection Engineers (BEE)
OCI	Other comprehensive income
OmsFin	Old Mutual Financial Services
Pemba	Atterbury Pemba Properties Limited
PD	Probability of default
PGLA	Primary gross lettable area
Portstone	Portstone Developments Proprietary Limited

PPE	Property and equipment
Prop 5 Corporation	Prop 5 Corporation Proprietary Limited
PV	Present value
PwC	PricewaterhouseCoopers
Rainprop	Rainprop Proprietary Limited
Razorbill	Razorbill Properties 91 Proprietary Limited
RBH	Royal Bafokeng Holdings Proprietary Limited
REIT	Real Estate Investment Trust
Remco	Remuneration and nominations committee
RMB	Rand Merchant Bank – a division of First Rand Bank Limited
SAICA	South African Institute of Chartered Accountants
Sanlam	Sanlam Group Limited
Sanlam Capital	Sanlam Capital Markets Limited
Sanlam Life	Sanlam Life Insurance Limited
SA	South Africa
SAR	Share Appreciation Right
Sasfin	Sasfin Limited
SESCF	Stenham European Shopping Centre Fund Limited
SPPI	Sole payments of principal and interest
Standard Bank	Standard Bank Limited
Stenham	Stenham European Shopping Centre Fund Limited
The Moolman Group	East and West Investments Proprietary Limited
Thatego	Thatego Holdings Proprietary Limited (BEE)
Travenna	Travenna Development Company Proprietary Limited
TSE	Transformation, Social and Ethics
Twin Cities	Twin Cities Cleaning Services Proprietary Limited (BEE)
US	United States
Value Added Tax Act	Value Added Tax Act No 89 of 1991
WACC	Weighted Average Cost of Capital
WDC	Waterfall Development Company Proprietary Limited
WIC	Waterfall Investment Company Proprietary Limited
Wingspan	Retail Africa Wingspan Investments Proprietary Limited
Zenprop	Truzen 116 Trust/Truzen 129 Trust

Directors' responsibilities and approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate AFS. It is their responsibility to ensure that the consolidated and separate AFS fairly present the state of affairs of Attacq and the group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS and the requirements of the Companies Act.

The consolidated and separate AFS are prepared in accordance with IFRS, the JSE Listings Requirements and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is beyond reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the group.

The directors have reviewed the cash flow forecast of the group and company for the next 12 months and, in light of this review and the current financial position, taking into account the maturing of the facilities, they are satisfied that the group and the company have access to adequate resources to continue in operational existence for the next 12 months.

The consolidated and separate AFS, set out on pages 22 to 168 in this report, have been prepared on the going-concern basis.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate AFS. The AFS have been audited by the group's external auditors and their unmodified report is presented on pages 16 to 21.

The consolidated and separate AFS set out on pages 5 to 168, were approved by the board on 9 September 2019 and were signed on its behalf by:

P Tredoux
Chairperson

9 September 2019

M Hamman
Chief executive officer

9 September 2019

Certificate by company secretary

In terms of section 88(2)(e) of the Companies Act, I declare that to the best of my knowledge, for the year ended 30 June 2019, that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that such returns are true, correct and up to date.

PL de Villiers
Interim company secretary

9 September 2019

Audit and risk committee report

TO THE SHAREHOLDERS

The company's audit and risk committee (the committee) is a committee of the board of directors (the board). The activities of the committee are determined by its charter as approved by the board and its statutory responsibilities as per the Companies Act, 71 of 2008 (as amended) (the Companies Act) and the King IV Report on Governance™* for South Africa 2016 (King IV).

The purpose of the committee is to provide the board and shareholders with assurance that their interests are protected in respect of enterprise risk management, information and technology governance, legal and regulatory compliance, internal controls and financial reporting. The committee therefore has a responsibility to ensure that the group has effective systems in place to ensure adherence with sound governance principles as defined in King IV; that effective mechanisms are in place to ensure that risks are being managed, and that the group is aware of its legal and regulatory commitments.

One of the key functions of the committee is to ensure assets and liabilities are recorded accurately and fairly, applying appropriate judgement in addition to the application of International Financial Reporting Standards (IFRS). In support of this responsibility the group has implemented an internal control framework which includes a combined assurance forum, an internal audit function and reporting against budgets, forecasts and prior year actuals. The governance of risk remains a key priority for the board and the committee. The board is ultimately responsible for setting the risk appetite and tolerance levels for the group, leveraging opportunities and managing risk. The board has delegated oversight responsibility for risk management to the committee with management responsible for the design of and effective operation of the risk management process.

The committee has assessed the suitability of Deloitte & Touche (Deloitte) for appointment as external auditors, together with the engagement partner and has recommended the extension of the external audit contract with Deloitte, subject to the approval thereof by shareholders.

Significant matters considered by the committee during the year under review included compliance with REIT requirements; the solvency and liquidity of the group; adherence with sound corporate governance principles in respect of information and technology, legal and regulatory requirements, investment property valuations, the MAS investment, new accounting standards and the annual financial statements for the year ended 30 June 2019.

ROLE OF THE COMMITTEE

The board has formally delegated certain duties, responsibilities and authority to the committee as defined in the audit and risk committee charter (charter). The charter is reviewed annually to ensure adherence to sound governance principles including King IV. The committee acts on behalf of the board and the matters reviewed and managed by the committee remain the responsibility of the board of directors.

The specific roles and responsibilities of the committee include the following:

- Providing the board with assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in discharging of their duties
- The appointment of the external auditors, subject to the approval of shareholders
- Assessing the suitability of the external auditors for appointment
- The appointment of the internal auditors
- Reviewing the independence of the internal and external auditors
- Monitoring the value and nature of non-assurance services provided by the external auditors
- Assessment of the quality and performance of the external and internal auditors on an annual basis
- Confirming that the company has established appropriate financial reporting procedures and that these procedures are operating appropriately
- Consideration of significant matters in relation to the annual financial statements
- Reviewing interim and annual financial statements and the annual integrated report
- Providing oversight over the internal audit function and approving of the annual and three-year rolling risk-based internal audit plan

- Overseeing the combined assurance process
- Assessing the effectiveness and performance of the chief financial officer and the finance function
- Ensuring that significant business, financial and other risks have been identified and are being suitably addressed
- Ensuring sound governance practices, reporting and compliance processes are in operation, including the monitoring of adherence with King IV and applicable legislation, including but not limited to the Companies Act, the Income Tax Act 1962, the Value-Added Tax Act, 1991, Occupational Health and Safety Act and National Buildings Regulations and Standards Act
- Timely and effective implementation of corrective actions identified during internal audit reviews.

MEMBERSHIP OF THE COMMITTEE

At date of approval of this report, the committee comprised three independent non-executive directors elected by the shareholders on recommendation by the remuneration and nominations committee. The chairperson of the board is neither the chairperson nor a member of this committee. The combined skillset of the members of the committee covers the following areas:

- Financial reporting
- Internal financial controls
- External audit processes
- Internal audit processes
- Corporate law
- Risk management
- Sustainability
- Information technology governance
- Governance processes within the company.

Members and attendance of the committee are included in the table below:

Member	Status	Attendance
Stewart Shaw-Taylor (Chairperson)	Independent non-executive director	3/4
Hellen El Haimer	Independent non-executive director	4/4
Brett Nagle	Independent non-executive director	4/4

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The committee has an annual work plan, developed from the charter, with standing items that the committee considers at each meeting with the addition of any specific matters and topical items which might be of concern to the committee.

During the 2019 financial year, the committee focused on three principal areas which are summarised below:

Risks and internal controls

- Considered reports from internal auditors on their review and assessment of the internal control environment
- Considered output from the annual risk assessment process as identified and assessed by management and members of the committee
- Considered and interrogated, on a quarterly basis, risk management reports from management on risk management activities and residual risk ratings
- Assessed the effectiveness of the group's internal control environment
- Considered a comprehensive analysis of the group's regulatory compliance requirements
- Reviewed and recommended for approval the updated risk management policy and framework
- Reviewed the enterprise risk management report and considered the maturity of the enterprise risk management function
- Reviewed the risk appetite and tolerance levels for the group for recommendation to the board.

Audit and risk committee report CONTINUED

External and internal audit

- Considered and recommended for approval the extension of the appointment of the external auditors
- Considered and approved the audit approach and scope of audit work to be undertaken by the external auditors including the related audit fees
- Considered the independence of the external auditors and their effectiveness, taking into account non-audit services undertaken by the external auditors, if any
- Assessed the suitability of the appointment of the current audit firm and audit partner in terms of section 3.84(g)(iii) of the JSE Listings Requirements
- Considered and approved the extension of the contract with the outsourced internal auditors
- Considered and approved the annual risk-based internal audit plan and budget
- Considered the level of alignment between the group's key risks and the internal audit programme
- Considered and evaluated the annual audit planning, conclusions and final opinion reports
- Reviewed the external audit management report items identifying effectiveness of controls over key risks and recommendations for corrective action.

Accounting, tax and financial reporting

- Reviewed and recommended for approval the interim and annual results
- Considered the ongoing solvency and liquidity of the group
- Reviewed compliance with REIT legislation
- Reviewed and approved disclosures in the integrated report in relation to controls, risk management, principal risks and uncertainties
- Considered the performance of the chief financial officer (CFO) and the finance function.

FINANCIAL STATEMENTS AND ACCOUNTING PRACTICES

The committee reviewed the interim and the consolidated financial statements for the year ended 30 June 2019, as well as the public announcements relating to the release of these results, and recommended their approval to the board.

The committee ensured that the necessary steps were taken to ensure that the financial statements were prepared in compliance and accordance with IFRS, the Companies Act and the JSE Listings Requirements.

During the financial year, the committee reviewed the JSE's report dated 20 February 2019 on proactive monitoring of financial statements in 2018. Where applicable, steps have been taken to implement the recommendations made by the JSE.

SIGNIFICANT ISSUES IDENTIFIED AND CONSIDERED BY THE COMMITTEE

The committee considered the key material matters of the group's consolidated financial statements relating to the:

- Valuation of investment properties
- Valuation of investment in MAS Real Estate Inc. (MAS).

In addition, the committee also considered as a significant issue the restatement of the prior year annual financial statements.

Valuation of investment properties

The group holds investment properties with a carrying value of R20.0 billion. The properties comprise completed properties, developments under construction, infrastructure and development rights.

Investment properties, with the exception of the Torre Industries building which was valued with reference to a signed sale agreement, were valued as at 30 June 2019 using independent external valuations performed by Mills Fitchet Cape Proprietary Limited and Sterling Valuation Specialists CC. The board has made appropriate adjustments to the external valuations to take into account, inter alia, straight-lining of leases for completed properties, cost to complete for developments under construction and lease liabilities for development rights.

The committee considered the competencies and independence of the external valuers and reviewed the assumptions and judgements used by the valuers in the external valuations. In addition, the committee reviewed and interrogated the relevant adjustments to the external valuations and concluded that the valuation of investment properties as determined at year end was fairly stated and in accordance with accounting policy.

Valuation of investment into MAS

Attacq holds an effective 23.03% in MAS via a 100% owned subsidiary. The investment is equity accounted and has a carrying value of R3.2 billion as at 30 June 2019. The committee considered the financial results of MAS and satisfied itself as to the value thereof as held on Attacq's balance sheet at year end.

The committee considered the treatment of the investment in MAS as an associate to be equity accounted. The committee confirmed the treatment as correct as Attacq does not have control over MAS but has a significant influence by virtue of its shareholding.

Summary

After reviewing the presentations and reports from management and consulting where necessary with the auditors, the committee was satisfied that the financial statements appropriately addressed the critical judgements and key estimates both in respect to amounts and disclosures. The committee was also satisfied that the significant assumptions used for determining the value of investment properties, other investments, taxation, goodwill and other assets and liabilities have been appropriately examined, questioned and challenged.

EFFECTIVENESS OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The committee reviewed the effectiveness of the CFO and the finance function and satisfied itself with the effectiveness of the CFO and his team.

INTERNAL AUDIT

Attacq has outsourced its internal audit function to PwC, a professional service provider, ensuring that an independent strategically aligned function exists. The internal audit scope comprises the preparation and implementation of the internal audit plan based on a three-year rolling period as well as the audit plan for the current year. The internal audit function operates under the direction of the committee, which reviews and approves the scope of the work to be performed. Critical and significant findings are reported to the committee on at least a half yearly basis. Corrective action is taken to address internal control deficiencies identified in the execution of work. The internal audit function operates within the mandates defined by the internal audit charter.

A risk-based internal audit plan was developed for the 2019 financial year. The committee has evaluated the report on the audit plan and has not identified any material breakdowns in internal controls within the areas reviewed. Follow-up audits were also conducted during the financial year on corrective actions required to be implemented.

EXTERNAL AUDIT

Deloitte has been the external auditor of the company and its major subsidiaries since 2011. It will be recommended at the annual general meeting (AGM) scheduled for 14 November 2019, that Deloitte be reappointed as the external auditor for the 2019 financial year. The engagement partner on the audit is Patrick Kleb. After assessing the information provided by the auditors in terms of paragraph 22.15(h) of the JSE Listings Requirements. The audit partner is required to rotate every five years. Patrick Kleb was appointed in July 2016 and will be recommended for reappointment at the upcoming AGM.

INTERNAL CONTROLS

To meet the group's responsibility to provide reliable financial information, the group maintains financial, legal compliance and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

The systems include a documented organisational structure and division of responsibility, established policies and procedures, which are communicated throughout the group. The group employment processes look to the careful selection, training and development of people. The committee is of the view that the internal control systems are adequately designed and functioning appropriately, and the financial reporting procedures are operating effectively in terms of paragraph 3.84(g)(iii).

Audit and risk committee report CONTINUED

RISK MANAGEMENT

Effective risk management is an integral part in ensuring that the group's strategic intent and growth targets are met. Attacq is aware that there are a multitude of risks that need to be managed to safeguard against any avoidable losses. Attacq's risk management approach does not only focus on the negative aspects of risks, but also in identifying opportunities and appropriate means to exploit such opportunities.

Attacq has conducted a review of its enterprise risk management policy and framework. The risk management policy and framework outline and prescribes the risk management process and is applicable across the group and its subsidiaries. As a REIT, Attacq's risk management policy specifically prohibits the company from entering into any derivative transactions that are not in the ordinary course of doing business, and the committee has monitored compliance with the policy and confirms that Attacq is in compliance thereof.

Attacq applies a formal risk assessment process and continuously identifies and quantifies emerging risks with input from the committee. Residual risk is re-assessed on a quarterly basis by the combined assurance forum and overseen by the committee.

The board takes ultimate responsibility for risk management and has delegated to the committee oversight responsibility. The executive team, as the implementers of strategy, are responsible to ensure that the group has an effective system for managing risks, and that effective and efficient risk mitigations are implemented. Management reports quarterly to the committee to attest that all potential and emerging risks have been identified, recorded and that appropriate action has been taken to mitigate the risks to acceptable levels.

Risk management is a strategic partner for business ensuring that it not only protects value but acts as an enabler for business and growth. Management and the committee are committed to continuously improve the risk management process to ensure a risk resilient environment. As part of the enterprise risk management process, the group has adopted an integrated approach to combined assurance by using the three lines of defence approach. The committee has established a combined assurance forum to co-ordinate risk assurance activities and reports regularly to the committee.

PRINCIPAL RISKS AND UNCERTAINTIES

Specific focus was placed on the risks recorded in the risk management report.

REGULATORY COMPLIANCE

The committee provides oversight of the regulatory compliance process and is assisted by the transformation, social and ethics (TSE) committee.

In line with Principle 13 of King IV, the legal and regulatory compliance risk management process is defined in the risk management and combined assurance policy and framework and is facilitated by the head of legal and supported by the risk management function. Attacq has established its compliance requirements (both prescribed and voluntary) through a formal compliance risk assessment process and applies the compliance risk management process as prescribed in the risk management policy and framework. In 2019 Attacq implemented the Sentinel Legal Regulatory compliance system which provides employees with direct access to regulatory information, updates, practice notes and latest case law for pre-selected categories of legislation to further strengthen regulatory compliance capacity with the group.

A formal process is in place ensuring a mandatory authorisation process for dealings in the company's shares, formal procedure for both acceptance and granting of gifts and inducements, disclosure of conflicts of interest, as well as formal levels of authority and delegated signing authorities for business transactions.

INFORMATION AND TECHNOLOGY GOVERNANCE

The committee, with the assistance of the combined assurance forum, provides oversight on information and technology governance within the group. As such, Attacq has developed an information and technology governance charter in line with Principle 12 of King IV.

The information and technology governance charter outline the decision-making rights and responsibility framework for information and technology governance that will foster a culture of effective and efficient use of the company's information and technology assets.

INTEGRATED REPORT

The committee will review the integrated report for the 2019 financial year and it will assess its consistency with appropriate reporting standards, the JSE Listings Requirements and King IV.

On behalf of the committee

S Shaw-Taylor
Audit and risk committee chairperson

9 September 2019

Directors' report

To the shareholders of Attacq Limited

The directors have pleasure in presenting their report, together with the consolidated and separate AFS for the year ended 30 June 2019.

1. CORPORATE OVERVIEW

Attacq is a South African-based REIT, with a vision of delivering sustainable income and long-term capital growth through a focused approach in real estate investments and developments. The quality South African portfolio is dominant in its respective nodes, ensuring its defensiveness in a subdued economy and sets Attacq apart.

The group's business model is based on four key drivers, namely the South African portfolio, developments at Waterfall, investment in MAS Real Estate Inc. (MAS) and the Rest of Africa retail investments. Attacq's strategy is to exit the Rest of Africa retail investments in an orderly manner.

Attacq is listed on the JSE and is included in the FTSE/JSE SAPY Index and FTSE/JSE SA REIT Index. Attacq is also the only property company to be included in the FTSE/JSE Responsible Investment Top 30 Index.

Attacq has a total asset value of R27.1 billion (2018: R27.9 billion), which includes landmark commercial and retail property assets and developments. Attacq's portfolio of properties and investments consists of geographically diverse assets across South Africa, as well as in sub-Saharan Africa through AttAfrica and Gruppo and western, central and eastern Europe through MAS.

2. DISTRIBUTABLE EARNINGS PER SHARE AND DISTRIBUTION PER SHARE

The group reported distributable earnings of R664.1 million (2018: R567.2 million).

3. DIVIDEND DISTRIBUTIONS

On 6 September 2018, the board declared a full year maiden distribution of 74 cents for the 12 months ended 30 June 2018, which was paid on 8 October 2018.

On 28 February 2019, the board declared an interim dividend of 40.5 cents for the six months ended 31 December 2018, which was paid on 1 April 2019.

Subsequent to year end, on 9 September 2019, the board declared a final dividend of 41.0 cents for the six months ended 30 June 2019, which will be paid on 7 October 2019.

The dividend has been declared from distributable earnings and meets the requirements of a REIT qualifying distribution for the purposes of section 25BB of the Income Tax Act.

4. AUTHORISED AND ISSUED SHARE CAPITAL

As at 30 June for the respective financial years, Attacq's issued share capital comprised:

	2019	2018
Total issued shares	**749 922 777**	749 582 777
Treasury shares	**(46 427 553)**	(46 427 553)
ARF	**(29 726 516)**	(29 726 516)
Attacq Treasury Share Company (previously Razorbill)	**(16 701 037)**	(16 701 037)
Net issued shares	**703 495 224**	703 155 224

5. GOING CONCERN

The AFS have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

As of that date the group had a positive net asset value and its current assets together with non-current assets held for sale exceeded its current liabilities together with non-current liabilities associated directly with non-current assets held for sale by R423.6 million.

6. FINANCIAL PERFORMANCE

The group reported a net attributable loss for the year ended 30 June 2019 of R636.3 million (2018: R2.7 billion profit (including the reversal of deferred tax upon REIT conversion of R1.7 billion)). The loss is mainly attributable to the impairment of the loans to AttAfrica and Gruppo, as well as negative movements on the fair value adjustments on completed properties and the Waterfall development rights.

The Attacq Group has access to long-term undrawn interest-bearing borrowings for additional funding requirements.

7. DIRECTORS' INTERESTS IN ATTACQ SHARES

	30 June 2019			30 June 2018		
Name	Direct	Indirect	Total	Direct	Indirect	Total
P Tredoux	–	27 733	27 733	–	27 733	27 733
MC Wilken (resigned 31 December 2017)	–	–	–	–	–	–
M Hamman	–	442 500	442 500	150 000	130 608	280 608
R Nana	22 729	–	22 729	–	–	–
JR van Niekerk	–	–	–	–	–	–
MM du Toit	–	–	–	–	–	–
HR El Haimer	6 500	–	6 500	6 500	–	6 500
IN Mkhari	–	–	–	–	–	–
KR Moloko (resigned 15 March 2019)	–	–	–	–	–	–
BT Nagle	–	–	–	–	–	–
S Shaw-Taylor	650 000	–	650 000	650 000	–	650 000
JHP van der Merwe	–	631 481	631 481	–	631 481	631 481
Total	**679 229**	**1 101 714**	**1 780 943**	806 500	789 822	1 596 322

During the current year, there were the following movements on share options granted to M Hamman:

- On 30 June 2018, 240 000 share options granted to M Hamman as detailed in Attacq's listing prospectus vested. These share options were exercised on 24 December 2018;
- On 14 October 2018, 324 104 SARs granted to M Hamman vested. These share options were exercised on 14 October 2018;
- On 14 October 2018, 84 116 LTIPs granted to M Hamman vested. These share options were exercised on 14 October 2018; and
- On 15 September 2018, Remco approved the grant of 1 000 000 retention share options.

During the current year, there were the following movements on share options granted to R Nana:

- On 14 October 2018, 36 427 LTIPs granted to R Nana vested. These share options were exercised on 14 October 2018.
- On 15 September 2018, Remco approved the grant of 500 000 retention share options.

During the current year, there were the following movements on share options granted to JR van Niekerk:

- On 15 September 2018, Remco approved the grant of 500 000 retention share options.

Other than the aforementioned changes there were no other changes in directors' shareholding between the end of the financial year and the date of approval of the AFS.

Directors' report CONTINUED

8. SPECIAL RESOLUTIONS PASSED BY THE GROUP

Apart from the special resolutions passed at the AGM, held on 22 November 2018, no other special resolutions were passed by Attacq or any of Attacq's direct subsidiaries.

9. INVESTMENT PROPERTY

Investment properties increased by 1.5% from the prior year due to the continued roll-out of Waterfall set off by the negative movements on the fair value of the completed buildings and Waterfall development rights. Additions to investment property totalled R950.4 million, comprising R690.2 million spent on properties under development, R160.6 million on completed developments and R99.5 million on infrastructure. Negative movements in the fair value on investment property amounted to R665.1 million for this financial year.

Investment property classified as held for sale amounted to R96.0 million (2018: R115.1 million). Refer to note 28 for more details on the investment properties classified as held for sale.

10. DISPOSALS

The following assets were disposed of during the year:

- Disposed of the 44.0% investment in fatti 365;
- Disposed of the 40.0% investment in fatti Attacq;
- Disposal of the 50.0% undivided share in the development rights related to the Cummins DC;
- Disposal of the 50.0% undivided share in the development rights related to Zimmer Biomet; and
- Disposal of the 20.0% investments in EAJV.

11. DIVIDEND DISTRIBUTION

Subsequent to year end, on 9 September 2019, the board approved a final dividend of 41.0 cents for the six months ended 30 June 2019, which will be paid on 7 October 2019.

12. SUBSEQUENT EVENTS

Refer to note 36 to the AFS for disclosure regarding subsequent events.

13. DIRECTORS AND BOARD CHANGES

P Tredoux	Independent non-executive chairperson
M Hamman	Chief executive officer
MC Wilken	Chief executive officer*
R Nana	Chief financial officer
JR van Niekerk	Executive director
MM du Toit	Independent non-executive director
HR El Haimer	Lead independent non-executive director
IN Mkhari	Independent non-executive director
KR Moloko	Independent non-executive director
BT Nagle	Independent non-executive director
S Shaw-Taylor	Independent non-executive director
JHP van der Merwe	Independent non-executive director

M Hamman was appointed as CEO and resigned as CFO with effect from 19 June 2018.

R Nana was appointed as CFO with effect from 19 June 2018.

JR van Niekerk was appointed as executive director with effect from 19 June 2018.

IN Mkhari was appointed as independent non-executive director with effect from 15 March 2018.

KR Moloko resigned with effect from 2 April 2019.

** MC Wilken resigned with effect from 31 December 2017.*

There were no changes in directors between the reporting date and this report.

14. DECONSOLIDATION OF THE ATTACQ FOUNDATION

During the current year, the group deconsolidated the Attacq Foundation. The group does not own an equity share in the Attacq Foundation but controlled the Attacq Foundation by virtue of the trust deed. The trust deed was amended during the current year and the group lost control.

15. COMPANY SECRETARY

Attacq's interim company secretary is PL de Villiers.

T Kodde resigned with effect from 12 April 2019.

Registered office: ATT House, 2nd Floor, Maxwell Office Park, 37 Magwa Crescent, Waterfall City, 2090

Postal address: PostNet Suite 016, Private Bag X81, Halfway House, 1685

16. AUDITORS

It will be proposed at the next AGM, scheduled for 14 November 2019, that Deloitte continue in office in accordance with the Companies Act.

Independent auditor's report

TO THE SHAREHOLDERS OF ATTACQ LIMITED

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Attacq Limited and its subsidiaries (the group) set out on pages 22 to 168, which comprise the consolidated and separate statements of financial position as at 30 June 2019, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Attacq Limited as at 30 June 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group in accordance with sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa.

The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report with regard to the audit of the separate financial statements of the company for the current period.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment property	
The carrying value of investment property amounted to R20.1 billion and the fair value adjustment loss recorded in net loss for the year in respect of investment property was a loss of R0.7 billion. Significant judgement is required by the directors in determining the fair value of investment property and for the purposes of our audit; we identified the valuation of investment property as representing a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgement associated with determining the fair values. The group's investment property comprises various categories of properties, being completed developments, developments under construction, infrastructure and services, and development rights. The models used to determine the fair values for each of the categories differ due to the different nature of each of these categories and are performed by independent valuers on an annual basis.	We assessed the competence, capabilities, objectivity and independence of the directors' independent valuers, and assessed their qualifications. In addition, we discussed the scope of their work with management and reviewed their terms of engagement to determine that there were no matters that affected their independence and objectivity or imposed scope limitations upon them. We confirmed that the approaches they used are consistent with IFRS and industry norms. We tested the inputs underpinning the investment property valuation, including rental income, discount rates and exit cap rates that were utilised in the prior year. In addition, we compared the discount and capitalisation rates to that of the May 2019 South African Property Owners Association report. Our independent external valuer compared selected inputs used to market data and entity-specific historical information to confirm the appropriateness of these inputs on a sample basis. Our independent external valuer furthermore reviewed the following: • The models used by the directors and their independent valuers; and • The significant judgements relating to the assumptions of the discount and reversionary cap rates.

Independent auditor's report CONTINUED

Key audit matter	How our audit addressed the key audit matter
Completed developments and developments under construction The inputs with the most significant impact on these valuations are disclosed in note 16 and include exit cap rates and discount rates. *Development rights* The determination of the underlying development rights value within the Waterfall development requires special consideration as a number of inputs and assumptions are used in the valuation. The Waterfall land was acquired through a 99-year lease, and is therefore classified as development rights in the consolidated financial statements. The valuation in respect of Waterfall's development rights is based on an external valuation performed on a residual valuation method. The valuation is then adjusted downward to take into account, inter alia, the nature of the contractual rights and the estimated future rental obligations attached to the development rights and the future costs to be incurred.	We held meetings with each of the directors' assigned independent valuers in order to confirm that the approaches they used are consistent with IFRS and industry norms. We further investigated any significant changes in assumptions from those applied in the prior year valuations. We performed sensitivity analyses on the significant assumptions to evaluate the extent of impact on the fair values and assessed the appropriateness of the group's disclosures relating to these sensitivities. We found that the models used for the various property categories were appropriate and the discount rates and exit cap rates were comparable to market rates. We assessed the following additional inputs utilised in respect of the valuation of the development rights: • Timing of the development plans against the developments undertaken in the current year and prospective developments; • The calculation and treatment of the future rental obligation; and • The serviced land prices per bulk square metre. The timing of development plans for the development rights and serviced land prices per square metre appeared reasonable. The treatment of the future rental obligation for the development rights was found to be appropriate. The treatment of the development rights was appropriate and the valuation thereof was reasonable. The disclosures and accounting pertaining to the investment property was found to be appropriate in terms of the relevant accounting standards.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment in Mas Real Estate Inc. (MAS)	
The group has a significant investment in MAS Real Estate Inc. (MAS). The carrying value of investment in MAS as disclosed in note 17 amounted to R3.2 billion. The fair value is further influenced by the accounting policies applied and appropriate adjustments that should be made on consolidation for differences in accounting policies. We rely on the work performed by the component auditor in order to support our opinion on the consolidated financial statements. We identified the valuation of investment in MAS as representing a key audit matter due to the significance of the balance to the financial statements as a whole.	To address the valuation of investment in MAS, we engaged and kept in continuous communication with the component auditor of MAS throughout the audit and issued instructions to satisfy our audit requirements in terms of ISA 600: *Special considerations – Audit of Group Financial Statements (including the work of component auditors).* We obtained the audited financial information and recalculated the value of the investment. We furthermore assessed the investment for any indicators of impairment. The group engagement partner and manager visited and engaged with the component auditors of MAS and reviewed selected audit working papers. We ensured that the group accounting policies were consistently applied. The disclosures and accounting pertaining to the investment property is found to be appropriate in terms of the relevant accounting standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to note 43 of the annual financial statements which indicates that the previously issued financial statements for the year ended 30 June 2018 have been restated.

Other information
The directors are responsible for the other information. The other information comprises information included in the document titled "*Attacq Limited and its subsidiaries audited annual financial statements for the year ended 30 June 2019*", which includes the directors' report, audit and risk committee's report and certificate by the company secretary, as required by the Companies Act of South Africa, which we obtained prior to the date of this report and the integrated report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor’s report CONTINUED

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group’s and the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the group and/or the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group’s and the company’s internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group’s and the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and risk committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and risk committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit and risk committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Attacq Limited for nine years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: Patrick Kleb
Partner

Buildings 1 and 2, Deloitte Place
The Woodlands
Woodlands Drive
Woodmead, Sandton

9 September 2019

Statements of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Note	GROUP 30 June 2019	GROUP Restated (note 43) 30 June 2018	COMPANY 30 June 2019	COMPANY Restated (note 43) 30 June 2018
Gross revenue		**2 283 244**	1 982 374	**942 616**	714 987
Rental income	5	**2 057 548**	1 864 042	**–**	–
Straight-line lease income adjustment	6	**197 124**	88 467	**–**	–
Sale of inventory		**28 572**	29 865	**–**	–
Investment income	11	**–**	–	**942 616**	714 987
Property expenses		**(780 690)**	(678 766)	**50**	(773)
Property expenses	7	**(749 143)**	(653 848)	**50**	(773)
Cost of sales	26	**(31 547)**	(24 918)	**–**	–
Net profit from property operations		**1 502 554**	1 303 608	**942 666**	714 214
Other income	8	**89 532**	44 970	**46 645**	24 287
Operating and other expenses		**(830 771)**	(322 916)	**(107 544)**	(344 259)
Operating expenses	9	**(155 485)**	(170 254)	**(6 065)**	(11 425)
Impairment losses	10	**(505 148)**	(25 872)	**(55 865)**	–
Other expenses	10	**(170 138)**	(126 790)	**(45 614)**	(332 834)
Operating profit		**761 315**	1 025 662	**881 767**	394 242
Amortisation of intangible asset	23	**(19 964)**	(24 037)	**–**	–
Fair value adjustments		**(801 735)**	420 886	**(864)**	13 992
Investment property	16	**(665 110)**	380 198	**–**	–
Other financial assets (liabilities)	18	**(135 761)**	40 688	**–**	13 992
Other investments at FVPL		**(864)**	–	**(864)**	–
Gain on available-for-sale financial assets		**–**	35 750	**–**	32 336
Net income from associates and joint ventures	17	**124 770**	78 092	**–**	–
Investment income	11	**230 549**	233 323	**1 996**	5 314
Finance costs	12	**(855 465)**	(813 868)	**(9 340)**	(7 454)
(Loss) profit before taxation		**(560 530)**	955 808	**873 559**	438 430
Income tax (expense) credit	13	**(42 058)**	1 747 472	**(15 958)**	(93 722)
Current tax		**(9 997)**	(21 911)	**2 867**	(18 827)
Deferred tax		**(32 061)**	1 769 383	**(18 825)**	(74 895)
(Loss) profit for the year		**(602 588)**	2 703 280	**857 601**	344 708
Attributable to:					
Owners of the holding company		**(602 588)**	2 703 280	**857 601**	344 708
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
(Loss) gain on available-for-sale financial assets		**(6 144)**	27 686	**(1 108 183)**	2 921 126
Taxation relating to components of other comprehensive income	13	**(27 566)**	2	**93 044**	1 120 751
Realisation of available-for-sale financial assets		**–**	(32 336)	**–**	(32 336)
Other comprehensive (loss) income for the year net of taxation		**(33 710)**	(4 648)	**(1 015 139)**	4 009 541
Total comprehensive (loss) income for the year		**(636 298)**	2 698 632	**(157 538)**	4 354 249
Attributable to:					
Owners of the holding company		**(636 298)**	2 698 632	**–**	–
Earnings per share					
Basic (cents)	15	**(85.7)**	384.5	**–**	–
Diluted (cents)	15	**(85.7)**	381.5	**–**	–

Statements of financial position

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Note	GROUP 30 June 2019	GROUP Restated (note 43) 30 June 2018	GROUP Restated (note 43) 1 July 2017
ASSETS				
NON-CURRENT ASSETS				
Investment property	16	**20 081 544**	19 791 145	18 243 926
Per valuation		**21 120 691**	20 633 168	18 970 212
Straight-line lease debtor		**(1 039 147)**	(842 023)	(726 286)
Straight-line lease debtor	6	**1 039 147**	842 023	726 286
Investment in associates and joint ventures	17	**3 217 711**	3 394 508	3 165 796
Loans to associates and joint ventures	19	**879 955**	1 315 878	1 310 780
Other financial assets	18	**386 709**	373 651	304 368
Goodwill	22	**67 774**	67 774	67 774
Intangible assets	23	**184 667**	266 502	290 539
Other investments		**–**	488	11 941
Deferred tax assets		**–**	11	3 329
Property and equipment	39	**10 069**	41 221	50 601
Deferred initial lease expenditure		**6 860**	9 275	7 666
TOTAL NON-CURRENT ASSETS		**25 874 436**	26 102 476	24 183 006
CURRENT ASSETS				
Taxation receivable		**4 806**	2 714	951
Trade and other receivables	25	**203 450**	203 014	161 128
Inventory	26	**51 137**	42 484	25 278
Other financial assets	18	**32 656**	16 308	193 590
Loans to associates and joint ventures	19	**113 649**	146 061	259 787
Cash and cash equivalents	27	**673 486**	1 221 126	417 561
TOTAL CURRENT ASSETS		**1 079 184**	1 631 707	1 058 295
Non-current assets held for sale	28	**96 781**	118 871	801 483
TOTAL ASSETS		**27 050 401**	27 853 054	26 042 784
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	29	**6 463 585**	6 460 108	6 456 633
Fair value through other comprehensive income reserve		**281 218**	289 370	291 854
Distributable reserves		**7 954 665**	9 534 776	6 933 179
Share-based payment reserve	30	**117 118**	117 390	128 216
Foreign currency translation reserve		**771 146**	744 701	238 254
Acquisition of non-controlling interest reserve	41.1	**–**	(104 215)	(104 215)
Equity attributable to owners of the holding company		**15 587 732**	17 042 130	13 943 921
TOTAL EQUITY		**15 587 732**	17 042 130	13 943 921
NON-CURRENT LIABILITIES				
Long-term borrowings	20	**10 203 134**	9 527 490	6 938 596
Other financial liabilities	18	**268 112**	126 865	163 085
Cash-settled share-based payments	30	**537**	559	1 496
Deferred tax liabilities	24	**238 539**	178 923	1 929 846
TOTAL NON-CURRENT LIABILITIES		**10 710 322**	9 833 837	9 033 023
CURRENT LIABILITIES				
Short-term portion of long-term borrowings	20	**259 611**	538 096	2 245 789
Other financial liabilities	18	**29 439**	21 049	2 836
Taxation payable		**1 228**	1 496	7 665
Cash-settled share-based payments	30	**89**	747	1 684
Trade and other payables	31	**389 690**	383 503	474 556
Provisions	32	**18 304**	32 196	2 777
TOTAL CURRENT LIABILITIES		**698 361**	977 087	2 735 307
Liabilities associated with non-current assets held for sale	28	**53 986**	–	330 533
TOTAL LIABILITIES		**11 462 669**	10 810 924	12 098 863
TOTAL EQUITY AND LIABILITIES		**27 050 401**	27 853 054	26 042 784
The following information does not form part of the statement of financial position:				
NAVPS (cents)		**2 216**	2 424	1 984
Number of shares in issue		**703 495 224**	703 155 224	702 815 224

Statements of financial position CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Note	COMPANY 30 June 2019	Restated (note 43) 30 June 2018	Restated (note 43) 1 July 2017
ASSETS				
NON-CURRENT ASSETS				
Investment in associates and joint ventures	17	**34 217**	109 113	3 469 717
Loans to associates and joint ventures	19	**240 511**	271 349	320 289
Investment in subsidiaries	41	**11 868 422**	12 899 937	7 027 755
Other investments		**–**	488	488
Loans to subsidiaries	42	**4 452 635**	4 924 662	178 001
Other financial assets	18	**–**	2 643	2 643
TOTAL NON-CURRENT ASSETS		**16 595 785**	18 208 192	10 998 893
CURRENT ASSETS				
Taxation receivable		**4 800**	2 707	–
Trade and other receivables	25	**2 404**	2 336	2 237
Other financial assets	18	**3 130**	–	59 054
Loans to associates and joint ventures	19	**2 029**	2 814	5 605
Loans to subsidiaries	42	**207 208**	212 666	4 252 363
Cash and cash equivalents	27	**12 309**	38 760	17 914
TOTAL CURRENT ASSETS		**231 880**	259 283	4 337 173
Non-current assets held for sale	28	**763**	3 149	159 948
TOTAL ASSETS		**16 828 428**	18 470 624	15 496 014
EQUITY AND LIABILITIES				
EQUITY				
Stated capital	29	**6 836 671**	6 833 194	6 829 719
Fair value through other comprehensive income reserve		**5 695 768**	7 081 283	4 062 101
Distributable reserves		**3 779 053**	3 891 266	3 318 872
Share-based payment reserve	30	**117 118**	117 390	128 216
TOTAL EQUITY		**16 428 610**	17 923 133	14 338 908
NON-CURRENT LIABILITIES				
Other financial liabilities	18	**–**	–	13 992
Loans from subsidiaries	42	**389 014**	376 918	–
Deferred tax liabilities	24	**–**	74 219	1 120 075
TOTAL NON-CURRENT LIABILITIES		**389 014**	451 137	1 134 067
CURRENT LIABILITIES				
Short-term portion of long-term borrowings		**–**	–	3 397
Loans from subsidiaries	42	**1 469**	84 314	8 076
Taxation payable		**–**	–	5 700
Trade and other payables	31	**8 596**	11 301	5 866
Provisions	32	**739**	739	–
TOTAL CURRENT LIABILITIES		**10 804**	96 354	23 039
TOTAL LIABILITIES		**399 818**	547 491	1 157 106
TOTAL EQUITY AND LIABILITIES		**16 828 428**	18 470 624	15 496 014
The following information does not form part of the statement of financial position:				
NAVPS (cents)		**2 191**	2 391	1 914
Number of shares in issue		**749 922 777**	749 528 777	749 242 777

Statements of cash flows

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Note	GROUP 30 June 2019	GROUP Restated (note 43) 30 June 2018	COMPANY 30 June 2019	COMPANY Restated (note 43) 30 June 2018
Cash flow from operating activities					
Cash generated from (utilised in) operations	33	**1 170 806**	911 595	**(8 788)**	16 850
Interest income		**186 552**	117 835	**1 996**	5 314
Dividend income		**191 045**	170 504	**489 140**	637 017
Finance costs		**(868 330)**	(785 502)	**–**	(4)
Settlement of cash-settled share-based payments	30	**(14 389)**	–	**–**	–
Taxation paid		**(12 357)**	(29 843)	**774**	(27 234)
Net cash generated from operating activities		**653 327**	384 589	**483 122**	631 943
Cash flows from investing activities					
Expenditure to maintain operating capacity					
Property and equipment acquired	39	**(3 591)**	(2 528)	**–**	–
Property and equipment disposed	39	**–**	284	**–**	–
Expenditure to expand operating capacity					
Investment properties acquired	16	**(907 330)**	(736 198)	**–**	–
Investment properties disposed	16	**–**	62 584	**–**	–
Associates and joint ventures acquired		**–**	(2 667)	**–**	(2 667)
Associates and joint ventures disposed		**96 179**	253 977	**–**	–
Other investments disposed		**–**	11 969	**–**	–
Investments in subsidiary disposed	41	**–**	–	**–**	158 973
Other financial assets (raised) repaid		**(27 072)**	98 074	**–**	–
Additions to deferred initial lease expenditure		**(3 536)**	(3 804)	**–**	–
Cash flow relating to non-current assets held for sale		**25 941**	202 279	**4 160**	163 347
Net cash (utilised in) generated from investing activities		**(819 409)**	(116 030)	**4 160**	319 653
Cash flows from financing activities					
Capital raised	29	**3 477**	3 475	**3 477**	3 475
Dividends paid		**(805 250)**	–	**(858 410)**	
Settlement of share-based payment	30	**–**	(13 678)	**–**	(11 198)
Long-term borrowings raised	20	**1 599 898**	3 358 695	**–**	–
Long-term borrowings repaid	20	**(1 194 443)**	(2 874 182)	**–**	(3 397)
Loans to associates and joint ventures (advanced) repaid	19	**884**	114 434	**(35 359)**	(11 138)
Loans repaid (advanced) to group companies	42	**–**	–	**376 559**	(967 546)
Other financial liabilities raised (repaid)	18	**13 876**	(53 738)	**–**	59 054
Net cash (utilised in) generated from financing activities		**(381 558)**	535 006	**(513 733)**	(930 750)
Total cash movement for the year		**(547 640)**	803 565	**(26 451)**	20 846
Cash at the beginning of the year		**1 221 126**	417 561	**38 760**	17 914
Cash and cash equivalents at the end of the year	27	**673 486**	1 221 126	**12 309**	38 760

Statements of changes in equity

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Stated capital	FVOCI reserve	Distributable reserves
GROUP			
Balance at 1 July 2017 as reported	6 456 633	282 329	6 945 483
Restatement – Deconsolidation of Nieuwtown (note 43)	–	9 525	(12 304)
Balance at 1 July 2017 – restated	6 456 633	291 854	6 933 179
Issue of shares	3 475	–	–
	6 460 108	291 854	6 933 179
Total comprehensive income	–	(4 648)	2 703 280
Profit for the year	–	–	2 703 280
Other comprehensive loss	–	(4 648)	–
Foreign currency translation reserve	–	–	–
Present value of loans to associate (note 43)	–	–	(48 954)
Settlement of share-based payment transaction	–	–	–
Transfers between reserves	–	–	6 969
Derecognition of reserves due to sale of subsidiary	–	2 164	(59 698)
Recognition of share-based payment reserve	–	–	–
Balance at 30 June 2018 – restated	**6 460 108**	**289 370**	**9 534 776**
IFRS 9 transition adjustments (note 3.3)	**–**	**(98 280)**	**80 518**
	6 460 108	**191 090**	**9 615 294**
Issue of shares	**3 477**	**–**	**–**
Total comprehensive income	**–**	**(33 710)**	**(602 588)**
Loss for the year	**–**	**–**	**(602 588)**
Other comprehensive loss	**–**	**(33 710)**	**–**
Foreign currency translation reserve	**–**	**–**	**–**
Dividends	**–**	**–**	**(805 250)**
Modification of equity-settled share-based payments	**–**	**–**	**–**
Transfer of reserve on disposal of investments	**–**	**123 836**	**(123 838)**
Transfer of reserve from acquisition of non-controlling interest reserve	**–**	**–**	**(104 215)**
Transfer of share-based payment reserve on vesting	**–**	**–**	**7 444**
Present value of loans to associate	**–**	**–**	**(32 182)**
Recognition of share-based payment reserve	**–**	**–**	**–**
Balance at 30 June 2019	**6 463 585**	**281 218**	**7 954 665**
Note	29		

Share-based payment reserve	Foreign currency translation reserve	Acquisition of non-controlling interest reserve	Equity attributable to owners of the holding company	Non-controlling interests	Total equity
128 216	238 254	(104 215)	13 946 700	(43 087)	13 903 613
–			(2 779)	43 087	40 308
128 216	238 254	(104 215)	13 943 921	–	13 943 921
–	–	–	3 475	–	3 475
128 216	238 254	(104 215)	13 947 396	–	13 947 396
–	–	–	2 698 632	–	2 698 632
–	–	–	2 703 280	–	2 703 280
–	–	–	(4 648)	–	(4 648)
–	506 447	–	506 447	–	506 447
–	–	–	(48 954)	–	(48 954)
(14 961)	–	–	(14 961)	–	(14 961)
(15 077)	–	–	(8 108)	–	(8 108)
–	–	–	(57 534)	–	(57 534)
19 212	–	–	19 212	–	19 212
117 390	**744 701**	**(104 215)**	**17 042 130**	**–**	**17 042 130**
–	**–**	**–**	**(17 762)**	**–**	**(17 762)**
117 390	**744 701**	**(104 215)**	**17 024 368**	**–**	**17 024 368**
–	**–**	**–**	**3 477**	**–**	**3 477**
–	**–**	**–**	**(636 298)**	**–**	**(636 298)**
–	**–**	**–**	**(602 588)**	**–**	**(602 588)**
–	**–**	**–**	**(33 710)**	**–**	**(33 710)**
–	**26 445**	**–**	**26 445**	**–**	**26 445**
–	**–**	**–**	**(805 250)**		**(805 250)**
(14 867)	**–**	**–**	**(14 867)**	**–**	**(14 867)**
–	**–**	**–**	**–**	**–**	**–**
–	**–**	**104 215**	**–**	**–**	**–**
(7 444)	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**(32 182)**	**–**	**(32 182)**
22 039	**–**	**–**	**22 039**	**–**	**22 039**
117 118	**771 146**	**–**	**15 587 732**	**–**	**15 587 732**
30		41.1			

Statements of changes in equity CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

Figures in R'000	Stated capital	FVOCI reserve	Distributable reserves	Share-based payment reserve	Total equity
COMPANY					
Balance at 1 July 2017	6 829 719	4 062 202	3 318 771	128 216	14 338 908
Issue of shares	3 475	–	–	–	3 475
	6 833 194	4 062 202	3 318 771	128 216	14 342 383
Total comprehensive income	–	3 280 836	310 740	–	3 591 576
Profit for the year	–	–	310 740	–	310 740
Other comprehensive income	–	3 280 836	–	–	3 280 836
Recognition of share-based payment reserve	–	–	–	(10 826)	(10 826)
Transfer between reserves*	–	(990 460)	990 460	–	–
Balance at 30 June 2018	6 833 194	6 352 578	4 619 971	117 390	17 923 133
Present value of loans to subsidiaries and associates (note 43)	–	–	(762 675)	–	(762 675)
Fair value of subsidiaries due to present value of loans (note 43)	–	728 707	–	–	728 707
Notional interest recognised in profit or loss (note 43)	–	–	33 968	–	33 968
Balance at 30 June 2018 – restated	**6 833 194**	**7 081 285**	**3 891 264**	**117 390**	**17 923 133**
IFRS 9 transition adjustment (note 3.3)	**–**	**(547 392)**	**535 340**	**–**	**(12 052)**
Issue of shares	**3 477**	**–**	**–**	**–**	**3 477**
Total comprehensive income	**–**	**(1 015 139)**	**857 601**	**–**	**(157 538)**
Profit for the year	**–**	**–**	**857 601**	**–**	**857 601**
Other comprehensive loss	**–**	**(1 015 139)**	**–**	**–**	**(1 015 139)**
Recognition of share-based payment reserve	**–**	**–**	**–**	**(272)**	**(272)**
Present value of loans to group companies	**–**	**–**	**(469 728)**	**–**	**(469 728)**
Dividends	**–**	**–**	**(858 410)**	**–**	**(858 410)**
Transfer between reserves*	**–**	**177 014**	**(177 014)**	**–**	**–**
Balance at 30 June 2019	**6 836 671**	**5 695 768**	**3 779 053**	**117 118**	**16 428 610**
Note	29			31	

* *The transfer of reserves was as a result of the disposal of Attacq's investment in AIM to AWIC, disposal of Nova Eventis and investments in fatti Attacq and fatti 365 (2018: transfer of the investment in MAS to AIM in the prior year) (refer to note 41).*

Significant accounting policies

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE

The accounting policies of the group as well as the disclosures made in the separate AFS comply with IFRS as issued by the IASB and IFRIC interpretations effective for the group's financial year as well as the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, applicable to companies reporting under IFRS and the JSE Listings Requirements.

1.2 BASIS OF MEASUREMENT

The AFS have been prepared on the historical cost basis, except for the revaluation to fair value of investment properties and financial instruments which are measured at fair value or amortised cost. The AFS are prepared on the going concern basis. The AFS are presented in South African rand, which is the functional and presentation currency of Attacq.

The preparation of AFS in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the separate and consolidated AFS, are disclosed in note 2.

1.3 BASIS OF CONSOLIDATION

The consolidated AFS incorporate the AFS of the group up to 30 June 2019.

All significant accounting policies are consistent in all material respects with those applied in the previous year, except for the adoption of IFRS 9 and IFRS 15 which is presented in the "changes in accounting policies". There have been no material changes in judgements or estimates of amounts reported in prior reporting periods.

Where necessary, adjustments are made to the financial statements of subsidiaries, associates, joint ventures and joint arrangements to bring the accounting policies used in line with those used by the group.

Refer to note 1.6 for subsidiaries and note 1.7 for investment in associates and joint ventures.

1.4 NON-CONTROLLING INTERESTS

Attacq has elected to measure non-controlling interests at their proportionate share in the recognised amounts of the acquiree's identifiable net assets and assumed liabilities.

Profit or loss and each component of other comprehensive income are attributable to the owners of the group and to non-controlling interests. Total comprehensive income of subsidiaries is attributable to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.5 GOODWILL

Goodwill that arises on the acquisition of subsidiaries is presented separately on the face of the statement of financial position.

Goodwill is subsequently measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each CGU that is expected to benefit from the synergies of the combination. The unit to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the value in use. Any impairment is recognised immediately as an expense and is not subsequently reversed.

1.6 SUBSIDIARIES

The results of subsidiaries are included for the duration of the period in which the group exercises control over the subsidiary. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the group. If it is not practical to change the policies, the appropriate adjustments are made on consolidation to ensure consistency within the group.

An investor controls an investee when it is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The company carries its investments in subsidiaries at fair value with reference to their underlying net asset value. Subsequent movements in underlying net asset value of the investment in subsidiaries are recognised in other comprehensive income.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Associates and joint ventures are those entities in which the group has significant influence, but does not control or have joint control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20.0% and 50.0% of the voting rights of another entity.

The company carries its investments in associates and joint ventures at fair value. Subsequent movements in fair value remeasurements of the investment in associates and joint ventures are recognised in other comprehensive income.

The consolidated AFS include the group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases.

When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interest that forms part thereof, is reduced to zero and recognition of further losses is discontinued, except to the extent that the group has an obligation or has made payments on behalf of the investee.

The cumulative post-acquisition movements in profit or loss and other comprehensive income are adjusted against the carrying amount of the investment in the consolidated group financial statements.

The requirements of IFRS 9: *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate and joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36: *Impairment of Assets* as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36: *Impairment of Assets* to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate and joint venture.

1.8 INTEREST IN JOINT OPERATIONS

Joint arrangements are arrangements in which the group has joint control, established by contracts requiring unanimous consent for decisions on the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation: when the group has rights to the assets and obligations for the liabilities relating to an arrangement, each of its assets and liabilities, including its share of those held or incurred jointly, are accounted for in relation to the joint operation; or
- Joint venture: when the group has rights only to the net assets of the arrangements, its interest is accounted for using the equity method, similar to the accounting treatment for associates (refer to note 1.7).

The group has various undivided shares in investment properties which are being treated as joint operations, hence only the group's percentage share in the property is included in the consolidated results. Refer to note 14 for undivided shares held in the respective properties.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue, including its share of revenue arising from the sale of the output arising from the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The group accounts for assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular assets, liabilities, revenues and expenses.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.9 FAIR VALUE MEASUREMENT

The group measures financial instruments, such as, derivatives, investments and investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and/or disclosure purposes in these AFS is determined on the above basis, except for share-based payment transactions that are within the scope of IFRS 2: *Share-based Payment*, leasing transactions that are within the scope of IAS 17: *Leases*, and the measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36: *Impairment of Assets*.

All assets and liabilities for which fair value is measured or disclosed in the AFS are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities; or
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Refer to fair value measurement in note 38 for the categorisation of the group and company financial assets and liabilities within the fair value hierarchy.

For assets and liabilities that are recognised in the AFS at fair value on a recurring basis, the group determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.10 INVESTMENT PROPERTY

Investment properties are properties held to earn rentals and for capital appreciation, including development rights, infrastructure and services and developments under construction.

Where a property is under construction with the purpose of holding the completed property for long-term rental yields and for capital appreciation, such property is classified as developments under construction.

Tenant installations are costs paid by the lessor on behalf of the lessee to ensure the building is in the condition suitable for the lease.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

All of the group's completed investment property interests which are held to earn rentals or for capital appreciation purposes are accounted for as investment property and are measured using the fair value model.

All of the group's developments under construction held for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.10 INVESTMENT PROPERTY continued

All of the group's development rights are accounted for as investment properties and are measured at fair value using the residual land value model.

All of the group's infrastructure and services are held for development purposes, are accounted for as investment properties and are measured using the fair value model.

Initial measurement

Investment property is initially recognised at cost, including transaction costs. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. Maintenance and repairs, which neither materially add to the value of the properties nor prolong their useful lives, are charged against profit or loss.

The cost of tenant installations on the first lease are capitalised against the development, while the cost of tenant installations on subsequent leases signed are capitalised and expensed through the statements of comprehensive income over the initial lease period, where such tenant installations will not be recovered through a lump sum.

Subsequent measurement

Subsequent to initial measurement, investment properties are measured and recognised at fair value.

Investment property is valued bi-annually and adjusted to fair value at the respective reporting dates as follows:
- at the interim reporting date with reference to the directors' valuation;
- at the financial year end with reference to the independent external valuations; and
- at the interim and financial year end with reference to the disposal value where the property is going to be disposed and all the conditions precedent have been satisfied.

Developments under construction are initially recognised at cost and subsequently remeasured to fair value. The fair value of development property is not always reliably determinable due to the properties being in the early stages of construction or where construction has not yet begun. Where fair value cannot be reliably determined, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost.

If the fair value of an investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

The cost of infrastructure and services are deemed to approximate fair value.

Tenant installations relating to subsequent leases and lease commissions are carried at cost less accumulated amortisation. Amortisation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in which the investment property is derecognised.

1.11 PROPERTY AND EQUIPMENT

Property and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all property and equipment to write down the cost, less residual value, using the straight-line method of depreciation, over the items' estimated useful lives.

It is the policy of the group to write down items of property and equipment with a cost less than R7 000 in full during the year the asset qualifies for recognition in terms of IAS 16: *Property, Plant and Equipment*, in order to align with the relevant tax authorities.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.12 INTANGIBLE ASSETS

Intangible assets with finite useful lives are stated at cost, less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss, as "Amortisation of intangible assets", on an appropriate basis over the estimated useful life. Amortisation commences when the intangible asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Useful lives and amortisation methods are reviewed on an annual basis, with the effect of any changes in estimate accounted for on a prospective basis.

The group has asset management contracts and Wi-Fi rights intangible assets that are classified as intangible assets with finite useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

1.13 FINANCIAL INSTRUMENTS

Financial assets and liabilities, in respect of financial instruments, are recognised on the group's and company's statement of financial position when the group and company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Financial assets

Classification

The group and company classifies their financial assets in the following measurement categories:
- those measured subsequently at fair value (either through OCI or through profit or loss); and
- those measured at amortised cost.

The classification depends on the group's and company's business model for managing the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group or company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The group and company reclassifies debt investments when, and only when, its business model for managing those assets changes.

Measurement

At initial recognition, the group and company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES continued
1.13 FINANCIAL INSTRUMENTS continued
***Financial assets** continued*

Debt instruments

Subsequent measurement of debt instruments depends on the group's and company's business model for managing the asset and the cash flow characteristics of the asset. Currently there are two measurement categories into which the group and company classifies its debt instruments, as the group and company do not hold any debt instruments classified as FVOCI, as summarised in the table below.

Category	Financial instruments	Business model and cash flow characteristics	Movement in carrying amount	Derecognition	Impairment
Amortised cost	Trade and other receivables Loans to associates and joint ventures Other loans receivables Cash and cash equivalents Loans to subsidiaries	Financial assets that are held for collection of contractual cash flows where those cash flows are SPPI	Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss	Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in operating expenses	Impairment losses are assessed in accordance with IFRS 9 based on the expected loss method. It has been presented separately on the face of the statement of comprehensive income as it was considered material
FVPL	Derivative financial assets	Financial assets that do not meet the criteria for amortised cost or FVOCI	.Gains and losses on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented on a net basis within fair value adjustments in the period in which it arises. Interest income is recognised in profit or loss	Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in operating expenses	Debt instruments measured at FVPL are not subject to the impairment model in terms of IFRS 9

Equity investments

Equity investments are subsequently measured at fair value. Management has elected to present fair value gains and losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as income from financial assets when the group's and company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The group has financial assets classified and measured at amortised cost that are subject to the expected credit loss model requirements of IFRS 9. While cash and cash equivalents are classified and measured at amortised cost, and are also subject to these impairment requirements they are considered to have low credit risk, and the expected credit loss is mitigated through the group's credit risk management policy.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.13 FINANCIAL INSTRUMENTS continued

***Financial assets** continued*

The group and company assesses on both a forward-looking and historical basis the ECLs associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the group assesses whether financial assets carried at amortised cost (such as long-term loans granted) have significantly increased in credit risk. The group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group and company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Expected credit loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The carrying amount is reduced directly by the impairment loss, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

For trade receivables, the group and company apply the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables. The ECL on trade receivables are estimated using a provision matrix with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date such as inflation and GDP growth. The group has recognised a loss allowance of 100% against all receivables where current circumstances indicate that these receivables are generally not recoverable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed, either directly or by adjusting the allowance account, through profit or loss. The carrying amount of the financial asset at the date the impairment loss is reversed will not exceed what the amortised cost would have been had the impairment loss not been recognised.

Financial liabilities

Financial liabilities, excluding derivative financial instruments, and equity instrument

Financial liabilities consist of interest-bearing borrowings, other loans payable and trade and other payables.

Interest-bearing borrowings are financial liabilities with fixed or determinable payments.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs (this accounting treatment is applied to the term loan and bond). To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates (this accounting treatment is applied to the revolving facility).

Subsequent to initial measurement, these instruments are measured as follows:

- Other loans and interest-bearing borrowings are subsequently stated at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings.
- Trade and other payables are not interest bearing and are subsequently stated at their nominal values.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.13 FINANCIAL INSTRUMENTS continued

***Financial liabilities** continued*

Derivative financial instruments

The group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates, which it manages using derivative financial instruments. The group's principal derivative financial instruments are interest rate swaps and foreign exchange forward contracts.

The use of derivative financial instruments is governed by the group's policies approved by the board, which provide written principles consistent with the group's risk management strategy. The group does not use derivative financial instruments for speculative purposes.

Derivative instruments are recognised initially at fair value at the date the derivative contracts are entered into, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative instruments are remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Determining fair values

The determination of fair values of financial assets and financial liabilities is detailed in note 1.9.

Sureties

Sureties are contracts that require the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. These are measured and disclosed at their fair value and recognised as contingent liabilities.

Sureties are assessed on an individual basis to determine if there is an ECL that should be recognised for a potential default and recognised as a financial liability measured at amortised cost.

1.14 INVENTORY

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Where a development property is under construction with the purpose of disposing such property for the realisation of sales proceeds, instead of being held for long-term yields and capital appreciation, such property is classified as inventory.

The inventory classification shall continue post completion of the property until either such property is sold, or the purpose of such property changes to one of being held for long-term yields and capital appreciation.

1.15 TAXATION

Income taxation expense

Income taxation expense comprises the sum of current and deferred taxation. Income taxation is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current taxation and deferred taxation are charged or credited to other comprehensive income if the taxation relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current taxation and deferred taxation are charged or credited directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly in equity.

Current tax is the expected tax payable on taxable income, after deducting the qualifying distribution for the year of assessment, using tax rates that have been enacted or substantively enacted by the reporting dates and includes adjustments for tax payable in respect of the previous years. In accordance with the REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.15 TAXATION continued

***Income taxation expense** continued*

Current taxation

Current taxation for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred taxation

Deferred taxation is provided using the balance sheet method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for tax purposes.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred taxation assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred taxation asset to be recovered.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, joint ventures and interests in joint arrangements, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In respect of deductible temporary differences associated with investments in subsidiaries, associates, joint ventures and interests in joint arrangements, deferred taxation assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is calculated using tax rates (and taxation laws) that have been enacted or substantially enacted at the reporting date. The effect on deferred taxation of any changes in taxation rates is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged directly to equity.

Deferred taxation is not recognised on the fair value of investment properties. These items will be realised through sale and, in accordance with the income tax requirements relating to the REIT status, capital gains tax is no longer applicable. Deferred taxation is not recognised for temporary differences that will form part of future qualifying distributions.

1.16 LEASES

Where the group is the lessee

The group leases development rights, copiers and servers under operating leases from non-related parties.

Lessee – Operating leases

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rentals are recognised as an expense in profit or loss when incurred.

Where the group is the lessor

The group leases investment properties under operating leases to non-related parties.

Lessor – Operating leases

Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

1.17 NON-CURRENT ASSETS HELD FOR SALE

On initial classification as held for sale, generally, non-current assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset). The same applies to gains and losses on subsequent remeasurement. However, certain items, such as financial assets within the scope of IAS 39: *Financial Instruments: Recognition and Measurement* and investment property within the scope of IAS 40: *Investment Properties*, continue to be measured in accordance with those standards.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.17 NON-CURRENT ASSETS HELD FOR SALE continued

Impairment losses subsequent to classification of assets as held for sale are recognised in profit or loss. Increases in fair value less costs to sell assets that have been classified as held for sale are recognised in profit or loss to the extent that the increase is not in excess of any cumulative impairment loss previously recognised in respect of the asset.

Gains and losses on remeasurement and impairment losses subsequent to classification as disposal groups and non-current assets held for sale are shown within continuing operations in profit or loss, unless they qualify as discontinued operations.

Disposal groups and non-current assets held for sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

1.18 STATED CAPITAL

Ordinary shares are classified as equity.

Where any company within the Attacq Group of companies purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects, is included in equity attributable to the company's equity holders. The shares are listed on the JSE, with one vote per share.

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

1.19 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers arises from transactions not associated with financial instruments, or investment properties. Revenue is recognised either when the performance obligation has been satisfied (point in time) or as control of the goods or service is transferred to the customer (over time). This requires an assessment of the group's performance obligations and of when control is transferred to the customer. Where revenue is recognised over time, based on performance obligations, the group applies a revenue recognition method that faithfully depicts the group's performance in transferring control of the service to the customer. Due to the nature of the group's business, the majority of its revenue from customers is considered to be recognised over time. If performance obligations in a contract do not meet the over time criteria, the group recognises revenue at a point in time. Revenue from asset management services is included in this category. This is in general due to the group performing and the customer simultaneously receiving and consuming the benefits over the life of the contract as services are rendered. For each, revenue is measured based on the consideration specified in contracts with customers. Such amounts are only included based on the expected value or most likely outcome method, and only to the extent that it is highly probable that no significant revenue reversal will occur. In assessing whether a significant reversal will occur, the group considers both the likelihood and the magnitude of the potential revenue reversal. Payment terms and conditions included in customer contracts are typically due in full within 30 days. The group has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18, IAS 11 and related interpretations. The impact of changes has been disclosed in note 5.

Details related to the nature and measurement of revenue are set out below:

Revenue type	Description	Nature, timing of satisfaction of performance obligations and measurement
Fee revenue	Management fees on assets under management	Management fees on assets under management are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements
Recoveries	Recovering operating costs, such as utilities, from tenants	Utility recoveries are recognised over the period for which the services are rendered. The group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants
Casual parking, non-GLA income and lease cancellation fees	Parking income from retail centres, non-GLA income (advertising, promotion and exhibition) and lease cancellation fee	Casual parking income is recognised over the period for which the services are rendered. Non-GLA income and lease cancellation fees are contingent and are recorded in the period in which they are earned
Sale of inventory	Disposal of sectional title units	Revenue from the sale of inventory is recognised with reference to the stage of completion of the property

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.19 REVENUE FROM CONTRACTS WITH CUSTOMERS continued

Contractual rental income from lease agreements is not within the scope of IFRS 15 and has thus not been included in the table above.

Rental income

Rental income comprises gross rental income and fixed operating cost recoveries from the letting of investment properties, excluding value added tax. Rental income excludes tenant security deposits which represent financial advances made by tenants as guarantees during the lease and are repayable by the group upon termination of the lease contracts.

Rental income receivable is recognised on a straight-line basis over the term of the lease. Directly attributable lease incentives are recognised within rental income on the same basis.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews or rentals linked to tenant revenues, are recorded as income in the periods in which they are earned. Rent reviews are recognised as income from the date of the rent review, based on management's estimates. Estimates are derived from knowledge of market rents for comparable properties determined on an individual property basis and updated for progress of negotiations.

Service charge income is recognised on an accrual basis in line with the service being provided.

As specified in the lease agreements, the group has the primary responsibility for providing services to tenants (electricity, water and gas utilities, interior and exterior cleaning, security, maintenance and repairs). The group negotiates directly with the suppliers all contracts for services provided to tenants. These contracts are concluded between the group subsidiaries which own the properties and the direct supplier.

Interest income

Interest for the company is recognised, in profit or loss, using the effective interest rate method.

Dividend income

Dividend income for the company, from investments, is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

1.20 INVESTMENT INCOME

Interest income

Interest for the group is recognised, in profit or loss, using the effective interest rate method.

Dividend income

Dividend income for the group, from investments, is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

1.21 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, constructing or developing of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of acquisition, constructing or developing a qualifying asset less any temporary investment of those borrowings; and
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of acquisition, constructing or developing a qualifying asset. The borrowing costs capitalised cannot exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.22 FOREIGN CURRENCIES

The group AFS are presented in South African rand, which is the company's functional and presentation currency. However, the group measures the transactions of each of its material operations using the functional currency determined for that specific entity, which, in most instances, is the currency of the primary economic environment in which the operation conducts its business.

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Gains or losses arising on translation are credited to or charged in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

1.23 FOREIGN OPERATIONS

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at rates of exchange ruling at the reporting date;
- equity items are translated at historical rates; and
- income, expenditure and cash flow items at weighted average rates.

Exchange differences on translation are accounted for in other comprehensive income. These differences will be recognised in earnings upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation) are taken to other comprehensive income.

The average US dollar to SA rand conversion rate, where applicable, of $1: R14.18 (2018: $1: R12.87) has been used to translate the statement of comprehensive income and statement of cash flows while the statement of financial position has been translated at the closing rate at the last day of the reporting period $1: R14.15 (2018: $1: R13.74).

The average euro to SA rand conversion rate, where applicable, of €1: R16.18 (2018: €1: R15.34) has been used to translate the statement of comprehensive income and statement of cash flows while the statement of financial position has been translated at the closing rate at the last day of the reporting period €1: R16.11 (2018: €1: R15.99).

1.24 EMPLOYEE BENEFITS

Short-term benefits

The cost of short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

Defined contribution plan

As from 1 November 2015, the group contributes to defined contribution funds for the benefit of employees and these contributions are expensed as they fall due. The group is not liable for contributions to the medical aid of current or retired employees.

1.25 SHARE-BASED PAYMENT ARRANGEMENTS

Equity-settled share-based payments

Equity-settled shared-based payments are measured at the grant date fair value of the equity instruments granted, and are expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. The annual expense is based on the group's estimate of the shares that will eventually vest, adjusted for the effect of non-market vesting conditions.

Cash-settled share-based payments

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with any changes in fair value recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability.

1. SIGNIFICANT ACCOUNTING POLICIES continued

1.26 DETERMINATION AND PRESENTATION OF OPERATING SEGMENTS

Operating segments are reported on in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segments, has been identified as the group executive committee. Operating segments reported are based on the group's different investment portfolios.

The group has nine reportable operating segments which are managed separately based on geographical areas and use of portfolio. The group executive committee reviews internal management reports on these strategic divisions at least quarterly. The group's reportable operating segments are as follows:

Direct owned real estate:
- Office and mixed-use;
- Retail;
- Industrial;
- Hotel;
- Waterfall developments; and
- Head office SA.

Indirect owned real estate:
- MAS European;
- Rest of Africa; and
- Head office global.

The office and mixed-use, retail, industrial, hotel and head office SA segments generate rental income from the underlying properties. Head office SA generates revenue from fees charged to external parties and includes the rand-denominated long-term borrowings. Waterfall developments does not generate revenue while under construction. MAS European and Rest of Africa are equity-accounted investments. Head office global includes foreign-denominated long-term borrowings.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The chief operating decision maker, however, assesses each investment property on an individual basis in making decisions about its performance.

1.27 DIVIDENDS

Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity at the date of declaration.

1.28 RECONCILIATION OF EARNINGS AND DISTRIBUTABLE EARNINGS

The group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings; this comprises property-related income and development profits net of property-related expenditure, finance costs not capitalised and administrative costs.

As distributable earnings is a measure of sustainable income, the group has applied the following specific exclusions in the determination of this metric:
- capital or non-recurring items;
- fair value on investment property and financial assets;
- straight-lining adjustments determined in line with IFRS; and
- transactions with related parties which are not at arm's length.

These guidelines align with the best practice recommendations established by the SA REIT Association.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions and judgements concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

CRITICAL ACCOUNTING JUDGEMENTS

Control over certain investment in associates and joint ventures

The group has certain investments in associates in which it effectively owns in excess of 20.0% of the issued share capital of the associates. In more cases than one, the group is the single largest shareholder in these investments. The group has deemed these investments to be associates as it does not have control. The assessment of control over these investments took into account the following:

- the number of directors that the group has on the boards of the investments;
- the involvement in decision making over significant transactions and/or events of the investments; and
- the pattern of shareholder voting at shareholder meetings.

Investment in MAS

It must be noted that Attacq has no right, in terms of MAS' constitutional documents, to appoint a director. Attacq does not have any agreements in place governing the actions of MAS or the MAS board.

Furthermore, in terms of the MAS MOI, a shareholder resolution to remove a director must be passed by shareholders holding at least 75.0% of the voting rights in relation thereto. Any steps by Attacq on its own to remove members of the MAS board of directors could easily be blocked by the remaining shareholder groupings.

Investment in Nieuwtown and Majestic

The group has a 50.0% shareholding in Nieuwtown Property Development Proprietary Limited and Majestic Offices Proprietary Limited.

In the prior years, the group performed the asset management function of Nieuwtown and Majestic. The asset management agreement was relinquished in the current year. The performance of the asset management function in conjunction with a 50.0% shareholding does not by itself result in control.

Determination of fair value of investment property

The group measures and recognises all investment property initially at cost and subsequently at fair value as noted in 1.10. The fair value estimate is determined using independent external valuations on an annual basis, adjusted as follows:

- an adjustment for the estimated future rental obligations to the lessors of the Waterfall development;
- completed developments – completed developments valued using the discounted cash flow of future rental income are adjusted with the value of the straight-lining lease debtor; and
- developments under construction – an adjustment to the present value of the difference between the estimated fair value of the investment property at completion and the total estimated development cost using the stage of completion method. The stage of completion is determined with reference to the cost incurred to date versus the total anticipated cost of the development, excluding the cost allocated to the development rights.

The above adjustments are made to reflect the fair value at which the asset could be exchanged between market participants at the reporting date under current market conditions.

Determination of valuation of the investment in MAS

The determination of the valuation of foreign investments is based on significant judgements applied which is influenced by the different trading environments and jurisdictions, specifically with regards to MAS. The fair value is further influenced by the accounting policies applied and appropriate adjustments are made on consolidation for differences in accounting policies.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

continued

KEY SOURCES OF ESTIMATION UNCERTAINTY

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and FVOCI securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment of investment in the African asset portfolio

Management has assessed the fair value of the investment in the African asset portfolio, and has determined that a risk of volatility in the property values exists due to the current difficult economic climate in those countries in which the group has a presence.

Based on the above mentioned factors, management assessed this investment and incorporates that in the measurement of ECL. Refer to notes 17 and 19.

Fair value measurements and valuation processes

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The board, through the CEO, CFO and COO, determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where level 1 inputs are not available, the group engages third-party qualified valuers to perform the valuation. The above officers work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The above officers report the decisions to the ARC and board bi-annually to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in the determination of the fair value of various assets and liabilities is disclosed in notes 5, 20 and 38.

Fair value measurement of Waterfall development rights

Development rights

The valuation in respect of Waterfall's development rights is based on an external valuation performed on a residual land valuation method. The valuation is then adjusted downward to take into account, inter alia, the nature of the contractual rights and the estimated future rental obligations attached to the development rights (as detailed below).

Estimation of the future rental payments to WDC

In 2009 AWIC, a subsidiary of the group, entered into a purchase of development rights and lease agreements with WDC in terms of which it obtained the right to develop the relevant land parcels and to call for the registration of long-term lease agreements against the title deeds of these land parcels.

In terms of the agreements AWIC is obliged to pay, to the land owner (WDC), an amount equal to 6.0% of the net rentals it generates from the leasehold improvements. This obligation is deemed inseparable from the leasehold land and should therefore impact the fair value of the relevant investment property.

The 6.0% net rental obligation is calculated based on:

- staggered rental income streams based on the anticipated completion dates of the various leasehold improvements or disposal of leasehold rights; and
- discounting of anticipated cash flow streams to determine the present value of the obligation at rates between 16.29% and 16.88% (2018: 17.12% and 17.21%).

Significant accounting policies CONTINUED

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

continued

In terms of the above mentioned agreements, AWIC has specific obligations relating to the disposal of residential developments which supersede the net rental obligation described above.

The obligations specifically relating to the disposal of residential developments are calculated based on:
- sales price to the end user;
- difference between such sales price and a predetermined threshold set out in the agreement; and
- the difference multiplied by 5.0%.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Financial assets

In applying IFRS 9: *Financial Instruments*, management makes judgements and assumptions in determining the impairment losses to be recognised in relation to financial assets. The expected credit loss allowances for financial assets are based on assumptions about risk of default and expected loss rate. The group and company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's and company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Refer to note 1.13 for the accounting policy regarding determination of ECL.

Management used the Moody's Analytics Credit Loss and Impairment Analysis Suite which provides solutions for the most crucial aspects of the impairment calculation process. Their solutions support the different approaches taken by small and large institutions for estimating losses under IFRS 9. In addition, the Moody's Analytics quantitative research, economic forecasts and scenarios were used.

The methods for calculating ECLs for each financial asset type depends on the underlying assets and their properties. Sometimes several techniques and models may be used within a single asset class. Calculation methods and models may differ from company to company based on the types of assets in each category.

Calculated ECLs and asset values were put through Moody's Analytics ImpairmentCalc which incorporates their GC or macroeconomic data, forecasts, weightings and correlations to convert historic credit losses to forward-looking ECLs except where the measurement of the risk was inherently forward looking.

The loans to group and related entities were valued based on the risk of the counterparty on the comprehensive method.

Management determined the staging of each asset in terms of the accounting policy detailed in note 1.13.

For trading entities, the PD and LGD were measured using Moody's Analytics RiskCalc's respective PD and LGD modules. The Moody's RiskCalc solution compares company financial information to an extensive database of company financial and default information.

For investment companies (companies holding investment properties or shares in companies holding investment properties), it is sometimes appropriate to see through the investments to the underlying properties in determining the risk.

For loans with a fixed term, a PD is calculated and the LGD is based on NAV realised over time. The cash flows are discounted by the interest rate of the loan.

For loans with no fixed terms of repayment, these are treated in the same way as a term loan, with the term being zero.

For loans to group companies or related parties that are repayable on demand, we assess whether the counterparty has sufficient liquid resources to repay the loan. If they have, we assume that the risk is extremely low and the resulting ECL will be immaterial. If the counterparty does not have sufficient liquid resources, we assume that the PD is 100% and assess the LGD. The LGD will be impacted by the policies of the lending entity:
- If it would demand immediate liquidation of the debtor's assets to repay the loan, we apply fire-sale values to the assets in assessing the LGD.
- If the policy is to demand realisation of the assets in the normal course of business, we apply fair market value to the assets and discount the value over the expected time period to realise the assets at the interest rate of the loan.

The policy is to allow the debtor to realise assets in the ordinary course of business. Management's experience indicates that the time it takes from the point of decision to sell, to receipt of the proceeds of sale, it takes:

- South African properties excluding vacant land – six months
- Vacant land – 12 months
- African properties outside of South Africa – 12 months.

For on-demand loans or loans with no fixed terms of repayment, that are subordinated, the loans were treated as term loans where the length of the subordination becomes the term of the loan.

The inputs into the models are the historical AFS of the group or management accounts. These include revaluations of properties. Valuations are carried out by independent professional valuers. The output is a historic PD or estimated rating and LGD.

The resultant PD or rating and LGDs were then converted from through the cycle (TTC) to point in time (PIT) measures using Moody's Analytics ImpairmentCalc product, which conditioned these measures based on their database of validated historic SA macroeconomic data and then calculated a forward-looking ECL using their macroeconomic forecasts with a probability weighted average of Moody's Analytics' economic forecasts and scenarios – Baseline (S1), Stronger Near-Term Rebound (S2), and Moderate Recession (S3), weighted 40%, 30% and 30%. Where the measurement of the risk is inherently forward looking taking into account macroeconomic forecasts, no further conditioning has been applied.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

3.1 NEW ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS

On 1 July 2018 the group adopted the IFRS 15: *Revenue from Contracts with Customer*s and IFRS 9: *Financial Instruments*. Details of the impact of adoption are provided in notes 3.3 and 3.4. In addition the following new accounting pronouncements, none of which were considered by the group as significant on adoption, were adopted by the group to comply with amendments to IFRS:

Standards, amendments or interpretations	Impact on the financial statements
• Amendments to IFRS 2: *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*	No significant impact on the AFS
• IFRIC 22: *Foreign Currency Transactions and Advance Consideration*	No significant impact on the AFS
• Amendment to IAS 40: *Investment Property – Transfer of investment property*	No significant impact on the AFS
• Amendment to IFRS 1: *First-time Adoption of IFRS* (part of Improvements to IFRS 2014-2016 Cycle)	No significant impact on the AFS
• Amendment to IAS 28: *Investments in Associates and Joint Ventures* (part of Improvements to IFRS 2014-2016 Cycle)	No significant impact on the AFS

3.2 NEW ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT EARLY ADOPTED

On 1 July 2019 the group will adopt IFRS 16: *Leases* which has been issued by the IASB; this standard will not have a significant impact on the group's financial reporting. Additional information on the impact of this standard is discussed in note 3.5.

The following pronouncements, which have also been issued by the IASB, are effective for periods commencing on or after 1 January 2019. The group's financial reporting will be presented in accordance with these new standards, which are not expected to have a material impact on the consolidated income statement and consolidated statement of financial position from 1 July 2019.

***Amendments to IAS 28: Investments in Associates and Joint Ventures* – long-term interests in associates and joint ventures**

Clarifies that an entity applies IFRS 9: *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.2 NEW ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT EARLY ADOPTED continued

***Amendments to IAS 19:* Employee Benefits – Plan Amendment, Curtailment or Settlement**

If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

***Amendments to IFRS 9:* Financial Instruments – Prepayment Features with Negative Compensation**

Amends the existing requirements in IFRS 9: *Financial Instruments* regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

***IFRIC 23:* Uncertainty over Income Tax Treatments**

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12: *Income Taxes*. It specifically considers:

- whether tax treatments should be considered collectively;
- assumptions for taxation authorities' examinations;
- the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- the effect of changes in facts and circumstances.

The group currently believes the adoption of the interpretation above will not have a material impact on the AFS.

Annual improvements to IFRS 2015 – 2017

***Amendments to IFRS 3:* Business Combinations and *IFRS 11*: Joint Arrangements**

The amendments to IFRS 3: *Business Combinations* clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11: *Joint Arrangements* clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

***Amendments to IAS 12:* Income Taxes**

The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

***Amendments to IAS 23:* Borrowing costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The group currently believes the adoption of the pronouncement above will not have a material impact on the AFS.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.3 IMPACT OF ADOPTING IFRS 9: *FINANCIAL INSTRUMENTS* (IFRS 9)

IFRS 9 replaces IAS 39: *Financial Instruments: Recognition and Measurement* (IAS 39) for annual periods beginning on or after 1 January 2018. IFRS 9 brings together all aspects of accounting for financial instruments that relate to the recognition, classification and measurement, derecognition, impairment and hedge accounting.

The adoption of IFRS 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 1.13. Comparative information has not been restated in accordance with the transitional requirements of IFRS 9 which requires comparative information not to be restated (with an exception where it is possible to restate without the use of hindsight).

The total impact on retained earnings as at 1 July 2018 is as follows:

Figures in R'000	A-F-S reserve	FVOCI reserve	Distributable reserves
GROUP			
Closing balance at 30 June 2018	289 370	–	9 534 776
Adjustments from the adoption of IFRS 9	(289 370)	191 090	80 518
Reclassify A-F-S reserve to FVOCI reserve	(289 370)	289 370	–
Increase in impairment allowances for financial assets at amortised cost		–	(17 762)
Impairment of equity investments previously recognised in distributable reserves	–	(98 280)	98 280
Opening balance at 1 July 2018 (after IFRS 9 restatement)	–	191 090	9 615 294
COMPANY			
Closing balance at 30 June 2018	7 081 285	–	3 891 264
Adjustments from the adoption of IFRS 9	(7 081 285)	6 533 893	535 340
Reclassify A-F-S reserve to FVOCI reserve	(7 081 285)	7 081 285	–
Increase in impairment allowances for financial assets at amortised cost	–	–	(12 055)
Impairment of equity investments previously recognised in distributable reserves	–	(547 392)	547 395
Opening balance at 1 July 2018 (after IFRS 9 restatement)	–	6 533 893	4 426 604

Classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale financial assets.

The accounting for the group and company financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with changes in fair value recognised in profit or loss.

The group assessed the potential impact of financial guarantee contracts and suretyships and determine whether it is required to include in financial liabilities an ECL on these contracts.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:
- Amortised cost;
- Fair value through other comprehensive income (FVOCI) debt investment;
- FVOCI equity investment; or
- Fair value through profit or loss (FVPL).

The classification of financial assets under IFRS 9 depends on the group's and company's business model for managing the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On 1 July 2018 (the date of initial application of IFRS 9), management commenced assessing which business model applied to the financial assets held by the group and company and classified its financial instruments into the appropriate IFRS 9 categories. In addition, management assessed whether contractual cash flows on debt instruments solely comprised principal and interest based on the facts and circumstances at the initial recognition of the assets. The main effects resulting from this reclassification are as follows:

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

GROUP

Financial asset* Figures in R'000	IAS 39 categories Cash	Designated at FVTPL	Loans and receivables at amortised cost	A-F-S financial assets	IFRS 9 categories FVPL	Amortised cost	FVOCI equity investments
Closing balance at 30 June 2018 (IAS 39)	**1 221 126**	**19 502**	**2 035 090**	**488**			
Reclassify A-F-S financial assets to FVOCI	–	–	–	488	–	–	488
Reclassify designated FVPL financial assets to FVPL	–	19 502	–	–	19 502	–	–
Reclassify loans and receivables financial assets to amortised cost	–	–	2 035 090	–	–	2 035 090	–
Reclassify cash and cash equivalents to amortised cost	1 221 126	–	–	–	–	1 221 126	–
Opening balance at 1 July 2018 (IFRS 9)					**19 502**	**3 256 216**	**488**

GROUP

Financial liabilities*# Figures in R'000	IAS 39 categories Designated at FVTPL	Financial liabilities at amortised cost	IFRS 9 categories FVPL	Amortised cost
Closing balance at 30 June 2018 (IAS 39)	**126 865**	**10 456 682**		
Reclassify designated FVPL financial liabilities to FVPL	126 865	–	126 865	–
Reclassify financial liabilities at amortised cost to amortised cost	–	10 456 682	–	10 456 682
Opening balance at 1 July 2018 (IFRS 9)			**126 865**	**10 456 682**

** These reclassifications have no impact on the measurement categories.*
 # The closing balances as at 30 June 2018 are prior to any adjustments made in terms of IFRS 9.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

COMPANY

Financial asset* Figures in R'000	IAS 39 categories Cash	Loans and receivables at amortised cost	A-F-S financial assets	IFRS 9 categories Amortised cost	FVOCI equity investments
Closing balance at 30 June 2018 (IAS 39)	**38 760**	**5 145 121**	**13 009 538**		
Reclassify A-F-S financial assets to FVOCI	–	–	13 009 538		13 009 538
Reclassify loans and receivables financial assets to amortised cost	–	5 145 121	–	5 145 121	–
Reclassify cash and cash equivalents to amortised cost	38 760	–	–	38 760	–
Opening balance at 1 July 2018 (IFRS 9)				**5 183 881**	**13 009 538**

Financial liabilities*# Figures in R'000	IAS 39 categories Financial liabilities at amortised cost	IFRS 9 categories Amortised cost
Closing balance at 30 June 2018 (IAS 39)	**472 533**	–
Reclassify financial liabilities at amortised cost to amortised cost	472 533	472 533
Opening balance at 1 July 2018 (IFRS 9)		**472 533**

* *These reclassifications have no impact on the measurement categories.*
# *The closing balances as at 30 June 2018 are prior to any adjustments made in terms of IFRS 9.*

The impact of the changes on the group's equity is as follows:

GROUP

Reserves which were impacted by IFRS 9 Figures in R'000	IAS 39 A-F-S revaluation reserve	IFRS 9 Financial asset FVOCI revaluation reserve
Closing balance at 30 June 2018 (IAS 39)	**289 370**	**–**
Reclassify non-trading equities from available-for-sale to FVOCI	**(289 370)**	**289 370**
Opening balance at 1 July 2018 (IFRS 9)	**–**	**289 370**

COMPANY

Reserves which were impacted by IFRS 9 Figures in R'000	IAS 39 A-F-S revaluation reserve	IFRS 9 Financial asset FVOCI revaluation reserve
Closing balance at 30 June 2018 (IAS 39)	**7 081 285**	**–**
Reclassify non-trading equities from available-for-sale to FVOCI	**(7 081 285)**	**7 081 285**
Opening balance at 1 July 2018 (IFRS 9)	**–**	**7 081 285**

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.3 IMPACT OF ADOPTING IFRS 9: *FINANCIAL INSTRUMENTS* (IFRS 9) continued

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses (impairments) are recognised earlier than under IAS 39.

Under IFRS 9, expected credit loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The group has various types of financial assets that are subject to IFRS 9's new ECL model, namely:

- Trade receivables for the rendering of rental services;
- Other receivables;
- Loans to associates and joint ventures;
- Derivative financial instruments;
- Loans receivables carried at amortised cost; and
- Cash and cash equivalents.

The company has several types of financial assets that are subject to IFRS 9's new ECL model, namely:

- Trade receivables for the rendering of services;
- Other receivables;
- Loans to associates and joint ventures;
- Derivative financial instruments;
- Loans receivables carried at amortised cost;
- Non-interest-bearing loans to subsidiaries; and
- Cash and cash equivalents.

The group and company were required to revise their impairment methodology under IFRS 9 for each of these classes of assets.

While cash and cash equivalents are classified and measured at amortised cost, and are also subject to these impairment requirements they are considered to have low credit risk, and the expected credit loss is mitigated through the group's credit risk management policy.

For trade receivables, the group and company apply the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date such as inflation and GDP growth. The group has recognised a loss allowance of 100% against all receivables where current circumstances indicate that these receivables are generally not recoverable.

For loans measured at amortised cost under the "expected credit loss" model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in a default scenario for prescribed future periods and multiplying the shortfalls by the probability of the scenario occurring. The allowance is the sum of these probability weighted outcomes. Because every loan and receivable carries with it some risk of default, every such asset has an expected loss attached to it – from the moment of its origination or acquisition. The new impairment model applies to financial assets measured at amortised cost, but not to investments in equity instruments. Under IFRS 9, credit losses (impairments) are recognised earlier than under IAS 39.

The impact of the group's expected credit loss allowances for trade receivables was immaterial. The expected credit loss was not materially different from the incurred loss model of IAS 39.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the group or company, and a failure to make contractual payments for a period of greater than 90 days past due.

3.3 **IMPACT OF ADOPTING IFRS 9: *FINANCIAL INSTRUMENTS* (IFRS 9)** continued

Impairment of financial assets *continued*

Impairment allowances for loans to associates and joint ventures
Figures in R'000

	GROUP	COMPANY
Closing balance at 30 June 2018 (IAS 39)	(193 798)	(27 191)
Amounts restated through opening retained earnings	(16 785)	(7 968)
Opening balance at 1 July 2018 (IFRS 9)	**(210 583)**	**(35 159)**

The group's expected credit loss allowances for loans to associates and joint ventures increased by a further R483.0 million to R693.6 million during the year ended 30 June 2019. The increase would have been R23.4 million lower under the incurred loss model of IAS 39. Refer to note 19.

Impairment allowances for other loans
Figures in R'000

	GROUP	COMPANY
Closing balance at 30 June 2018 (IAS 39)	(10 030)	–
Amounts restated through opening retained earnings	(975)	(2)
Opening balance at 1 July 2018 (IFRS 9)	**(11 005)**	**(2)**

The group's expected credit loss allowances for other financial assets increased by R0.4 million to R0.7 million for other loans during the year ended 30 June 2019. The impact of ECL was considered to be immaterial to the group when compared to the incurred loss model of IAS 39.

Loans to subsidiaries

The company's indebtedness by subsidiaries is assessed per counterparty's credit risk. There are those which are considered to be of low credit risk as there is a low risk of default and the counterparty has strong capacity to meet its contractual cash flow obligations in the near term. Then there are those which have been fully provided for as the counterparty is considered to have a high credit risk as they have defaulted on payments and they do not have the capacity to meet their contractual obligations. Refer note 42.

Impairment allowances for loans to subsidiaries
Figures in R'000

	COMPANY
Closing balance at 30 June 2018 (IAS 39)	(79 310)
Amounts restated through opening retained earnings	(4 086)
Opening balance at 1 July 2018 (IFRS 9)	**(83 396)**

The company's expected credit loss allowances for loans to subsidiaries decreased by R39.8 million to R39.5 million mainly due to the write-off of the loan to Attacq Investments for loans to subsidiaries during the year ended 30 June 2019. For all other loans to subsidiaries, expected credit loss allowances for loans to subsidiaries increased by a further R2.6 million to R39.5 million for other loans during the year ended 30 June 2019. The increase would have been R2.4 million lower under the incurred loss model of IAS 39.

Transition

The group and company have taken an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Therefore, comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 July 2018. Accordingly, the information presented for 2018 does not reflect the requirements of IFRS 9 but rather those of IAS 39.

Significant accounting policies CONTINUED

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.4 IMPACT OF ADOPTING IFRS 15: *REVENUE FROM CUSTOMERS WITH CONTRACTS*

IFRS 15 established a comprehensive framework for determining and reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It replaces all existing revenue standards and their related interpretations in IFRS and applies to all contracts with customers except for contracts that are within the scope of other standards on leases, insurance contracts and financial instruments and therefore does not impact the majority of the group's revenue.

The standard outlines the principles that must be applied to measure and recognise revenue with the core principle being that revenue should be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for fulfilling its performance obligations to a customer. The principles in IFRS 15 must be applied using the following five-step model:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when or as the entity satisfies its performance obligations.

The group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2017 has not been restated. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information. Apart from providing more qualitative disclosures on the group's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the group. As at the date of initial application, no adjustments were required to the group's performance or financial position.

Revenue streams within the scope of IFRS 15 include:

Revenue type	Description
Fee revenue	There has been no material impact on the recognition of the property and asset management fees as this is recognised over time, similar to how rendering of services was recognised in IAS 18.
Municipal recoveries and operational cost recoveries	There has been no material impact on the recognition of municipal recoveries as this is recognised over time, similar to how rendering of services was recognised in IAS 18. The group was seen to be the principal under IAS 18 and is consistent under IFRS 15.
Casual parking, non-GLA income and lease cancellation fees	Casual parking income is recognised over the period for which the services are rendered. Non-GLA income and lease cancellation fees are contingent and are recorded in the period in which they are earned. There has been no material impact on the recognition of these revenue streams.
Sale of inventory	Revenue from the sale of inventory is recognised with reference to the stage of completion of the property. There has been no material impact on the recognition of sale of inventory.

Refer to note 1.19 for the nature and measurement of each income stream upon adopting IFRS 15.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.5 IMPACT OF ADOPTING IFRS 16: *LEASES*

The following new standard has been issued by the IASB, however, is not yet effective for the current financial year. The group will comply with the new standard from the effective date and has elected not to early adopt it at this stage.

Standard	Scope	Potential impact on the group
IFRS 16: *Leases* Effective for years commencing 1 January 2019	The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single, on-balance-sheet lease accounting model for lessees. IFRS 16 replaces the existing leases standard and the related interpretations.	
	Lessor accounting Substantially, lessor accounting has remained unchanged. Accordingly, a lessor continues to classify its leases as operating or finance leases and to account for those two types of leases differently.	The financial impact to the group on adoption of IFRS 16 is not significant as the group is primarily a lessor. Enhanced disclosures are required for lessors to improve information disclosed about a lessor's risk exposure, particularly to residual value risk.
	Lessee accounting A lessee recognises depreciation on the right-of-use asset and interest on the lease liability. Cash repayments of the lease liability are classified as either principal or interest repayments.	The group (through wholly owned subsidiary AWIC) currently has various operating lease agreements in place with WDC. In terms of the agreement AWIC is obligated to pay, to the land owner (WDC), an amount equal to 6.0% of the net rental it generates from leasehold improvements. The leases have various lease terms based on the underlying lease with the tenant. We have used AWIC's incremental borrowing rate and the tenant lease profile at 30 June 2019, and have calculated the estimated right-of-use asset and corresponding lease liability to be approximately R228.8 million for 2020.

Significant accounting policies CONTINUED

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.5 IMPACT OF ADOPTING IFRS 16: *LEASES* continued

Standard	Scope	Potential impact on the group
IFRS 16: *Leases* Effective for years commencing 1 January 2019 continued	A lessee recognises depreciation on the right-of-use asset and interest on the lease liability. Cash repayments of the lease liability are classified as either principal or interest repayments.	The group (through wholly owned subsidiary AWIC), is obligated to pay the land owner a percentage of net rentals generated from leasehold improvements. The future lease payments are dependent on the roll-out of the Waterfall developments. The variable lease payments that depend on roll-out of Waterfall (usage of the underlying asset) are excluded from the lease liability. Instead, these payments are recognised in profit or loss in the period in which they occur. The group will continue to recognise, in investment property, the value of the Waterfall development rights, based on an external valuation performed on a residual valuation method, taking into account the estimated future rental obligations attached to the development rights' leasehold nature. The rental obligation is deemed inseparable from the value of the Waterfall development rights.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

3.5 IMPACT OF ADOPTING IFRS 16: *LEASES* continued

Standard	Scope	Potential impact on the group
IFRS 16: *Leases* Effective for years commencing 1 January 2019 continued	IFRS 16 introduces a single lessee accounting model which requires the lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.	Lessees will be required to apply judgement in deciding upon the disclosures to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial information of lessees. The group currently has various operating lease agreements in place for rental of computers and photocopiers. The group will apply the low value exemption to the computers, printers and copiers being leased, thus not having an accounting impact on transition date. The group will elect the modified retrospective approach, thus not restating comparative periods, instead; the cumulative impact of applying IFRS 16 will be accounted for as an adjustment to the opening equity on the date of initial application.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2019

4. SEGMENTAL REPORTING

Figures in R'000	GROUP 2019 Office and mixed use	Retail	Industrial	Hotel
STATEMENT OF FINANCIAL POSITION				
Investment property	6 568 929	9 686 888	1 436 998	334 294
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	670 618	232 022	123 927	12 580
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	1 022	32 004	–	–
Other financial assets	343 035	24 320	9 289	–
Loans to associates and joint ventures	–	–	–	–
Trade and other receivables	37 177	57 128	7 700	1 001
Cash and cash equivalents	344 698	90 760	5 762	21
Inventory	–	–	–	–
Non-current assets held for sale	–	–	77 000	–
Other assets	2 173	–	–	–
Total assets	7 967 652	10 123 122	1 660 676	347 896
Long-term borrowings	–	–	–	–
Other financial liabilities	–	–	–	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	121 765	143 902	12 435	1 712
Liabilities associated with non-current assets held for sale	–	–	–	–
Other liabilities	–	–	–	–
Total liabilities	121 765	143 902	12 435	1 712
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	739 065	1 114 314	156 860	38 213
Straight-line lease income adjustment	179 189	(3 645)	24 351	(2 771)
Sale of inventory	39 093	–	(10 521)	–
Property expenses	(244 625)	(448 831)	(47 273)	(11 762)
Cost of sales	(39 943)	–	8 396	–
Net profit from property operations	672 779	661 838	131 813	23 680
Other income	406	–	28 571	–
Operating expenses	(33 632)	(32 869)	(7 530)	(764)
Impairment losses	–	–	–	–
Other expenses	–	(930)	(86)	–
Operating profit (loss)	639 553	628 039	152 768	22 916
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	(267 082)	(86 608)	(41 323)	21 816
Gain on available-for-sale financial assets	–	–	–	–
Net income from associates	69	(8 117)	(759)	–
Investment income	38 104	6 529	199	17
Finance costs	–	–	–	–
Profit (loss) before tax	410 644	539 843	110 885	44 749
Taxation	–	–	–	–
Profit (loss) for the year attributable to owners	410 644	539 843	110 885	44 749

GROUP
2019

Waterfall developments	Head office SA	Total SA	MAS European	Rest of Africa	Head office global	Total
–	5 000	18 032 109	–	–	–	18 032 109
2 049 435	–	2 049 435	–	–	–	2 049 435
791 276	–	791 276	–	–	–	791 276
495 972	–	495 972	–	–	–	495 972
762 187	–	762 187	–	–	–	762 187
–	–	1 039 147	–	–	–	1 039 147
–	252 441	252 441	–	–	–	252 441
–	1 191	34 217	3 183 494	–	–	3 217 711
–	33 237	409 881	9 484	–	–	419 365
111 620	242 540	354 160	–	639 444	–	993 604
97 018	3 354	203 378	–	–	72	203 450
971	50 650	492 862	–	–	180 624	673 486
51 137	–	51 137	–	–	–	51 137
19 018	763	96 781	–	–	–	96 781
–	19 562	21 735	–	–	–	21 735
2 329 199	608 738	23 037 283	3 192 978	639 444	180 696	27 050 401
–	9 007 294	9 007 294	–	–	1 455 451	10 462 745
–	297 551	297 551	–	–	–	297 551
–	100 019	100 019	138 520	–	–	238 539
62 752	30 906	373 472	–	16 218	–	389 690
–	53 986	53 986	–	–	–	53 986
10 925	7 978	18 903	–	–	1 255	20 158
73 677	9 497 734	9 851 225	138 520	16 218	1 456 706	11 462 669
–	9 096	2 057 548	–	–	–	2 057 548
–	–	197 124	–	–	–	197 124
–	–	28 572	–	–	–	28 572
–	3 348	(749 143)	–	–	–	(749 143)
–	–	(31 547)	–	–	–	(31 547)
–	12 444	1 502 554	–	–	–	1 502 554
–	3 898	32 875	21 164	33 313	2 180	89 532
–	(80 690)	(155 485)	–	–	–	(155 485)
(29 975)	(55 865)	(85 840)	–	(419 308)	–	(505 148)
(26 589)	(66 823)	(94 428)	–	(75 710)	–	(170 138)
(56 564)	(187 036)	1 199 676	21 164	(461 705)	2 180	761 315
–	(19 964)	(19 964)	–	–	–	(19 964)
(291 913)	(137 979)	(803 089)	–	–	1 354	(801 735)
–	–	–	–	–	–	–
(1 758)	(67 380)	(77 945)	204 037	(1 322)	–	124 770
–	66 760	111 609	–	118 940	–	230 549
–	(820 681)	(820 681)	(1 003)	–	(33 781)	(855 465)
(350 235)	(1 166 280)	(410 394)	224 198	(344 087)	(30 247)	(560 530)
–	(26 111)	(26 111)	(14 287)	–	(1 660)	(42 058)
(350 235)	(1 192 391)	(436 505)	209 911	(344 087)	(31 907)	(602 588)

4. SEGMENTAL REPORTING continued

Figures in R'000	GROUP Restated 2018 Office and mixed use	Retail	Industrial	Hotel
STATEMENT OF FINANCIAL POSITION				
Investment property	6 674 605	9 639 616	1 286 827	312 477
Waterfall developments	–	–	–	–
Developments under construction	–	–	–	–
Waterfall development rights	–	–	–	–
Infrastructure and services	–	–	–	–
Straight-line lease debtor	491 428	235 667	99 577	15 351
Intangible assets and goodwill	–	–	–	–
Investments in associates and joint ventures	954	40 121	91 619	–
Other financial assets	22 920	13 288	–	–
Loans to associates and joint ventures	–	–	143 247	–
Trade and other receivables	106 650	63 069	23 286	2 367
Cash and cash equivalents	67 398	89 325	5 862	151
Inventory	42 484	–	–	–
Non-current assets held for sale	–	–	–	–
Other assets	3 000	–	–	–
Total assets	7 409 439	10 081 086	1 650 418	330 346
Long-term borrowings	–	–	–	–
Other financial liabilities	–	–	12 807	–
Deferred tax liabilities	–	–	–	–
Trade and other payables	186 261	135 957	33 113	2 630
Other liabilities	–	–	–	–
Total liabilities	186 261	135 957	45 920	2 630
STATEMENT OF COMPREHENSIVE INCOME				
Rental income	650 477	1 058 450	107 598	34 880
Straight-line lease income adjustment	17 561	28 604	43 278	(976)
Sale of inventory	19 344	–	10 521	–
Property expenses	(202 340)	(422 464)	(32 000)	(10 248)
Cost of sales	(16 522)	–	(8 396)	–
Net profit from property operations	468 520	664 590	121 001	23 656
Other income	16 708	31	–	–
Operating expenses	(30 848)	(31 927)	(5 972)	(562)
Impairment losses	–	–	–	–
Other expenses	–	(13 395)	–	–
Operating profit (loss)	454 380	619 299	115 029	23 094
Amortisation of intangible assets	–	–	–	–
Fair value adjustments	99 784	263 650	(10 842)	15 939
Gain on available-for-sale financial assets	–	–	–	–
Net income from associates	36	(4 164)	1 748	–
Investment income	3 119	7 779	13	6
Finance costs	–	–	–	–
Profit (loss) before tax	557 319	886 564	105 948	39 039
Taxation	–	–	–	–
Profit (loss) for the year attributable to owners	557 319	886 564	105 948	39 039

GROUP
Restated
2018

Waterfall develop- ments	Head office SA	Total SA	MAS European	Rest of Africa	Head office global	Total
–	5 000	17 918 525	–	–	–	17 918 525
1 872 620	–	1 872 620	–	–	–	1 872 620
346 441	–	346 441	–	–	–	346 441
879 324	–	879 324	–	–	–	879 324
646 855	–	646 855	–	–	–	646 855
–	–	842 023	–	–	–	842 023
–	334 276	334 276	–	–	–	334 276
–	68 038	200 732	3 145 828	47 948	–	3 394 508
–	353 751	389 959	–	–	–	389 959
–	274 163	417 410	–	1 044 529	–	1 461 939
–	7 587	202 959	–	–	55	203 014
–	990 152	1 152 888	–	–	68 238	1 221 126
–	–	42 484	–	–	–	42 484
115 149	775	115 924	–	–	2 947	118 871
–	50 709	53 709	–	–	–	53 709
1 987 769	2 084 451	23 543 509	3 145 828	1 092 477	71 240	27 853 054
–	8 634 578	8 634 578	–	–	1 431 008	10 065 586
–	133 393	146 200	–	–	1 714	147 914
–	48 840	48 840	130 083	–	–	178 923
–	25 531	383 492	–	–	11	383 503
25 476	8 026	33 502	–	–	1 496	34 998
25 476	8 850 368	9 246 612	130 083	–	1 434 229	10 810 924
–	12 637	1 864 042	–	–	–	1 864 042
–	–	88 467	–	–	–	88 467
–	–	29 865	–	–	–	29 865
–	13 204	(653 848)	–	–	–	(653 848)
–	–	(24 918)	–	–	–	(24 918)
–	25 841	1 303 608	–	–	–	1 303 608
–	23 017	39 756	–	5 214	–	44 970
–	(95 767)	(165 076)	–	–	(5 178)	(170 254)
–	–	–	–	(25 872)	–	(25 872)
(49 649)	(1 773)	(64 817)	–	(57 618)	(4 355)	(126 790)
(49 649)	(48 682)	1 113 471	–	(78 276)	(9 533)	1 025 662
–	(24 037)	(24 037)	–	–	–	(24 037)
11 667	40 887	421 085	–	–	(199)	420 886
–	35 750	35 750	–	–	–	35 750
–	(284)	(2 664)	68 774	908	11 074	78 092
–	98 005	108 922	–	120 619	3 782	233 323
–	(779 960)	(779 960)	–	–	(33 908)	(813 868)
(37 982)	(678 321)	872 567	68 774	43 251	(28 784)	955 808
–	1 842 193	1 842 193	(93 297)	–	(1 424)	1 747 472
(37 982)	1 163 872	2 714 760	(24 523)	43 251	(30 208)	2 703 280

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

4. SEGMENTAL REPORTING continued

Reconciliation of profit for the year to distributable earnings

	GROUP	
Figures in R'000	2019	Restated 2018
(Loss) profit for the year attributable to Attacq's shareholders	**(602 588)**	2 703 280
Profit on disposal of subsidiary	**–**	(5 633)
Loss on disposal of other investments	**–**	2 612
Profit on disposal of investment property	**(11 095)**	(14 947)
Profit on disposal of investment in associate	**(14 547)**	–
Impairment of associates, other investments and loans	**550 967**	51 197
Impairment of Wi-Fi rights intangible asset	**61 871**	–
Realisation of A-F-S financial assets	**–**	(35 750)
Fair value adjustments	**801 735**	(420 886)
Net income from associates and joint ventures	**(124 770)**	(78 092)
Straight-line lease income adjustments	**(197 124)**	(88 467)
Adjustment for net non-cash interest from associates	**(114 193)**	(128 279)
Net cash interest received from associates	**89 514**	42 425
Depreciation and amortisation	**37 026**	39 764
Unrealised foreign currency translation effect	**(31 667)**	50 698
Dividends received from associates	**191 045**	166 723
Edcon restructure	**(4 129)**	–
Write-off of other receivable	**–**	47 972
Movement in provision	**–**	3 943
Deferred taxation	**32 061**	(1 769 383)
Distributable earnings for the year	**664 106**	567 177
Number of shares in issue*	**703 495 224**	703 155 224
Weighted average number of shares in issue*	**703 311 279**	702 989 909
Diluted weighted average number of shares in issue*	**710 613 023**	708 584 902
DEPS		
Basic (cents)	**94.4**	80.7
Diluted (cents)	**93.5**	80.0
Distribution	**573 308**	520 335
Interim	**284 875**	–
Final	**288 433**	520 335
Distribution per share (cents)	**81.5**	74.0
Interim	**40.5**	–
Final	**41.0**	74.0

* *Adjusted for 46 427 553 treasury shares (2018: 46 427 553).*

5. RENTAL INCOME

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	2018
Contractual rental income	**1 499 191**	1 348 116	**–**	–
Recoveries	**464 096**	396 867	**–**	–
Casual parking income	**59 275**	57 384	**–**	–
Turnover rental	**12 564**	11 267	**–**	–
Non-GLA income	**11 945**	17 631	**–**	–
Fee income	**8 566**	12 270	**–**	–
Lease cancellation fee	**1 911**	20 507	**–**	–
Balance at the end of the year	**2 057 548**	1 864 042	**–**	–

There are no performance obligations that aren't satisfied (or partially unsatisfied) as at the end of the reporting period.

6. STRAIGHT-LINE LEASE INCOME ADJUSTMENT

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	2018
Balance at 1 July 2018 – restated	**842 023**	726 286	**–**	–
Current year movement	**197 124**	88 467	**–**	–
Straight-line lease income adjustment relating to assets held for sale	**–**	27 270	**–**	–
Balance at 30 June	**1 039 147**	842 023	**–**	–

7. PROPERTY EXPENSES

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	2018
Municipal charges	**(467 121)**	(399 917)	**71**	–
Operating costs	**(66 068)**	(56 215)	**(21)**	(34)
Staff expenses	**(35 995)**	(29 387)	**–**	–
Rental paid	**(46 999)**	(56 503)	**–**	–
Security expenses	**(32 376)**	(27 567)	**–**	–
Levies	**(16 343)**	(14 871)	**–**	–
Cleaning	**(19 307)**	(18 154)	**–**	–
Exhibition expenses	**(11 916)**	(12 871)	**–**	–
Repairs and maintenance	**(30 640)**	(21 458)	**–**	(739)
ECL provisions	**(8 038)**	1 913	**–**	–
Bad debt written off	**(1 233)**	(5 371)	**–**	–
Deferred leasing expenditure	**(4 343)**	(3 819)	**–**	–
Depreciation	**(8 764)**	(9 628)	**–**	–
Balance at the end of the year	**(749 143)**	(653 848)	**50**	(773)

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

8. OTHER INCOME

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY 2018
Profit on disposal of investment properties	**11 095**	16 717	**–**	–
Foreign exchange gain unrealised	**11 199**	5 214	**1 715**	5 214
Foreign exchange gain realised	**43 278**	–	**–**	–
Sundry income	**5 720**	7 155	**–**	–
Reversal of impairment of investment in other	**20**	7 549	**20**	6 554
Reversal of impairment of loans to other	**3 333**	–	**1**	–
Reversal of impairment of investment in subsidiaries	**–**	–	**–**	3 414
Reversal of impairment of loans to subsidiaries	**–**	–	**44 906**	996
Reversal of impairment of loans to associates	**3**	2 283	**3**	2 283
Profit on disposal of investment	**–**	–	**–**	–
Profit on disposal of subsidiaries	**–**	5 633	**–**	5 633
Profit on disposal of associate	**14 550**	–	**–**	–
Other income	**334**	419	**–**	193
Balance at the end of the year	**89 532**	44 970	**46 645**	24 287

9. OPERATING EXPENSES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY 2018
Auditor's remuneration	**(4 914)**	(5 874)	**–**	–
Audit services rendered	**(4 914)**	(5 629)	**–**	–
Non-audit services rendered	**–**	(245)	**–**	–
Deferred leasing expense	**(1 608)**	(1 594)	**–**	–
Depreciation	**(2 347)**	(2 280)	**–**	–
Employee remuneration	**(68 061)**	(62 733)	**–**	–
Non-executive directors' remuneration	**(3 867)**	(3 698)	**(3 867)**	(3 698)
Share-based payment expense	**(20 885)**	(19 818)	**–**	–
Executive directors' share-based payments*	**(12 156)**	(725)	**–**	–
Prescribed officers' share-based payments#	**(3 756)**	(1 882)	**–**	–
Staff share-based payments@	**(4 973)**	(17 211)	**–**	–
Fund management expenses	**(53 803)**	(74 257)	**(2 198)**	(7 727)
TOTAL	**(155 485)**	(170 254)	**(6 065)**	(11 425)

** Includes forfeitures of R0.0 million (2018: R4.1 million).*
 # Includes forfeitures of R0.0 million (2018: R5.1 million).
@ Includes forfeitures of R6.9 million (2018: R0.5 million).

10. OTHER EXPENSES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY 2018
Loss on disposal of investment (note 16)	–	(2 808)	–	–
Loss on disposal of other asset	(3)	(3)	–	–
Foreign exchange loss unrealised	(11 130)	(32 389)	(2 756)	(12 119)
Pemba profit share*	(16 108)	–	–	–
Loss on disposal of investment properties (note 16)	–	(1 770)	–	(950)
Impairment of investment in associates (note 17)	(48 159)	(25 232)	–	(602)
Impairment of intangible asset	(61 871)	–	–	–
Impairment of loans to subsidiaries (note 42)	–	–	(812)	(262 297)
Impairment of loans to other (note 18)	–	(9 925)	–	–
Write-off of loans to associates (note 19)	(93)	–	–	(56 866)
Write-off of loans to subsidiaries (note 42)	–	–	(42 046)	–
Write-off of loans other	(923)	(39 500)	–	–
Land holding costs#	(26 589)	(10 149)	–	–
Bad debts provision	(5 262)	(5 014)	–	–
SUBTOTAL	(170 138)	(126 790)	(45 614)	(332 834)
Impairment of loans to associates	(505 148)	(25 872)	(55 865)	–
TOTAL	(675 286)	(152 662)	(101 479)	(332 834)

* *Relates to a contractual profit and loss arrangement entered into by the group (through wholly owned subsidiary AIH International) with Atterbury relating to the exit from the Pemba project in Mozambique.*

Includes rates and taxes, POA levies, marketing and security costs relating to the Waterfall development rights.

11. INVESTMENT INCOME

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY 2018
Dividend income	–	3 800	489 140	637 017
Dividends – Local	–	–	489 140	562 831
Dividends – Foreign	–	3 800	–	74 186
Interest income	230 549	229 523	455 472	83 284
Loans to associates	147 974	161 022	29 034	40 666
Loans to subsidiaries	–	–	424 442	37 304
Bank	41 002	34 514	1 712	1 340
Other interest	41 573	33 987	284	3 974
Total	230 549	233 323	944 612	720 301

12. FINANCE COSTS

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY 2018
Long-term borrowings	(781 338)	(756 468)	–	(4)
Derivative financial liabilities	(73 990)	(56 724)	–	–
Loans from subsidiaries	–	–	(9 340)	(7 450)
Other	(137)	(676)	–	–
Total	(855 465)	(813 868)	(9 340)	(7 454)

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

13. INCOME TAX (EXPENSE) CREDIT

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Major components of the tax expense (including other comprehensive income)				
Current				
Current tax	**(9 997)**	(21 911)	**2 867**	(18 827)
Local income tax – current year	**(9 997)**	(21 911)	**2 867**	(18 827)
Deferred				
Originating and reversing temporary differences	**(59 627)**	1 769 385	**74 219**	1 045 856
Deferred tax	**(32 061)**	1 769 383	**(18 825)**	(74 895)
Taxation relating to components of other comprehensive income	**(27 566)**	2	**93 044**	1 120 751
Total	**(69 624)**	1 747 474	**77 086**	1 027 029
Reconciliation of the tax expense				
Applicable tax rate	**28.00%**	28.00%	**28.00%**	28.00%
Adjusted for:				
Non-deductible expenditure*	**(29.93%)**	7.45%	**(13.81%)**	1.33%
Non-taxable income received^	**(1.18%)**	5.73%	**(5.84%)**	(1.69%)
Fair value adjustments on investment property	**(33.04%)**	(12.71%)	**–**	–
Reversal of CGT liability on investment property	**–**	(199.66%)	**–**	–
Notional interest on loans to subsidiaries	**–**	–	**50.34%**	(0.29%)
Capital gains tax loss carried forward	**1.59%**	–	**12.47%**	–
Deferred tax asset not recognised	**(17.53%)**	14.01%	**(41.58%)**	–
CFC income not included in profit before tax	**(4.01%)**	2.08%	**(10.10%)**	0.59%
Impairment of intangible asset	**(2.93%)**	–	**–**	–
Straight-lining not recognised	**9.32%**	(11.84%)	**–**	–
Qualifying dividend distribution in terms of section 25BB	**28.97%**	(16.33%)	**72.94%**	(4.67%)
Tax base cost adjustment transferred to AWIC#	**–**	–	**76.38%**	–
Investments in subsidiaries	**–**	–	**(137.51%)**	(53.33%)
Foreign business establishment	**5.27%**	(0.55%)	**–**	–
Other~	**3.18%**	0.11%	**1.58%**	(0.82%)
Total	**(12.29%)**	(183.72%)	**32.85%**	(30.87%)

** Relates mainly to the ECL on the loans to associates and investments in associates.*
^ Relates to accounting profits on disposal/unwinding/fair value of investment mainly Leipzig Nova.
 # Relates mainly to the MAS base cost derecognised as a result of the disposal of the investment to AWIC in terms of section 42 roll-over.
~ Relates mainly to section 24J allowances of the Income Tax Act.

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

	GROUP AND COMPANY				
Figures in R'000	Basic salary	Bonus	Pension fund contributions	Other benefits	Total
2019					
Executive directors					
M Hamman	**4 351**	**3 094**	**161**	**97**	**7 703**
R Nana (appointed 19 June 2018)	**2 278**	**1 000**	**92**	**64**	**3 434**
JR van Niekerk (appointed 19 June 2018)	**2 450**	**850**	**137**	**51**	**3 488**
Total executive directors	**9 079**	**4 944**	**390**	**212**	**14 625**
Prescribed officers					
Prescribed officer A	**1 245**	**350**	**49**	**35**	**1 679**
Prescribed officer B	**1 543**	**381**	**62**	**58**	**2 044**
Prescribed officer C	**2 763**	**300**	**155**	**55**	**3 273**
Prescribed officer D	**1 741**	**750**	**70**	**51**	**2 612**
Total prescribed officers	**7 292**	**1 781**	**336**	**199**	**9 608**
Total	**16 371**	**6 725**	**726**	**411**	**24 233**
2018					
Executive directors					
MC Wilken (resigned 31 December 2017)	2 152	–	15	35	2 202
M Hamman	3 790	67	105	56	4 018
Total executive directors	5 942	67	120	91	6 220
Prescribed officers					
Prescribed officer A	1 079	231	35	54	1 399
Prescribed officer B	1 468	374	47	56	1 945
Prescribed officer C	783	–	44	126	953
Prescribed officer D	1 086	4 100	61	31	5 278
Prescribed officer E	1 469	380	48	71	1 968
Prescribed officer F	2 505	–	128	59	2 692
Total prescribed officers	8 390	5 085	363	397	14 235
Total	14 332	5 152	483	488	20 455

Key management and prescribed officers were as follows:

2019

- D Theron
- MW Clampett
- PL de Villiers – appointed 1 July 2018
- GE Pendelton

2018

- D Theron
- PW Mackenzie – resigned 30 November 2017
- JR van Niekerk
- MW Clampett
- R Nana
- GE Pendelton – appointed 13 March 2018

JR van Niekerk and R Nana were appointed as executive directors with effect from 19 June 2018. Remuneration for the full 2018 financial year has been allocated to prescribed officers.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

	GROUP		COMPANY	
Figures in R'000	2019	2018	2019	2018
Non-executive directors – fees for services as directors				
P Tredoux	675	694	675	694
MM du Toit	375	381	375	381
HR El Haimer	539	466	539	466
IN Mkhari (appointed 15 March 2018)	311	76	311	76
KR Moloko (resigned 2 April 2019)	311	472	311	472
BT Nagle	595	614	595	614
S Shaw-Taylor	667	626	667	626
JHP van der Merwe	394	369	394	369
Total	3 867	3 698	3 867	3 698

P Tredoux's fees were paid to Tredoux Family Holdings Proprietary Limited.

Except for the above, all non-executive directors' fees were paid to the individuals in their personal capacity.

Share options granted to executive directors

The following options and rights in shares in the group were exercised or are outstanding in favour of directors and prescribed officers of the group under the group's share option schemes:

	GROUP AND COMPANY				
Number of options	Opening balance	Granted	Vested	Forfeited	Total
2019					
Executive directors					
M Hamman	1 470	1 000	(660)	(271)	1 539
R Nana (appointed 19 June 2018)	219	500	(41)	(5)	673
JR van Niekerk (appointed 19 June 2018)	854	500	–	–	1 354
Total executive directors	2 543	2 000	(701)	(276)	3 566
Prescribed officers					
Prescribed officer A	281	35	(141)	(20)	155
Prescribed officer B	338	33	(33)	(31)	307
Prescribed officer C	360	38	–	–	398
Prescribed officer D	295	300	(33)	(31)	531
Total prescribed officers	1 274	406	(207)	(82)	1 391
Total	3 817	2 406	(908)	(358)	4 957

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION continued

Number of options	GROUP AND COMPANY Opening balance	Granted	Vested	Forfeited	Total
2018					
Executive directors					
M Hamman	1 666	148	(326)	(18)	1 470
MC Wilken (resigned 31 December 2017)	1 873	–	(136)	(1 737)	–
Total executive directors	3 539	148	(462)	(1 755)	1 470
Prescribed officers					
Prescribed officer A	239	43	–	–	282
Prescribed officer B	545	33	(240)	–	338
Prescribed officer C	–	360	–	–	360
Prescribed officer D	1 222	–	–	(1 222)	–
Prescribed officer E	244	55	(76)	(4)	219
Prescribed officer F	670	183	–	–	853
Total prescribed officers	2 920	674	(316)	(1 226)	2 052
Total	6 459	822	(778)	(2 981)	3 522

Executive directors

In the current year, the Remco approved the grant to executive directors consisting of 2 000 000 retention options. The options may be exercised on 14 October 2021. For vesting to occur, the executive directors have to remain in the employ of the group.

For the 2 000 000 retention options issued to executive directors, financial performance conditions apply to 75.0% of the benefits with non-financial performance conditions applicable to 25.0% of the benefits.

In the current year, the Remco approved the grant to prescribed officers consisting of 250 000 retention options and 156 000 LTIPs. The retention options may be exercised on 14 October 2021 and the LTIPs may be exercised as to 60.0% on 14 October 2021, 20.0% on 14 October 2022 and 20.0% on 14 October 2023. For vesting to occur, the prescribed officers have to remain in the employ of the group.

For the retention share options granted financial performance conditions apply to 75.0% of the benefits with non-financial performance conditions applicable to 25.0% of the benefits. For the LTIPs granted, non-market financial performance conditions apply to 45.0%, with non-financial performance conditions applicable to 20.0% of the benefits and market financial performance conditions to 35% of the benefit.

In the prior year, the Remco approved the grant to M Hamman consisting of 147 826 LTIPs. The options may be exercised as to 60.0% on 14 October 2020, 20.0% on 14 October 2021 and 20.0% on 14 October 2022. Non-market financial performance conditions apply to 45.0%, with non-financial performance conditions applicable to 20.0% of the benefits and market financial performance conditions to 35% of the benefit. For vesting to occur, M Hamman has to remain in the employ of the group.

In the prior year, the Remco approved the grant to prescribed officers consisting of 433 992 LTIPs. The options may be exercised as to 60.0% on 14 October 2020, 20.0% on 14 October 2021 and 20.0% on 14 October 2022. For vesting to occur, the prescribed officers have to remain in the employ of the group.

During the prior year, MC Wilken resigned with effect from 31 December 2017, hence forfeiting outstanding options of 1 736 830.

During the prior year, prescribed officer D resigned with effect from 30 November 2017, hence forfeiting outstanding options of 1 222 058.

Options forfeited in the current year are due to performance conditions not being fully met.

Each option converts into one ordinary share in Attacq upon exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting. There is no option of cash settlement.

15. EARNINGS, HEADLINE EARNINGS AND NET ASSET VALUE PER SHARE

At 30 June 2019 the group had 703 495 224 shares in issue after adjusting for treasury shares, refer to note 29.

The calculation of headline earnings have been performed in accordance with Circular 4/2018.

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the group is based on the following data:

	2019			
Figures in R'000	Gross	Tax effect of the adjustments	Net	Total
Earnings for the purpose of earnings per share	(602 588)	–	(602 588)	(602 588)
Number of shares				
Weighted average number of ordinary shares for the purpose of earnings per share	703 311 279	–	703 311 279	703 311 279
Effect of dilutive potential ordinary shares: Share options	7 301 744	–	7 301 744	7 301 744
Weighted average number of ordinary shares for the purpose of diluted earnings per share	710 613 023	–	710 613 023	710 613 023
Earnings per share (cents)				
Basic	(85.68)	–	(85.68)	(85.68)
Diluted#	(85.68)	–	(85.68)	(85.68)
Headline profit for the purpose of headline earnings per share				
Total (loss) profit attributable to ordinary shareholders	(602 588)	–	(602 588)	(602 588)
Loss on disposal of associates	(14 550)	–	(14 550)	(14 550)
Profit on disposal of other investments	–	–	–	–
Loss on disposal of investment property	(11 095)	–	(11 095)	(11 095)
Impairment of associates and other investments	550 023	(104 713)	445 310	445 310
Fair value adjustments	665 974	(194)	665 780	665 780
Adjustments of measurements, included in the equity-accounted earnings of associates	(46 995)	41 205	(5 790)	(5 790)
Realisation of other comprehensive income	–	–	–	–
Impairment of intangible asset	61 871	(17 324)	44 547	44 547
Headline profit for the purpose of basic and diluted headline profit per share	602 640	(81 026)	521 614	521 614

Due to the fact that the group has generated a loss for the current year, the share options have an anti-dilutive impact, hence diluted earnings per share equates basic earnings per share.

Restated 2018			
Gross	Tax effect of the adjustments	Net	Total
2 703 280	–	2 703 280	2 703 280
702 989 909	–	702 989 909	702 989 909
5 594 993	–	5 594 993	5 594 993
708 584 902	–	708 584 902	708 584 902
384.54	–	384.54	384.54
381.50	–	381.50	381.50
2 703 280	–	2 703 280	2 703 280
(5 633)	–	(5 633)	(5 633)
2 612	(629)	1 983	1 983
(14 947)	–	(14 947)	(14 947)
51 197	(11 793)	39 404	39 404
(420 886)	11 393	(409 493)	(409 493)
(7 959)	5 834	(2 125)	(2 125)
(35 750)	–	(35 750)	(35 750)
–	–	–	–
2 271 914	4 805	2 276 719	2 276 719

15. EARNINGS, HEADLINE EARNINGS AND NET ASSET VALUE PER SHARE continued

Figures in R'000	2019 Gross	Tax effect of the adjustments	Net	Total
Number of shares				
Weighted average number of ordinary shares for the purpose of earnings per share	703 311 279	–	703 311 279	703 311 279
Effect of dilutive potential ordinary shares	7 301 744	–	7 301 744	7 301 744
Weighted average number of ordinary shares for the purpose of diluted earnings per share	710 613 023	–	710 613 023	710 613 023
Headline earnings per share (cents)				
Basic			74.17	74.17
Diluted			73.40	73.40
Net asset value per share (cents)				
Closing number of shares (adjusted for treasury shares)				703 495 224
NAVPS (adjusted for treasury shares) (cents)*				2 216

** Prior to converting to a REIT on 29 May 2018, Attacq used adjusted NAVPS as its key performance measurement. Subsequent to REIT conversion, the key performance measurement consequently changes to DEPS (note 4).*

Restated 2018			
Gross	Tax effect of the adjustments	Net	Total
702 989 909	–	702 989 909	702 989 909
5 594 993	–	5 594 993	5 594 993
708 584 902	–	708 584 902	708 584 902
		323.86	323.86
		321.31	321.31
			703 155 224
			2 424

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

16. INVESTMENT PROPERTY

	GROUP					
Figures in R'000	Develop-ment rights	Infra-structure and services	Land	Develop-ments under construc-tion	Completed develop-ments	Total
2019						
Cost						
Balance at 1 July 2018 restated	509 159	646 854	37 508	271 199	12 331 890	13 796 610
Additions	–	99 549	–	690 244	160 623	950 416
Capital expenditure	–	99 549	–	647 158	160 623	907 330
Borrowing cost capitalised	–	–	–	43 086	–	43 086
Transfer to provision for committed infrastructure	–	14 551	–	–	–	14 551
Transfer between components	(4 220)	(10 848)	–	(295 296)	310 364	–
Write-off of infrastructure costs	–	(923)	–	–	–	(923)
Transfer from PPE	–	–	–	–	23 700	23 700
Transfer from inventory	–	–	–	64 184	–	64 184
Transfer from (to) non-current assets held for sale	4 463	13 004	–	(53 017)	(86 718)	(122 268)
Balance at 30 June 2019	509 402	762 187	37 508	677 314	12 739 859	14 726 270
Fair value adjustment						
Balance at 1 July 2018 restated	370 165	–	(32 508)	75 242	5 581 636	5 994 535
(Loss) gain fair value adjustment	(384 119)	–	–	92 206	(373 197)	(665 110)
Transfer between components	(9 652)	–	–	(59 441)	69 093	–
Transfer from inventory	–			5 955	–	5 955
Transfer from non-current assets held for sale	10 176	–	–	–	9 718	19 894
Balance at 30 June 2019	(13 430)	–	(32 508)	113 962	5 287 250	5 355 274
Carrying amount at 30 June 2018	879 324	646 854	5 000	346 441	17 913 526	19 791 145
Carrying amount at 30 June 2019	495 972	762 187	5 000	791 276	18 027 109	20 081 544

16. INVESTMENT PROPERTY continued

Figures in R'000	Development rights	Infrastructure and services	Land	Developments under construction	Completed developments	Total
	GROUP					
2018						
Cost						
Balance at 1 July 2017 restated	545 992	710 873	37 508	1 385 475	10 107 454	12 787 302
Additions	–	15 942	–	511 760	208 496	736 198
Capital expenditure	–	15 942	–	467 090	208 496	691 528
Borrowing cost capitalised	–	–	–	44 670	–	44 670
Transfer to provision for committed infrastructure	–	25 476	–	–	–	25 476
Disposals	(9 803)	(29 715)	–	–	–	(39 518)
Transfer between components	(22 854)	(64 771)	–	(1 590 538)	1 678 163	–
Transfer (to) from inventory	(1 106)	(3 245)	–	3 161	–	(1 190)
Transfer (to) from non-current assets held for sale	(3 070)	(7 706)	–	(38 659)	337 777	288 342
Balance at 30 June 2018 restated	509 159	646 854	37 508	271 199	12 331 890	13 796 610
Fair value adjustment						
Balance at 1 July 2017 restated	513 975	–	(32 508)	213 491	4 761 666	5 456 624
(Loss) gain fair value adjustment	(48 923)	–	–	60 590	368 531	380 198
Disposals	(23 066)	–	–	–	–	(23 066)
Transfer between components	(59 753)	–	–	(201 998)	261 751	–
Transfer (to) from inventory	(2 796)			3 159	–	363
Transfer (to) from non-current assets held for sale	(9 272)	–	–	–	189 688	180 416
Balance at 30 June 2018 restated	370 165	–	(32 508)	75 242	5 581 636	5 994 535
Carrying amount at 30 June 2017 restated	1 059 967	710 873	5 000	1 598 966	14 869 120	18 243 926
Carrying amount at 30 June 2018 restated	879 324	646 854	5 000	346 441	17 913 526	19 791 145

The investment property is encumbered as per note 20.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

16. INVESTMENT PROPERTY continued

A register of investment properties, together with the title deeds relating to the owned investment properties are available for inspection at the registered office of the company:

ATT House, 2nd Floor
Maxwell Office Park
37 Magwa Crescent
Waterfall City
Waterfall

Figures in R'000	GROUP 2019	GROUP 2018
Development rights (AWIC)		
Gross valuation before held for sale	**987 175**	1 465 588
Transfer to assets held for sale	**(14 639)**	(22 103)
Independent gross valuers' valuation	**972 536**	1 443 485
Adjusted for – against fair value		
Cost to complete	**(269 824)**	(302 145)
Adjustment relating to the future rental obligation	**(206 740)**	(262 016)
Independent valuers' valuation – adjusted	**495 972**	879 324
The carrying amount of developments under construction are reconciled as follows:		
Balance at the beginning of the year	**879 324**	1 059 967
Net loss from fair value adjustment	**(384 119)**	(48 923)
Disposal	**–**	(32 869)
Transfer to developments under construction	**(13 872)**	(82 607)
Transfer to inventory	**–**	(3 902)
Transfer from (to) non-current assets held for sale	**14 639**	(12 342)
Balance at the end of the year	**495 972**	879 324

In 2009 AWIC entered into a purchase of development rights and lease agreements with WDC in terms of which it obtained the right to develop certain land parcels and to call for the registration of long-term lease agreements against the title deeds of the land parcels (it is anticipated that all the lease agreements will be registered within the foreseeable future).

The independent valuer's valuation was performed as at 30 June 2019 by applying the residual-land valuation model, taking into account obligations pursuant to the leasehold nature of the development rights.

The leasehold obligations are contingent on future net rentals as well as future disposals, and is calculated in line with the contractual terms of the leasehold development rights agreements as discussed in note 2.

The following unobservable inputs were used by the independent valuer in estimating the impairment test of the development rights:

- serviced land prices between R1 200 and R3 500 (2018: R1 200 and R3 500) per bulk/land area square metre, depending on services installed and intended usage;
- estimated capital outlays and professional fees as per independent quantity surveyor;
- provision for any additional costs, for example, agent's commission and marketing;
- an estimated development plan spanning one to 21 years (2018: 14 years); and
- discount rates for present value calculations between 16.29% and 16.88% (2018: 17.12% to 17.21%).

The deteriorating economic environment and lower tenant activity have caused the directors to take a more conservative view of the roll-out of the development activity.

16. INVESTMENT PROPERTY continued

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Figures in R'000	GROUP 2019	GROUP 2018
• An extension by one year of the estimated development plan	**(69 999)**	(104 049)
• An increase of 100 basis points in the discount rate:	**(25 780)**	(32 010)
gross valuation of development rights	**(50 592)**	(44 125)
present value of the future rental obligation	**24 812**	12 115
• A 10% movement in the serviced land prices	**95 907**	144 351
• A 10% movement in the estimated capital outlays	**(26 984)**	(30 215)

The effective date of the impairment test on the development rights was 30 June 2019. All independent valuers were registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. The valuers were as follows:

Sterling Valuation Specialists Closed Corporation

- B Eastman – Nat Dip Prop Val, MIV (SA), Registered Professional Valuer; and
- AS Smith – BSc (Hons) Property Studies, MIV (SA), Registered Professional Valuer.

AS Smith, B Eastman and Sterling Valuation Specialists are not connected to the group.

There was no change to the valuation technique from the prior year. The fair value of development rights is deemed to be level 3 as defined by IFRS 13: *Fair Value Measurements*.

For both years presented, Waterfall comprise remaining undeveloped development rights obtained relating to:

- remainder of LP 8 of portion 1/RE on the Farm Waterfall No 5;
- remainder of LP 9 of portion 1/RE on the Farm Waterfall No 5;
- remainder of LP 10 of portion 1/RE on the Farm Waterfall No 5;
- LP 10a of portion 1/RE on the Farm Waterfall No 5;
- remainder of LP 10b of portion 1/RE on the Farm Waterfall No 5;
- LP 12 of portion 1/RE on the Farm Waterfall No 5; and
- remainder of LP 22 of Portion 78 of the Farm Waterfall No 5.

For both years presented, the following development rights were classified as held for sale as per note 28:

- a portion of LP 8 of portion 1/RE on the Farm Waterfall No 5 (in the prior year);
- a portion of LP 9 of portion 1/RE on the Farm Waterfall No 5 (in the prior year); and
- a portion of LP 10 of portion 1/RE on the Farm Waterfall No 5.

Land (Le Chateau)

	2019	2018
Directors' valuation	**5 000**	5 000

The effective date of the last valuation performed was 30 June 2016. The valuation was performed by an independent valuer, A de Wet (member of the South African Institute of Valuers and registered as a Professional Associated Valuer with the SA Council for the Property Valuers Profession). A de Wet is not connected to the group and has recent experience in location and category of investment property being valued.

The valuation was based on:

- bulk rates for areas being unserviced and for which no building work have been identified/tenanted; and
- valuation of tenanted developments under construction.

The bulk areas were discounted to a net present value based on expected timelines for zoning.

The directors chose to value the property on a more conservative basis. Provision was made for the property market which has not improved and the state of the residential market for second homes. This judgement is based on their experience in the industry and the property movements within the Hartbeespoort area.

16. INVESTMENT PROPERTY continued

Figures in R'000	GROUP 2019	2018
Developments under construction		
The carrying amount of developments under construction are reconciled as follows:		
Balance at the beginning of the year	**346 441**	1 598 966
Transfer of cost from development rights	**4 220**	22 854
Transfer from infrastructure and services	**10 848**	64 771
Transfer of fair value from development rights	**9 652**	59 753
Additions	**690 244**	511 760
Net gain from fair value adjustment	**674 641**	219 445
Transfer to assets held for sale	**(53 017)**	(38 659)
Transfer from inventory	**70 139**	6 320
Transfer to completed developments	**(379 457)**	(1 939 914)
Independent valuers' valuation	**1 373 711**	505 296
Adjusted for – against fair value		
Cost to complete and stage of completion	**(582 435)**	(158 855)
Independent valuers' valuation – adjusted	**791 276**	346 441
Reconciled as follows:		
Cost	**677 314**	271 199
Fair value adjustments	**113 962**	75 242
Adjusted valuation	**791 276**	346 441

The following unobservable inputs were used by the independent valuers in estimating the fair value of the investment property:

	GROUP 2019 %	2018 %
Discount rate	**13.00 – 13.50**	13.50 – 14.00
Reversionary discount rate	**13.00 – 13.50**	13.50 – 14.00
Market capitalisation rate	**7.50 – 8.00**	7.50 – 8.00
Reversionary capitalisation rate	**7.50 – 8.00**	7.50 – 8.25
Expense growth	**6.50**	7.00
Income growth	**5.50**	6.00
Long-term vacancy rate	**0.50 – 2.00**	0.25 – 0.50

The estimated impact of a change in the following significant unobservable inputs would result in a change in the independent valuers' valuation as follows:

Figures in R'000	GROUP 2019	2018
A decrease of 50 basis points in the discount rate	**53 633**	10 362
An increase of 50 basis points in the discount rate	**(50 792)**	(9 918)
A decrease of 50 basis points in the reversionary capitalisation rate	**34 109**	9 890
An increase of 50 basis points in the reversionary capitalisation rate	**(29 921)**	(8 722)

16. INVESTMENT PROPERTY continued

The independent valuers' valuation of the following developments under construction represent the group's shareholding as they are being developed through a joint venture and/or undivided share:

- PwC Tower – 75.0%. The balance is held by PwC Waterfall Property Partnership (which has been completed in the prior year);
- Corporate Campus Phase 1 – 50.0%. The balance is held by Zenprop (which has been completed in the prior year);
- Corporate Campus Phase 2 – 50.0%. The balance is held by Zenprop (which has been completed in the current year);
- Corporate Campus Phase 3 – 50.0%. The balance is held by Zenprop;
- Cummins DC – 50.0%. The balance held by Zenprop was classified as held for sale in the prior year (which has been completed in the current year);
- Zimmer Biomet – 50.0%. The balance held by Sanlam Life was classified as held for sale in the prior year (which has been completed in the current year); and
- Deloitte – 50.0%. The balance is held by Dale Creek Investments.

Developments under construction are initially recognised at cost and subsequently remeasured to fair value. The fair value of development property is not always reliably determinable due to the properties being in the early stages of construction or where construction has not yet begun. Where fair value cannot be reliably determined, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost.

The value of developments under construction is determined with reference to the cost incurred to date plus a portion of the present value of the final anticipated fair value gain upon completion of the building. The final anticipated fair value gain upon completion of the buildings is the difference between the total costs of development and the fair value of the building at completion based on the independent valuer's valuation.

The portion of the present value of the anticipated fair value gain is determined with reference to the stage of completion of the building. The stage of completion of the building is determined with reference to the cost to date of the top structure and the total anticipated costs excluding the development rights (land).

The fair value of developments under construction is deemed to be level 3 as defined by IFRS 13: *Fair Value Measurements.*

As mentioned in the accounting policies, per note 1.10, if the fair value of a development under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or such construction is complete. In accordance with this, given the infancy of the following developments under construction in the prior year, such developments were carried at cost:

- River Creek JV (Deloitte head office);
- Ingress Phase 1; and
- Midi units.

Developments under construction are transferred to "Completed developments" on the date of practical completion as certified by the principal agent on the development.

Excluding the above mentioned developments in the prior year, developments under construction were fair valued as at 30 June 2019 using the discounted cash flow of future income streams method by independent valuers. This is in line with the prior year.

All independent valuers were registered in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000. For both years, the valuers were as follows:

Mills Fitchet Cape (Proprietary) Limited (formerly Wolffs Valuation Services (Proprietary) Limited)

- SA Wolffs – Professional Associated Valuer, Nat Dip Prop Val SAIV SACPVP.

Sterling Valuation Specialists Closed Corporation

- AS Smith – BSc Honours (Property Studies) Registered Professional Associated Valuer No 6937, MIVSA.

16. INVESTMENT PROPERTY continued

Figures in R'000	GROUP 2019	GROUP Restated 2018
Completed developments		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	**17 913 526**	14 869 120
Transfer from developments under construction	**379 457**	1 939 914
Transfer from PPE	**23 700**	–
Additions	**160 623**	208 496
Net (loss) gain from fair value adjustment	**(176 073)**	456 998
Straight-line lease income adjustment against fair value	**(197 124)**	(88 467)
Independent valuers' valuation	**18 104 109**	17 386 061
Adjusted for		
Transfer (to) from non-current assets held for sale	**(77 000)**	527 465
Independent valuers' valuation – adjusted	**18 027 109**	17 913 526
Reconciled as follows:		
Cost	**12 739 859**	12 331 890
Fair value adjustments	**5 287 250**	5 581 636
Adjusted valuation	**18 027 109**	17 913 526

The following unobservable inputs were used by the independent valuers in estimating the fair value of the investment property:

	GROUP 2019 %	GROUP Restated 2018 %
Discount rate	**11.75 – 14.00**	12.25 – 15.75
Reversionary discount rate	**11.75 – 14.00**	12.25 – 15.75
Market capitalisation rate	**6.25 – 9.75**	6.25 – 9.75
Reversionary capitalisation rate	**6.25 – 9.75**	6.25 – 9.75
Expense growth	**6.00 – 7.50**	7.00 – 7.50
Income growth	**2.00 – 6.00**	6.00
Long-term vacancy rate	**0.00 – 10.00**	0.00 – 5.00

The estimated impact of a change in the following significant unobservable inputs would result in a change in the independent valuers' valuation as follows:

Figures in R'000	GROUP 2019	GROUP Restated 2018
A decrease of 50 basis points in the discount rate	**565 938**	557 369
An increase of 50 basis points in the discount rate	**(542 767)**	(553 391)
A decrease of 50 basis points in the reversionary capitalisation rate	**693 271**	670 686
An increase of 50 basis points in the reversionary capitalisation rate	**(604 953)**	(602 928)

16. INVESTMENT PROPERTY continued

The independent valuers' valuation of the following completed developments represent the group's shareholding as they are being held through a joint venture and/or undivided share:

- Maxwell Office Park – 50.0%. The balance is held by The Moolman Group;
- Mall of Africa – 80.0%. The balance is held by ATT MOA 20 (a group entity of APH);
- PwC Tower – 75.0%. The balance is held by PwC Waterfall Property Partnership (which has been completed in the prior year);
- Corporate Campus Phase 1 – 50.0%. The balance is held by Zenprop (which has been completed in the prior year);
- Corporate Campus Phase 2 – 50.0%. The balance is held by Zenprop (which has been completed in the current year);
- Cummins DC – 50.0%. The balance is held by Zenprop (which has been completed in the current year);
- Zimmer Biomet – 50.0%. The balance is held by Sanlam Life (which has been completed in the current year);
- Eikestad Mall – 80.0%. The balance is held by Key Capital; and
- Brooklyn Mall – 25.0%. The balance is held by Growthpoint.

The fair value of completed developments is deemed to be a level 3 as defined by IFRS 13: *Fair Value Measurements*.

Completed developments were valued as at 30 June 2019 using discounted cash flow of the future income streams method by independent valuers, with the exception of 2 Eglin, Sunninghill, that was valued using an income capitalisation and the Torre Industries building that was measured at the realisable value. Save for 2 Eglin, Sunninghill and the Torre Industries building, this is in line with the prior year.

Future cash flows used in determining the discounted cash flows are determined with reference to the signed leases between the group and tenants. Discount, capitalisation and vacancy rates used in the estimate are determined by independent experts.

All independent valuers were registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. For both years, the valuers were as follows:

Mills Fitchet Cape (Proprietary) Limited (formerly Wolffs Valuation Services (Proprietary) Limited)

- SA Wolffs – Professional Associated Valuer, Nat Dip Prop Val SAIV SACPVP.

Sterling Valuation Specialists Closed Corporation

- M Smit – Nat Dip (Property Valuation) Registered Professional Valuer No 3420, MIVSA.
- B Eastman – Nat Dip (Property Valuation) Registered Professional Associated Valuer No 4582, MIVSA.
- AS Smith – BSc Honours (Property Studies) Registered Professional Associated Valuer No 6937, MIVSA.

Eris Property Group Proprietary Limited

- S Khumalo – Advanced Diploma in Property Valuation and Management, Registered Professional Associated Valuer.

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Set out below is the associated company of the group as at 30 June 2019, which, in the opinion of the directors, is material to the group. The associated company as set out below has ordinary shares, which are held directly by the group. The country of incorporation is not the principal place of business.

Name of associate	MAS
Principal activity	Real estate investment company
Place of incorporation	British Virgin Islands
Principal place of business	Isle of Man

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
Proportion of ownership/voting rights held by the group	**23.03%**	23.03%	**0.00%**	0.00%

The above associate is accounted for using the equity method in these consolidated AFS.

During the prior year, the investment in MAS was disposed of to AIM (wholly owned subsidiary of Attacq).

Summarised financial information in respect of the group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS (adjusted by the group for equity accounting purposes).

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
MAS				
Current assets	**4 602 923**	3 891 256	**–**	–
Non-current assets	**17 785 156**	14 632 297	**–**	–
Current liabilities	**(2 940 229)**	(1 270 279)	**–**	–
Non-current liabilities	**(5 505 164)**	(3 553 552)	**–**	–
Revenue	**1 134 138**	665 774	**–**	–
Profit from continuing operations	**1 001 481**	296 538	**–**	–
Profit for the year	**1 001 481**	296 538	**–**	–
Other comprehensive loss for the year	**(21 668)**	(18 526)	**–**	–
Total comprehensive income for the year	**979 814**	278 012	**–**	–
Dividends received from MAS Real Estate Inc. during the year	**185 637**	151 041	**–**	–

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

The reconciliation of the summarised financial information to the carrying amount of the interest in MAS recognised in the consolidated AFS is as follows:

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
MAS				
Balance at the beginning of the year	**3 145 828**	2 729 308	**–**	3 401 778
Additions	**–**	15	**–**	–
Transfer of investment in MAS to AIM	**–**	–	**–**	(3 365 073)
Fair value adjustment through other comprehensive income	**–**	–	**–**	(36 705)
Share of retained profits and other comprehensive income (loss) for the year	**37 666**	416 505	**–**	–
Share of retained profits	**204 037**	68 774	**–**	–
Share of other comprehensive loss	**(5 048)**	(5 165)	**–**	–
FCTR	**24 314**	503 937	**–**	–
Dividends	**(185 637)**	(151 041)	**–**	–
Balance at the end of the year	**3 183 494**	3 145 828	**–**	–
Reconciled as follows:				
Cost	**2 336 718**	2 336 718	**–**	–
Share of retained profits	**392 557**	188 520	**–**	–
Other comprehensive income since acquisition	**269 229**	274 277	**–**	–
Foreign currency translation effect	**770 673**	746 359	**–**	–
Dividends paid	**(585 683)**	(400 046)	**–**	–
Balance at the end of the year	**3 183 494**	3 145 828	**–**	–

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

MAS' closing balance was converted on 30 June 2019 at the spot euro rate of R16.11.

The shareholding in MAS of 23.03% (2018: 23.03%) (excluding treasury shares) is based on MAS's issued shares after adjusting for MAS's treasury shares. Attacq's shareholding based on MAS' total issued shares as at 30 June 2019 is 22.8% (2018: 22.8%) (including treasury shares).

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
Carrying amount of the group's interest in associates and joint ventures				
MAS	**3 183 494**	3 145 828	**–**	–
Aggregate amount of other associates and joint ventures that are not individually material	**34 217**	248 680	**34 217**	109 113
Gruppo	**–**	47 948	**–**	–
Wingspan	**32 004**	40 121	**32 004**	40 121
EAJV	**–**	89 862	**–**	–
Nieuwtown	**–**	48 946	**–**	48 946
Majestic	**–**	16 710		16 710
Other associates and joint ventures	**2 213**	5 093	**2 213**	3 336
Balance at the end of the year	**3 217 711**	3 394 508	**34 217**	109 113
Net income from associates and joint ventures				
MAS	**204 037**	68 774	**–**	–
Aggregate amount of other associates and joint ventures that are not individually material	**(79 267)**	9 318	**–**	–
Gruppo	**(1 322)**	(957)	**–**	–
Mall of Namibia	**–**	1 865	**–**	–
Artisan Development	**–**	11 074	**–**	–
Wingspan	**(8 117)**	(4 164)	**–**	–
EAJV	**(759)**	6 910	**–**	–
Majestic	**(16 710)**	4 306		–
Nieuwtown	**(48 946)**	(7 920)	**–**	–
Other associates and joint ventures	**(3 413)**	(1 796)	**–**	–
Total	**124 770**	78 092	**–**	–

The directors have assessed the investments in associates relating to Gruppo to be impaired by R48.2 million (2018: R25.2 million) which has been recognised in the statement of profit or loss and other comprehensive income under "other expenses". This was as a result of the negative performance of the underlying investment property and negative trading conditions in Nigeria. This forms part of the "Rest of Africa" segment (refer to note 4). The net asset values of the group's interests in the underlying investments are deemed to approach the fair value less cost to sell. The recoverable amount of the investment in Gruppo has been based on the net asset value of the underlying entity.

The investment in EAJV was disposed of during the current year.

The investments in Mall of Namibia and Artisan Development were disposed of during the prior year.

Refer to note 40 for the interest in direct associates.

The group's equity accounts for its investments in associates and joint ventures.

The fair value of the company's investments in associates and joint ventures is determined with reference to the net asset value of the underlying associates and joint ventures.

The fair value hierarchy of investments in associates is deemed to be level 2 as defined by IFRS 13: *Fair Value Measurements.*

There are no unobservable inputs identifiable that would have a significant impact on the fair value of the investments in associates and joint ventures.

18. OTHER FINANCIAL ASSETS AND LIABILITIES

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
Non-current assets	**386 709**	373 651	**–**	2 643
Loans and receivables	**347 118**	354 149	**–**	2 643
Derivative financial instruments	**39 591**	19 502	**–**	–
Current assets	**32 656**	16 308	**3 130**	–
Loans and receivables	**32 656**	16 308	**3 130**	–
Other financial assets	**419 365**	389 959	**3 130**	2 643
Non-current liabilities	**(268 112)**	(126 865)	**–**	–
Derivative financial instruments	**(268 112)**	(126 865)	**–**	–
Current liabilities	**(29 439)**	(21 049)	**–**	–
Loans and payables	**(24 681)**	(21 049)	**–**	–
Derivative financial instruments	**(4 758)**	–	**–**	–
Other financial liabilities	**(297 551)**	(147 914)	**–**	–

The group recognised unfavourable fair value adjustments on derivative financial instruments measured at FVPL of R135.8 million (2018: favourable R41.3 million).

The company recognised favourable fair value adjustments on derivative financial instruments measured at FVPL of R14.0 million in the prior year.

Interest rates applicable to the group are fixed at a rate that ranges from 7.05% to 10.51% (2018: 7.21% to 9.24%). These derivative financial instruments expire on dates ranging from October 2019 to June 2030 (2018: January 2019 to June 2030).

Refer to note 21 for the information relating to risk management.

The fair value of derivative financial instruments is deemed to be level 2 as defined by IFRS 13: *Fair Value Measurements*.

The fair value of loans receivable and loans payable is deemed to be level 2 as defined by IFRS 13: *Fair Value Measurements*.

The fair value of derivative financial instruments including loans receivable and loans payable is determined annually as the difference in the net present value of future cash flows on the mortgage bond at the floating and fixed rates. The difference is recognised as an asset or liability.

Future cash flows used in determining the discounted cash flows are determined with reference to forward interest rates, from observable yield curves at the end of the reporting period, and contract interest rates, discounted at rates that reflect the credit risk of various counterparties.

During the current year, there has been no movement relating to fair value hierarchy with respect to the other financial assets and liabilities listed above.

18. OTHER FINANCIAL ASSETS AND LIABILITIES continued

	2019				
Figures in R'000	Balance at the beginning of the year	Fair value adjustment through profit or loss	Additions/ derivatives realised/ novated	Unrealised foreign exchange gains	Balance at the end of the year
GROUP					
Derivative financial instruments					
At fair value through profit or loss					
Absa	(9 979)	(14 115)	–	–	(24 094)
Investec	–	–	–	–	–
Nedbank	(78 832)	(104 882)	142	9 484	(174 088)
PwC Partnership*	14 347	15 760	–	–	30 107
RMB	(13 049)	(11 726)	–	–	(24 775)
Standard Bank	(19 850)	(20 579)	–	–	(40 429)
Total	(107 363)	(135 542)	142	9 484	(233 279)
Derivative financial assets					39 591
Current					–
Non-current					39 591
Derivative financial liabilities					(272 870)
Current					(4 758)
Non-current					(268 112)
Total					(233 279)

* *This swap is recognised on a back-to-back basis based on the external swap agreement with Nedbank.*

2018 restated			
Balance at the beginning of the year	Fair value adjustment through profit or loss	Additions/ derivatives realised/ novated	Balance at the end of the year
(16 718)	6 739	–	(9 979)
983	(983)	–	–
(92 125)	13 555	(262)	(78 832)
13 291	1 056	–	14 347
(18 201)	5 152	–	(13 049)
(35 019)	15 169	–	(19 850)
(147 789)	40 688	(262)	(107 363)
			19 502
			–
			19 502
			(126 865)
			–
			(126 865)
			(107 363)

18. OTHER FINANCIAL ASSETS AND LIABILITIES continued

GROUP Derivative financial instruments comprise the following:	Fixed rate (%)	Expiry date	2019 Notional amount R'000	2019 Mark-to-market R'000	2018 Restated Notional amount R'000	2018 Restated Mark-to-market R'000
Nedbank interest rate swaps						
ARF	7.64	October 2022	**125 000**	**(2 814)**	125 000	1 000
ARF	7.44	February 2020	**600 000**	**(2 325)**	600 000	(1 687)
ARF	7.44	January 2022	**75 000**	**(1 221)**	–	–
AWIC	7.59	January 2019	**–**	**–**	300 000	(1 532)
AWIC	7.95	December 2024	**64 507**	**(2 252)**	66 561	(107)
AWIC	8.11	September 2025	**78 020**	**(3 120)**	80 933	(551)
AWIC*	8.71	June 2030	**1 095 850**	**(97 440)**	1 075 888	(45 046)
AWIC	7.57	September 2023	**31 243**	**(847)**	33 013	(67)
AWIC	7.76	September 2025	**40 119**	**(1 407)**	41 112	(32)
AWIC	8.14	April 2021	**500 000**	**(12 330)**	500 000	(8 676)
AWIC	8.21	April 2021	**250 000**	**(6 490)**	250 000	(4 823)
AWIC	9.09	June 2030	**105 257**	**(12 167)**	103 316	(7 280)
AWIC	8.6	June 2030	**138 008**	**(10 822)**	137 323	(5 061)
AWIC	7.92	August 2021	**200 000**	**(4 903)**	200 000	(2 630)
AWIC	7.57	January 2019	**–**	**–**	455 022	(1 447)
AWIC	8.33	April 2025	**400 000**	**(17 486)**	–	–
AWIC	7.42	January 2022	**300 000**	**(4 764)**	–	–
Lynnwood Bridge	7.05	February 2020	**310 000**	**(423)**	310 000	998
Lynnwood Bridge	7.81	February 2023	**72 015**	**(2 761)**	–	–
Lynnwood Bridge#	8.52	May 2021	**–**	**–**	310 000	(1 891)
Total				**(183 572)**		(78 832)
Standard Bank interest rate swaps						
ARF	7.05	February 2020	**170 000**	**(230)**	170 000	529
ARF	7.32	October 2019	**250 000**	**(316)**	250 000	(601)
ARF#	7.99	June 2020	**–**	**–**	250 000	(3 222)
ARF	7.38	June 2020	**250 000**	**(1 463)**	250 000	(365)
ARF	7.44	January 2022	**75 000**	**(1 194)**	–	–
ARF	7.27	January 2022	**97 500**	**(1 179)**	–	–
ARF	7.78	February 2022	**250 000**	**(6 252)**		
Lynnwood Bridge	7.25	September 2021	**74 758**	**(803)**	74 758	621
AIH International	(0.10)	February 2019	**–**	**–**	320 768	(1 714)
AWIC	7.28	May 2019	**–**	**–**	35 376	(40)
AWIC	7.83	January 2022	**62 760**	**(1 601)**	–	–
AWIC	7.90	October 2020	**44 200**	**(632)**	46 000	(498)
AWIC	8.26	July 2021	**73 300**	**(2 122)**	74 000	(1 503)
AWIC	8.23	August 2021	**166 950**	**(5 031)**	169 750	(3 342)
AWIC	8.80	July 2022	**260 000**	**(13 991)**	260 000	(10 390)
AWIC	7.84	December 2021	**69 976**	**(1 750)**	69 976	(586)
AWIC	7.62	December 2021	**30 000**	**(598)**	30 000	(47)
AWIC	7.43	September 2021	**35 376**	**(517)**	32 411	135
AWIC	7.96	July 2020	**–**	**–**	27 188	(304)
AWIC	8.05	August 2020	**–**	**–**	31 500	(394)
AWIC	7.21	December 2020	**381 000**	**(2 750)**	381 000	1 871
Total				**(40 429)**		(19 850)

18. OTHER FINANCIAL ASSETS AND LIABILITIES continued

GROUP Derivative financial instruments comprise the following:	Fixed rate (%)	Expiry date	2019 Notional amount R'000	2019 Mark-to-market R'000	2018 Restated Notional amount R'000	2018 Restated Mark-to-market R'000
PwC Partnership interest rate swaps*						
AWIC	8.71	June 2030	**273 963**	**24 359**	268 972	11 262
AWIC	9.09	June 2030	**26 314**	**3 042**	25 829	1 820
AWIC	8.6	June 2030	**34 502**	**2 706**	34 331	1 265
Total				**30 107**		14 347
RMB interest rate swaps						
AWIC	8.70	January 2022	**263 940**	**(12 847)**	262 913	(10 831)
AWIC	10.51	August 2022	**222 948**	**(6 310)**	222 948	(1 549)
Lynnaur	9.73	April 2023	**392 804**	**(5 618)**	370 021	(669)
Total				**(24 775)**		(13 049)
Absa interest rate swaps						
ARF	8.08	March 2022	**100 000**	**(2 463)**	100 000	(478)
ARF	8.43	March 2021	**–**	**–**	100 000	(2 459)
ARF	8.02	July 2021	**150 000**	**(3 971)**	150 000	(2 543)
ARF	7.28	January 2022	**52 500**	**(663)**	–	–
ARF	8.13	March 2023	**100 000**	**(4 162)**	–	–
ARF	7.64	October 2022	**125 000**	**(2 799)**	–	–
Lynnwood Bridge	8.46	March 2021	**–**	**–**	150 000	(3 782)
Lynnwood Bridge	7.74	March 2022	**150 000**	**(3 694)**	150 000	(717)
Lynnwood Bridge	8.15	March 2023	**150 000**	**(6 342)**	–	–
Total				**(24 094)**		(9 979)

GROUP Derivative financial instruments comprise of the following:	FEC rate (R)	Expiry date	2019 Notional amount EUR'000	2019 Mark-to-market EUR'000	2018 Restated Notional amount EUR'000	2018 Restated Mark-to-market EUR'000
Nedbank FEC						
AIM	18.77	October 2019	**3 461**	**8 161**	–	–
AIM	16.68	October 2019	**1 642**	**506**	–	–
AIM	17.29	March 2020	**2 660**	**817**	–	–
Total				**9 484**		–

 # These swaps were early renewed.

** This swap is recognised on a back-to-back basis based on the external swap agreement with Nedbank.*

18. OTHER FINANCIAL ASSETS AND LIABILITIES continued

Figures in R'000	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate
GROUP				
Loans and receivables/(payables)				
APD	Head office SA	Stage 1	None	None
Brand Group	Retail	Stage 3	None	None
Cummins	Industrial	Stage 1	December 2028	12.5%
Zimmer	Industrial	Stage 1	August 2023	12.5%
Key Capital	Retail	Stage 1	None	SA Prime
Key Capital	Retail	Stage 1	March 2022	SA Prime + 0.5%
Ghana	Head office global	Stage 3	None	None
PwC Waterfall Property Partnership*	Office and mixed use	Stage 1	June 2030	1-month JIBAR linked
Zenprop	Office and mixed use	Stage 1	February 2020	None
Zenprop	Office and mixed use	Stage 1	February 2019	None
Zenprop	Office and mixed use	Stage 1	June 2019	None
Barrow	Head office SA	Stage 1	July 2019	None
Power of Trading	Retail	Stage 1	November 2022	SA Prime
ESD	Head office SA	Stage 1	June 2020	None
NESA Capital	Head office SA	Stage 1	None	None
In Coatings	Head office SA	Stage 1	June 2020	None
Ndzilo	Head office SA	Stage 1	June 2020	None
Twin Cities	Head office SA	Stage 1	June 2020	None
Thatego	Head office SA	Stage 1	June 2020	None
Total				
Loans and receivables				
Non-current				
Current				
Loans and payables				
Non-current				
Current				
Total				

The ECL of R8.4 million (2018: R8.4 million) was recognised for the loan to Brand Group due to the arbitration process underway.

The ECL of R1.6 million (2018: R1.6 million) was recognised for the loan to Ghana due to the uncertainty around the recoverability of the amount.

The other ECLs of R0.6 million (2018: R0.0 million) were recognised based on a discounted probability of default and loss given default.

ECLs of R3.1 million were reversed in the current year (2018: R0.0 million). Refer to note 8.

No other expected credit losses were recognised on loans receivable in the current and prior financial year.

** This loan earns interest on a back-to-back basis based on the external funding from Nedbank at 1-month JIBAR and margins of 2.09%, 2.33% and 2.63% (refer to note 20).*

2019			2018 Restated		
Loan amount	**ECL**	**Total**	Loan amount	Impairment	Total
(2 248)	–	(2 248)	(2 248)	–	(2 248)
8 381	(8 381)	–	8 381	(8 381)	–
6 893	(17)	6 876	–	–	–
2 413		2 413	–	–	–
13 221	(15)	13 206	–	–	–
9 027	(11)	9 016	10 609	–	10 609
1 649	(1 649)	–	1 649	(1 649)	–
332 184	(399)	331 785	331 726	–	331 726
11 400	(150)	11 250	11 400	–	11 400
–	–	–	11 400	–	11 400
–	–	–	(12 807)	–	(12 807)
(22 433)	–	(22 433)	(5 994)	–	(5 994)
2 098	–	2 098	2 679	–	2 679
943	–	943	943	–	943
488		488	–	–	–
500	–	500	500	–	500
550	–	550	550	–	550
150	–	150	150	–	150
500	(1)	499	500	–	500
365 716	(10 623)	355 093	359 438	(10 030)	349 408
390 246	(10 472)	379 774	380 487	(10 030)	370 457
347 118	–	347 118	354 149	–	354 149
43 128	(10 472)	32 656	26 338	(10 030)	16 308
(24 681)	–	(24 681)	(21 049)	–	(21 049)
–	–	–	–	–	–
(24 681)	–	(24 681)	(21 049)	–	(21 049)
365 565	(10 472)	355 093	359 438	(10 030)	349 408

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

18. OTHER FINANCIAL ASSETS AND LIABILITIES continued

Figures in R'000	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate
COMPANY				
Loans and receivables/(payables)				
ESD	Head office SA	Stage 1	June 2020	None
NESA Capital	Head office SA	Stage 1	None	None
In Coatings	Head office SA	Stage 1	June 2020	None
Ndzilo	Head office SA	Stage 1	June 2020	None
Twin Cities	Head office SA	Stage 1	June 2020	None
Thatego	Head office SA	Stage 1	June 2020	None
Total				
Loans and receivables				
Non-current				
Current				
Total				

The other ECL was recognised based on a discounted probability of default and loss given default.

The fair value of loans receivable and loans payable is deemed to be level 3 as defined by IFRS 13: *Fair Value Measurements*.

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances is determined with reference to the carrying value and the net asset value of the underlying investments.

	2019			2018 Restated		
	Loan amount	ECL	Total	Loan amount	Impairment	Total
	943	–	943	943	–	943
	488		488	–	–	–
	500	–	500	500	–	500
	550	–	550	550	–	550
	150	–	150	150	–	150
	500	(1)	499	500	–	500
	3 131	(1)	3 130	2 643	–	2 643
	3 130	(1)	3 129	2 643	–	2 643
	–	–	–	2 643	–	2 643
	3 130	(1)	3 129	–	–	–
	3 130	(1)	3 129	2 643	–	2 643

19. LOANS TO ASSOCIATES AND JOINT VENTURES

Figures in R'000	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate
GROUP				
Loans to associates and joint ventures				
AttAfrica	Head office global	Stage 3	December 2020	8.0%
EAJV	Industrial	Stage 1	None	None
Gruppo	Head office global	Stage 2	None	10.8%
fatti 365	Head office SA	Stage 3	None	None
fatti Attacq	Head office SA	Stage 3	None	None
Fountains Regional Mall	Head office SA	Stage 3	None	None
AttAfrica SA	Head office SA	Stage 1	None	None
Kompasbaai	Head office SA	Stage 2	None	None
JV15	Waterfall developments	Stage 1	None	None
JV115	Waterfall developments	Stage 2	None	None
Nieuwtown				
Nieuwtown in parity loan	Head office SA	Stage 2	April 2042	None
Nieuwtown out of parity loan	Head office SA	Stage 2	October 2020	Prime
Nieuwtown out of parity loan	Head office SA	Stage 3	October 2020	Prime
Balance at the end of the year				
Loans to associates and joint ventures				
Non-current				
Current				
Total				

The ECL of R589.0 million (2018: R166.6 million) was recognised based on the PV of the NAV expected to be realised over time and discounted by the interest rate of the loan over the expected realisation period of the underlying properties. The NAV is based on AttAfrica's financial statements and is based on independent valuations adjusted by management to reflect what could be received if the property is sold. A subordination in favour of external funders is in place at 30 June 2019. Due to an increase in risk, driven by the performance of the underlying properties, the loan was classified as a stage 3 from a stage 2 on 30 June 2019.

The ECL of R1.4 million (2018: R0.0 million) was recognised for the loan to Gruppo due to the negative net asset value of the entity. The recoverable amount of the loan has been based on the net asset value of the underlying entity. A subordination in favour of external funders is in place at 30 June 2019.

The impairment loss of R13.2 million in the prior year was recognised for the loan to fatti 365 due to the uncertainty around the recoverability of the amount.

The impairment loss of R9.9 million in the prior year was recognised for the loan to fatti Attacq due to the uncertainty around the recoverability of the amount.

The ECL of R3.2 million (2018: R3.1 million) was recognised for the loan to Fountains Regional Mall, R1.9 million (2018: R0.9 million) was recognised for the loan to Kompasbaai and R35.2 million (2018: R0.0 million) was recognised for the loan to JV115 based on a discounted probability of default and loss given default.

The ECL of R62.7 million (2018: R0.0 million) was recognised for the loan to Nieuwtown based on a discounted probability of default and loss given default. An amount of R112.4 million was written off in the prior year. A subordination agreement was in place that states the loan will not be called until April 2042 during the prior year. The amount of the in-parity loan reflects the present value of the loan. Due to an increase in risk, driven by the performance of the underlying properties, a portion of the out-of-parity loan was classified as a stage 3 from a stage 2 on 30 June 2019.

Impairments of R0.2 million were reversed in the current year (2018: R2.3 million). Refer to note 8.

For all of the ECLs relating to the loans, refer to note 1.13 for the accounting policy relating to impairments of financial assets and to note 2 for the judgements applied by the directors.

2019 Loan amount	2019 ECL	2019 Total	2018 Restated Loan amount	2018 Restated Impairment	2018 Restated Total
951 561	**(589 016)**	**362 545**	953 911	(166 607)	787 304
–	**–**	**–**	1 201	–	1 201
278 346	**(1 447)**	**276 899**	257 225	–	257 225
–	**–**	**–**	13 243	(13 243)	–
–	**–**	**–**	9 938	(9 938)	–
3 208	**(3 199)**	**9**	3 431	(3 114)	317
414	**–**	**414**	414	–	414
3 523	**(1 917)**	**1 606**	2 979	(896)	2 083
–	**–**	**–**	36 579	–	36 579
146 868	**(35 248)**	**111 620**	105 467	–	105 467
303 235	**(62 724)**	**240 511**	271 349	–	271 349
7 520	**(3 019)**	**4 501**	4 064	–	4 064
147 858	**(946)**	**146 912**	133 643	–	133 643
147 857	**(58 759)**	**89 098**	133 642	–	133 642
1 687 155	**(693 551)**	**993 604**	1 655 737	(193 798)	1 461 939
1 687 155	**(693 551)**	**993 604**	1 655 737	(193 798)	1 461 939
1 533 142	**(653 187)**	**879 955**	1 482 485	(166 607)	1 315 878
154 013	**(40 364)**	**113 649**	173 252	(27 191)	146 061
1 687 155	**(693 551)**	**993 604**	1 655 737	(193 798)	1 461 939

19. LOANS TO ASSOCIATES AND JOINT VENTURES continued

Figures in R'000	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate
COMPANY				
Loans to associates				
fatti 365	Head office SA	Stage 3	None	None
fatti Attacq	Head office SA	Stage 3	None	None
Fountains Regional Mall	Head office SA	Stage 3	None	None
AttAfrica SA	Head office SA	Stage 1	None	None
Kompasbaai	Head office SA	Stage 2	None	None
Nieuwtown				
Nieuwtown in parity loan	Head office SA	Stage 2	April 2042	None
Nieuwtown out of parity loan	Head office SA	Stage 2	October 2020	Prime
Nieuwtown out of parity loan	Head office SA	Stage 3	October 2020	Prime
Balance at the end of the year				
Loans to associates and joint ventures				
Non-current				
Current				
Total				

The impairment loss of R13.2 million in the prior year was recognised for the loan to fatti 365 due to the uncertainty around the recoverability of the amount.

The impairment loss of R9.9 million in the prior year was recognised for the loan to fatti Attacq due to the uncertainty around the recoverability of the amount.

The ECL of R3.2 million (2018: R3.1 million) was recognised for the loan to Fountains Regional Mall and R1.9 million (2018: R0.9 million) was recognised for the loan to Kompasbaai based on a discounted probability of default and loss given default.

The ECL of R62.7 million (2018: R0.0 million) was recognised for the loan to Nieuwtown based on a discounted probability of default and loss given default. An amount of R112.4 million was written off in the prior year. A subordination agreement was in place that states the loan will not be called until April 2042 during the prior year. The amount of the in-parity loan reflects the present value of the loan. Due to an increase in risk, driven by the performance of the underlying properties, a portion of the out-of-parity loan was classified as a stage 3 from a stage 2 on 30 June 2019.

The fair value of loans to associates and joint ventures is deemed to be level 3 as defined by IFRS 13: *Fair Value Measurements.*

All loans to associates were assessed for ECL for 30 June 2019 and 30 June 2018. Refer to note 3 for the impact of the ECLs on the opening retained earnings.

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances is determined with reference to the carrying value and the net asset value of the underlying investments.

No collateral is held as security against the loans to associates and joint ventures.

2019			2018 Restated		
Loan amount	ECL	Total	Loan amount	Impairment	Total
–	–	–	13 243	(13 243)	–
–	–	–	9 938	(9 938)	–
3 208	(3 199)	9	3 431	(3 114)	317
414	–	414	414	–	414
3 523	(1 917)	1 606	2 979	(896)	2 083
303 235	(62 724)	240 511	271 349	–	271 349
7 520	(3 019)	4 501	4 064	–	4 064
147 858	(946)	146 912	133 643	–	133 643
147 857	(58 759)	89 098	133 642	–	133 642
310 380	(67 840)	242 540	301 354	(27 191)	274 163
310 380	(67 840)	242 540	301 354	(27 191)	274 163
303 235	(62 724)	240 511	271 349	–	271 349
7 145	(5 116)	2 029	30 005	(27 191)	2 814
310 380	(67 840)	242 540	301 354	(27 191)	274 163

20. LONG-TERM BORROWINGS

Figures in R'000	Interest rate	Maturity	Mortgage bond	Non-current	Current
GROUP					
2019					
Absa				631 000	455
ARF	3-month JIBAR + 1.65%	7 December 2020	1 082 744	236 165	168
ARF	3-month JIBAR + 1.90%	7 December 2022		222 358	163
Lynnwood Bridge	3-month JIBAR + 1.65%	7 December 2020		88 835	63
Lynnwood Bridge	3-month JIBAR + 1.90%	7 December 2022		83 642	61
BOC				–	53 986
Torre*	1-month JIBAR + 1.95%	4 November 2021	81 000	–	53 986
Investec				306 073	1 030
Brooklyn Bridge	Prime – 0.75%	31 December 2020	390 000	306 073	1 030
LibFin				300 000	216
ARF	3-month JIBAR + 1.75%	7 December 2022	514 775	217 998	157
Lynnwood Bridge	3-month JIBAR + 1.75%	7 December 2022		82 002	59
MMI				465 000	335
ARF	3-month JIBAR + 1.60%	7 December 2022	514 775	145 332	103
ARF	3-month JIBAR + 1.80%	9 December 2024		72 666	53
Lynnwood Bridge	3-month JIBAR + 1.60%	7 December 2022		54 668	39
Lynnwood Bridge	3-month JIBAR + 1.80%	9 December 2024		27 334	20
BMW	3-month JIBAR + 1.80%	28 June 2024	273 000	165 000	120
Nedbank				3 787 811	245 123
ARF	3-month JIBAR + 1.63%	7 December 2020	887 987	199 832	142
ARF	3-month JIBAR + 1.81%	9 December 2024		176 215	128
Lynnwood Bridge	3-month JIBAR + 1.63%	7 December 2020		75 168	53
Lynnwood Bridge	3-month JIBAR + 1.81%	9 December 2024		66 285	48
Mall of Africa	SA Prime – 1.50%	6 April 2021	4 750 000	699 912	4 195
Mall of Africa	SA Prime – 1.50%	6 May 2021		300 000	1 798
Mall of Africa	10,75%	6 April 2021		500 000	3 682
Mall of Africa PV	SA Prime – 0.78%	6 May 2021		61 479	399
Mall of Africa	SA Prime – 1.00%	6 May 2021		357 580	2 265
Mall of Africa	1-month JIBAR + 1.75%	6 February 2020		–	221 712
PwC Tower	1-month JIBAR + 2.09%	3 June 2030	1 432 000	1 096 140	7 324
PwC Annex	1-month JIBAR + 2.33%	3 June 2030		105 279	729
PwC Tower	1-month JIBAR + 2.63%	3 June 2030		137 231	2 648
Deloitte#	SA Prime – 0.50%	1 April 2020	900 000	12 690	-
Sub-total carried forward				5 489 884	301 145

 # These long-term borrowings are development loans that will convert into term loans during the 2020 financial year upon completion of the development.

** These long-term borrowings were classified as liabilities directly associated with non-current assets held for sale and will be settled upon transfer of the property (refer to note 28).*

20. LONG-TERM BORROWINGS continued

Figures in R'000	Interest rate	Maturity	Mortgage bond	Non-current	Current
GROUP					
2019					
Sub-total brought forward				5 489 884	301 145
OmsFin				475 000	338
ARF	3-month JIBAR + 1.55%	7 December 2020	815 061	181 665	118
ARF	3-month JIBAR + 1.75%	7 December 2022		163 499	128
Lynnwood Bridge	3-month JIBAR + 1.55%	7 December 2020		68 335	48
Lynnwood Bridge	3-month JIBAR + 1.75%	7 December 2022		61 501	44
RMB				791 000	6 742
Amrod	3-month JIBAR + 2.25%	1 December 2022	264 000	155 000	1 114
Corporate Campus	3-month JIBAR + 2.00%	3 October 2023	500 000	38 500	878
Corporate Campus	3-month JIBAR + 2.00%	2 May 2024		44 500	670
Accenture	3-month JIBAR + 2.00%	1 February 2024		31 000	467
Cummins	3-month JIBAR + 1.90%	1 March 2024	187 000	77 000	533
Aurecon	3-month JIBAR + 2.25%	2 December 2022	200 000	445 000	3 080
Sanlam Capital				313 295	1 805
Dischem (formerly K101 Warehouse)	1-month JIBAR + 2.25%	24 November 2022	80 000	61 500	325
AWIC consolidated	10.37%	10 November 2022	460 000	219 812	1 311
Massbuild Distribution Centre	1-month JIBAR + 2.25%	10 November 2022		31 983	169
Standard Bank				3 133 955	3 567
AIH International	3-month EURIBOR + 1.80%	31 July 2020	–	515 466	–
AIH International	3-month EURIBOR + 1.95%	30 July 2021	–	939 985	–
ARF	3-month JIBAR + 1.69%	7 December 2020	1 764 821	236 165	169
ARF	3-month JIBAR + 1.95%	7 December 2022		222 358	164
ARF	SA Prime – 1.70%	7 June 2021		288 848	203
Lynnwood Bridge	3-month JIBAR + 1.69%	7 December 2020		88 835	64
Lynnwood Bridge	3-month JIBAR + 1.95%	7 December 2022		83 642	62
Lynnwood Bridge	SA Prime – 1.70%	7 June 2021		108 652	76
AWIC consolidated	3-month JIBAR + 2.35%	30 November 2022	1 240 000	286 700	1 908
Gateway West building	3-month JIBAR + 2.30%	30 November 2022	365 000	270 000	207
The Ingress	SA Prime – 1.15%	27 November 2024	400 000	70 000	541
The Ingress	SA Prime – 1.50%	27 November 2024		23 304	173
Total				10 203 134	313 597

Notes to the financial statements CONTINUED

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20. LONG-TERM BORROWINGS continued

Figures in R'000	Interest rate	Maturity	Mortgage bond	Non-current	Current
GROUP					
2018 Restated					
Absa				630 999	132 863
ARF	3-month JIBAR + 1.65%	7 December 2020	1 310 103	236 165	111
ARF	3-month JIBAR + 1.90%	7 December 2022		222 358	108
ARF	3-month JIBAR + 1.50%	7 June 2019		–	96 327
Lynnwood Bridge	3-month JIBAR + 1.65%	7 December 2020		88 835	42
Lynnwood Bridge	3-month JIBAR + 1.90%	7 December 2022		83 641	41
Lynnwood Bridge	3-month JIBAR + 1.50%	7 June 2019		–	36 234
BOC				53 960	39
Torre	1-month JIBAR + 1.95%	4 November 2021	81 000	53 960	39
Investec				–	105 741
Brooklyn Bridge	10.95%	31 January 2019	350 000	–	105 741
LibFin				300 000	143
ARF	3-month JIBAR + 1.75%	7 December 2022	514 775	217 998	104
Lynnwood Bridge	3-month JIBAR + 1.75%	7 December 2022		82 002	39
MMI				465 000	221
ARF	3-month JIBAR + 1.60%	7 December 2022	514 775	145 332	68
ARF	3-month JIBAR + 1.80%	9 December 2024		72 666	35
Lynnwood Bridge	3-month JIBAR + 1.60%	7 December 2022		54 668	26
Lynnwood Bridge	3-month JIBAR + 1.80%	9 December 2024		27 334	13
BMW	3-month JIBAR + 1.80%	28 June 2024	273 000	165 000	79
Nedbank				4 254 435	158 125
ARF	3-month JIBAR + 1.63%	7 December 2020	1 115 346	199 832	94
ARF	3-month JIBAR + 1.81%	9 December 2024		176 215	85
ARF	3-month JIBAR + 1.45%	7 June 2019		–	96 327
Lynnwood Bridge	3-month JIBAR + 1.63%	7 December 2020		75 169	35
Lynnwood Bridge	3-month JIBAR + 1.81%	9 December 2024		66 285	32
Lynnwood Bridge	3-month JIBAR + 1.45%	7 June 2019		–	36 234
Mall of Africa	10.16%	6 May 2021	4 750 000	300 000	2 088
Mall of Africa	SA Prime – 1.50%	6 May 2021		1 199 884	6 895
Mall of Africa	10.75%	6 May 2021		500 000	3 682
Mall of Africa PV	SA Prime – 0.78%	6 May 2021	90 000	61 479	388
Mall of Africa	SA Prime – 1.00%	6 May 2021	–	357 581	2 204
PwC Tower	1-month JIBAR + 2.09%	3 June 2030	1 432 000	1 075 888	7 751
PwC Annex	1-month JIBAR + 2.33%	3 June 2030		103 316	765
PwC Tower	1-month JIBAR + 2.63%	3 June 2030		138 786	1 545
Sub-total carried forward				5 704 394	397 132

20. LONG-TERM BORROWINGS continued

Figures in R'000	Interest rate	Maturity	Mortgage bond	Non-current	Current
GROUP					
2018					
Restated					
Sub-total brought forward				5 704 394	397 132
OmsFin				475 001	224
ARF	3-month JIBAR + 1.55%	7 December 2020	815 061	181 665	85
ARF	3-month JIBAR + 1.75%	7 December 2022		163 499	78
Lynnwood Bridge	3-month JIBAR + 1.55%	7 December 2020		68 335	32
Lynnwood Bridge	3-month JIBAR + 1.75%	7 December 2022		61 502	29
RMB				600 000	4 182
Amrod	3-month JIBAR + 2.25%	1 December 2022	264 000	155 000	1 167
Aurecon	3-month JIBAR + 2.25%	2 December 2022	200 000	445 000	3 015
Sanlam Capital				313 294	1 707
Dischem (formerly K101 Warehouse)	1-month JIBAR + 2.25%	24 November 2022	80 000	61 500	301
AWIC consolidated	10.37%	10 November 2022	460 000	219 812	1 249
Massbuild Distribution Centre	1-month JIBAR + 2.25%	10 November 2022		31 982	157
Standard Bank				2 434 801	134 851
AIH International	6-month EURIBOR + 2.25%	29 November 2019	–	211 124	26
AIH International	6-month EURIBOR + 2.25%	29 November 2019	–	492 622	62
AIH International	6-month EURIBOR + 2.25%	29 November 2019	–	20 308	3
AIH International	6-month EURIBOR + 2.35%	29 November 2019	–	370 279	–
AIH International	6-month EURIBOR + 2.40%	29 November 2019	–	336 698	–
ARF	3-month JIBAR + 1.69%	7 December 2020	1 310 103	236 165	112
ARF	3-month JIBAR + 1.95%	7 December 2022		222 358	109
ARF	3-month JIBAR + 1.50%	7 June 2019		–	96 327
Lynnwood Bridge	3-month JIBAR + 1.69%	7 December 2020		88 835	42
Lynnwood Bridge	3-month JIBAR + 1.95%	7 December 2022		83 642	41
Lynnwood Bridge	3-month JIBAR + 1.50%	7 June 2019		–	36 234
AWIC consolidated	3-month JIBAR + 2.35%	30 November 2022	1 240 000	232 000	1 824
Gateway West building	3-month JIBAR + 2.30%	30 November 2022	365 000	140 770	71
Total				9 527 490	538 096

20. LONG-TERM BORROWINGS continued

The weighted average cost of debt in respect of the total group borrowings is 8.76% (2018: 8.90%).

Long-term borrowings are mainly at floating rates, of which 76.0% (2018: 98.0%) have economically been hedged to fixed rates. Refer to note 18 as well as note 21 for further detail of the group's interest rate swap agreements.

In respect of the AIH International long-term borrowings, the facilities are secured by way of a cession and pledge of MAS shares at a 2.8 times cover (2018: 2.9 times cover).

Long-term borrowings have been secured by mortgage loans over investment property to the value of R17.1 billion (2018: R16.9 billion).

Loan covenants were applicable to certain long-term borrowings. None of the covenants were breached during the year ended 30 June 2019.

Refer to note 35 for more details with regards to the suretyships/guarantees provided.

21. RISK MANAGEMENT

Changing market conditions expose the group to various financial risks, including interest rate, credit, and liquidity risks.

Although the group does not trade in financial instruments for speculative purposes, it does utilise derivative instruments to manage exposure to some of these risks.

The group finances its operations through a mixture of retained profits, bank borrowings and long-term borrowings.

There have been no significant changes during the year to the types of financial risks the group is exposed to nor to the measurement and management of these risks.

The board, through the ARC, is responsible for the group risk management.

The duties mandated by the board relating to the ARC are detailed in the report of the ARC.

The investment committee meets frequently to consider new opportunities for the group, including credit and interest risk relating to such opportunities and related financing structures.

Interest rate swap derivatives

The group has entered into interest rate swap contracts which obligates it to pay interest at a fixed rate on notional principal amounts and obligate it to receive interest at a variable rate on the same notional principal amounts. Under these agreements the group agrees with the counterparty to exchange at pre-determined intervals the difference between the fixed and variable interest amounts calculated on the notional principal amounts.

The interest rate swap derivatives have been valued using a market quoted swap curve as at 30 June 2019. This is consistent with the prior year.

The interest rate swap have been recognised in terms of IFRS 9: *Financial Instruments*, which requires that interest rate swaps be fair valued and mark to market at each reporting date.

Interest rate swaps exposed to credit risk as at 30 June 2019 are detailed in note 18.

Interest rate risk

The group's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit and loss.

The group makes use of interest rate derivatives and fixed rate borrowings to hedge its exposure to interest rate fluctuations. Refer to notes 18 and 20.

To hedge the fair value risk of fixed interest liabilities, the group uses interest rate swaps and fixes, thus hedging the fair value of the financial liabilities.

It is the policy of the group to enter into interest rate swap and fixed interest rate agreements with financial institutions to the extent that not less than 70.0% of its mortgaged liabilities are held at fixed interest rates (note 20). At 30 June 2019, 80.0% (2018: 98.0%) of drawn facilities and 78.7% (2018: 94.2%) of committed facilities, excluding revolving credit facilities, were hedged or fixed.

21. RISK MANAGEMENT continued

The group's exposure to fair value interest rate risk and cash flow risk can be summarised as follows:

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	2018
Borrowings				
Bank borrowings at fixed rates and hedged	**8 389 843**	9 481 782	**–**	–
Bank borrowings at variable rates	**2 126 888**	583 804	**–**	–
Interest rate swaps linked to JIBAR and prime rates (at fair value)	**272 870**	126 865	**–**	–
Total	**10 789 601**	10 192 451	**–**	–
The estimated impact of a 100 basis points increase in interest rates would have the following before tax impact on the profits of the group	**23 998**	7 107	**–**	–

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained.

The group's contractual maturity on non-derivative financial liabilities, based on undiscounted cash flows at year end, are as follows:

	GROUP					
Figures in R'000	Carrying amount	Within 1 year	1 – 2 years	2 – 5 years	>5 years	Total
2019						
Long-term borrowings	**10 462 745**	**1 023 400**	**4 995 714**	**5 085 239**	**2 239 463**	**13 343 816**
Other financial liabilities	**297 551**	**109 076**	**105 279**	**255 539**	**274 512**	**744 406**
Cash-settled share-based payments	**626**	**89**	**537**	**–**	**–**	**626**
Taxation payable	**1 228**	**1 228**	**–**	**–**	**–**	**1 228**
Trade and other payables	**389 690**	**389 690**	**–**	**–**	**–**	**389 690**
Non-current liabilities directly associated with assets held for sale	**53 986**	**53 986**	**–**	**–**	**–**	**53 986**
Total	**11 205 826**	**1 577 469**	**5 101 530**	**5 340 778**	**2 513 975**	**14 533 752**
2018 Restated						
Long-term borrowings	10 065 586	1 338 575	2 233 899	7 710 063	2 502 005	13 784 542
Other financial liabilities	147 914	25 782	5 875	57 356	58 144	147 157
Cash-settled share-based payments	1 306	747	559	–	–	1 306
Taxation payable	1 496	1 496	–	–	–	1 496
Trade and other payables	383 503	383 503	–	–	–	383 503
Total	10 599 805	1 750 103	2 240 333	7 767 419	2 560 149	14 318 004

21. RISK MANAGEMENT continued

	COMPANY					
Figures in R'000	Carrying amount	Within 1 year	1 – 2 years	2 – 5 years	>5 years	Total
2019						
Loans from subsidiaries	**390 483**	**1 469**	**389 014**	**–**	**–**	**390 483**
Trade and other payables	**8 596**	**8 596**	**–**	**–**	**–**	**8 596**
Total	**399 079**	**10 065**	**389 014**	**–**	**–**	**399 079**
2018						
Loans from subsidiaries	461 232	84 314	–	376 918	–	461 232
Trade and other payables	11 301	11 301	–	–	–	11 301
Total	472 533	95 615	–	376 918	–	472 533

Interest on the loan to subsidiary payable one – two years accrues interest at six-month EURIBOR + 2.4%. The interest is not paid by the company.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the group.

The group's cash and cash equivalents are placed with high credit quality financial institutions. Credit risk in respect of trade receivables is limited due to the spread of the customer base and credit approval processes.

The group's exposure to credit risk is primarily in respect of tenants and is influenced by the individual characteristics and risk profile of each tenant. The exposure to credit risk from tenants is mitigated by the spread of the tenant base. The granting of credit to tenants is made on application and is approved by the finance department and the property managers based on their credit assessment of new and existing tenants. Tenants are required to supply refundable lease deposits and/or bank guarantees and/or suretyships by their principals. As at 30 June 2019, the group did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for. In providing for impairments on tenant accounts, the group takes cognisance of guarantees delivered by tenants and/or their bankers as well as unencumbered assets of tenants and their principals which may be attached.

The group has some exposure in respect of loans granted where collateral has been requested. The financial position of the counterparties are considered when granting the loans and is also evaluated on an ongoing basis.

The carrying amounts of financial assets included in the statement of financial position represent the maximum exposure to credit risk in respect of these assets. The maximum credit exposure of interest rate swaps is represented by the fair value of these contracts.

Refer to note 25 for an analysis of the group's trade receivable's ageing, overdue accounts and impairments.

Insurance risk

The group is exposed to insurance risk primarily on its investment properties. The group has insured all its properties at estimated replacement values and against loss of income as a result of disrupted operations.

Foreign currency risk

The group is exposed to foreign exchange risks in the following investments:

The below is applicable to the current year:
- investment in MAS, of which the exposure is denominated in euros;
- investment in AIH International, of which the exposure is denominated in US dollar and euros;
- investment in AttAfrica, of which the exposure is denominated in US dollar;
- indirect investment in AttAfrica, of which the exposure is denominated in naira, kwacha and cedi; and
- investment in Gruppo, of which the exposure is denominated in US dollar.

21. RISK MANAGEMENT continued

The below is applicable to the prior year as these investments were disposed of during the current and/or prior financial year:

- asset swap agreement with Investec Securities relating to the acquisition of its investment in Stenham, of which the exposure is denominated in euros;
- investment in Mall of Namibia, of which the exposure is denominated in Namibian dollars;
- indirect investment in AttAfrica, of which the exposure is denominated in naira, kwacha and cedi; and
- investment in Artisan Development and Artisans Southport of which the exposure is denominated in British pounds.

The group's exposure is managed by diversifying its investments into various currency zones.

The group's most significant exposure to fluctuations in the foreign exchange rates are attributable to:

- the group's investment in MAS denominated in euro;
- the group's Standard Bank debt denominated in euro; and
- the group's loans to the foreign associates (through wholly owned subsidiary AIH International) denominated in US dollar.

The impact of a change in the exchange rates on the NAV of the group is as follows:

	GROUP	
Figures in R'000	**2019**	2018
A decrease of R1.00 to the US dollar	**(45 195)**	(76 003)
An increase of R1.00 to the US dollar	**45 195**	76 003
A decrease of R1.00 to the euro	**(287 660)**	(286 235)
An increase of R1.00 to the euro	**287 660**	286 235

The amount used to determine the impact of a movement in the US dollar exchange rate was the group's US dollar exposure relating to AttAfrica and Gruppo.

The amount used to determine the impact of a movement in the euro exchange rate was the group's euro exposure relating to the investment in MAS as well as the euro debt with Standard Bank.

The assumption was made that the balance does not materially differ from the balance reported at 30 June 2019.

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity balance. The group's overall strategy remains unchanged from 2018.

The capital structure of the group consists of net debt (borrowings as detailed in note 20 offset by cash and bank as detailed in note 27) and equity of the group (comprising issued capital, reserve, retained earnings and non-controlling interests as detailed in notes 41.1 and 29).

The group is not subject to any externally imposed capital requirements.

The board monitors the gearing ratio on an ongoing basis to achieve optimal value to the shareholders.

Notes to the financial statements CONTINUED

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22. GOODWILL

Figures in R'000	GROUP 2019	GROUP 2018
Cost		
Balance at the beginning of the year	**177 444**	177 444
Balance at the end of the year	**177 444**	177 444
Accumulated impairment losses		
Balance at the beginning of the year	**(109 670)**	(109 670)
Balance at the end of the year	**(109 670)**	(109 670)
Net carrying amount at the beginning of the year	**67 774**	67 774
Net carrying amount at the end of the year	**67 774**	67 774
The goodwill relates to the following cash-generating units:		
AMS	**67 774**	67 774
Total	**67 774**	67 774

The goodwill is not amortised but tested for impairment on an annual basis or when there are indications that the goodwill may be impaired.

For the impairment testing of the goodwill (including the asset management contract) the appropriate discount rate was determined as the WACC of 12.3% (2018: 12.3%). The WACC at 30 June 2019 was determined with reference to the post-tax cost of debt (6.9%) and the cost of equity (15.10%), based on market values, and is a 50.0% debt to 50.0% equity split.

Value in use of the goodwill, including the asset management contract, is calculated as the net present value of future cash flows derived from assets using cash flow projections which have been discounted at appropriate discount rates. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- the asset management agreement is an evergreen contract;
- CGU to which the goodwill, including the intangible, has been allocated is tested for impairment annually;
- the discounted cash flow method is used to determine the value in use of the CGU;
- the future cash flows are escalated at 7.0% per annum which is consistent with the prior year;
- the future cash flows of the CGU to which goodwill, including an intangible is allocated, is used as input in the discounted cash flow valuation over an initial five-year period, thereafter into perpetuity as this is an evergreen contract;
- the appropriate long-term growth rate is applied to the future cash flow of the CGU;
- the group has used a WACC of 12.3% to discount the future cash flows; and
- the selection of appropriate capitalisation rates to reflect the risks involved, i.e. the weighted average capitalisation rates of 7.52%.

The directors of the group have tested goodwill that is allocated to AMS for impairment as at 30 June 2019 and concluded that the goodwill is not impaired based on the following:

- no material impairment of the investment by the group in the underlying CGU; and
- the present value of the future discounted cash flows generated by the CGU exceeds the carrying value of the CGU.

The estimated impact of a change in the following significant unobservable inputs would result in a change in the impairment test as follows:

Figures in R'000	GROUP 2019	GROUP 2018
A decrease of 50 basis points in the discount rate	**5 014**	4 742
An increase of 50 basis points in the discount rate	**(4 898)**	(4 632)
A decrease of 50 basis points in the capitalisation rate	**14 432**	13 763
An increase of 50 basis points in the capitalisation rate	**(12 631)**	(12 033)

23. INTANGIBLE ASSETS

Figures in R'000	GROUP 2019	GROUP 2018
Cost		
Balance at the beginning of the year	**379 460**	379 460
Balance at the end of the year	**379 460**	379 460
Accumulated amortisation		
Balance at the beginning of the year	**(112 958)**	(88 921)
Amortisation expense	**(19 964)**	(24 037)
Impairment of Wi-Fi rights	**(61 871)**	–
Balance at the end of the year	**(194 793)**	(112 958)
Net carrying amount at the beginning of the year	**266 502**	290 539
Net carrying amount at the end of the year	**184 667**	266 502
The intangible assets consist of:		
• Asset management agreement	**184 667**	204 631
• Wi-Fi rights	**–**	61 871
Total	**184 667**	266 502
Asset management agreement intangible asset	**184 667**	266 502

Refer to note 22 for the assumptions used in testing intangible assets for impairment.

The asset management agreement intangible assets are amortised over 15 years and are tested for impairment on an annual basis or when there are indications that the intangible assets may be impaired.

The remaining amortisation period of the asset management agreement intangible assets at 30 June 2019 is nine years and three months (2018: 10 years and three months).

The asset management agreement intangible assets carrying value net of accumulated amortisation of R184.7 million (2018: R204.6 million) is included in the "Head office SA" segment. Refer to note 4.

Wi-Fi rights intangible asset

During the 2015 financial year, the group (through wholly owned subsidiary AWIC), acquired the Wi-Fi rights in relation to its developments over the Waterfall Farm from WIC. The rights allow AWIC to exploit certain multimedia and broadband-based services in respect of its developments.

During the current year the Wi-Fi rights were fully impaired due to uncertainty regarding the future income streams that could be generated from the Wi-Fi rights. An impairment of R61.9 million was recognised in "other expenses" (refer to note 10).

During the 2017 financial year, the directors changed their estimate relating to useful life of the Wi-Fi rights to be based on the roll-out/realisation tempo period of the Waterfall development rights pipeline. The Wi-Fi rights were amortised based on the roll-out/realisation tempo of the Waterfall development pipeline.

The Wi-Fi rights intangible asset's carrying value net of impairments and accumulated amortisation of R0.0 million (2018: R61.9 million) is included in the "Head office SA" segment. Refer to note 4.

24. DEFERRED TAX LIABILITIES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
The balances comprise:				
Deferred tax liabilities				
Investment property	**(264 391)**	(198 700)	**–**	–
Straight-line lease debtor	**–**	–	**–**	–
Tax losses available for set off against future taxable income	**231 636**	130 892	**78 780**	20 767
Fair value on investments	**(121 001)**	14 547	**(83 248)**	(93 044)
MAS equity accounting deferred taxation	**(138 520)**	(130 083)	**–**	–
Asset management agreements (refer to note 6)	**(51 707)**	(57 297)	**–**	–
Unrealised foreign exchange gains	**–**	(1 942)	**–**	(1 942)
Unrealised profit/losses on derivatives	**67 995**	29 603	**–**	–
Sale of inventory	**10 426**	17 026	**–**	–
Rental received in advance	**17 135**	15 220	**–**	–
Other temporary differences~	**9 888**	1 811	**4 468**	–
Balance at the end of the year	**(238 539)**	(178 923)	**–**	(74 219)
Reconciliation of deferred tax liability				
Balance at the beginning of the year	**(178 923)**	(1 927 068)	**(74 219)**	(1 120 075)
(Originating)/reversing temporary difference on investment property	**(62 094)**	1 785 133	**–**	–
Reversing temporary difference on straight-line lease debtor	**–**	203 834	**–**	–
(Originating)/reversing temporary difference on tax losses available for set off against future taxable income	**(40 202)**	(215 230)	**(83 248)**	20 767
Reversing temporary difference on revaluation of investments	**7 653**	25 073	**152 999**	1 020 486
(Originating) temporary difference on MAS equity accounting deferred	**(8 438)**	(93 297)	**–**	–
Reversing temporary difference on asset management agreements	**5 590**	5 593	**–**	–
Originating temporary difference on unrealised foreign exchange gains	**–**	8 520	**–**	8 520
Reversing (originating) temporary difference on unrealised profit/losses on derivatives	**33 210**	(9 578)	**–**	–
(Originating)/reversing temporary difference on sale of inventory	**(6 600)**	17 026	**–**	–
Reversing temporary difference on rental received in advance	**7 856**	37	**–**	–
Reversing/(originating) other temporary differences~	**3 409**	21 034	**4 468**	(3 917)
Balance at the end of the year	**(238 539)**	(178 923)	**–**	(74 219)

~ Mainly relates to ECL on trade and other receivables.

24. DEFERRED TAX LIABILITIES continued

Use and sales tax rate

CGT is not applicable on the sale of investment property and shares in a REIT or property company, in terms of section 25BB of the Income Tax Act applicable to REITs. Consequently, no deferred tax was raised on the fair value of investment property.

Allowances relating to immovable property cannot be claimed and if a REIT sells immovable property, the allowances claimed in the previous year will be recouped. A deferred taxation liability was raised in this respect.

Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to the shareholders but the deduction is limited to the taxable income. To the extent that no taxation will be payable in future as a result of the qualifying distribution, no deferred taxation was raised on items such as the straight-line lease income accrual.

Deferred taxation was recognised on the initial recognition of the asset management intangible asset. Refer to note 23: Intangible assets. The deferred taxation is released to profit or loss over the asset's useful life.

CGT is expected to be payable on disposal of the shares in MAS. Deferred taxation has been raised on the difference between the carrying amount of the equity-accounted investment in MAS and the tax base.

A deferred taxation asset has been recognised for the assessed losses to the extent that it is probable that taxable profit will be available against which the assessed losses can be utilised.

The applicable tax rates on timing differences are based on the directors' best estimate of the manner in which these timing differences will realise.

Deferred tax assets were not recognised as follows due to insufficient future taxable profits to utilise against the deferred tax assets:

- Lynnwood Bridge – R21.1 million (2018: R24.2 million) for R75.4 million (2018: R86.4 million) relating to the estimated assessed loss
- Micawber – R50.3 million (2018: R32.3 million) for R224.8 million (2018: R144.2 million) relating to the fair value adjustment of investment property
- Micawber – R2.5 million (2018: R0.0 million) for R8.2 million (2018: R0.0 million) relating to the estimated assessed loss
- Le Chateau – R2.6 million (2018: R2.6 million) for R9.4 million (2018: R9.4 million), relating to the estimated assessed loss
- Le Chateau – R6.7 million (2018: R6.7 million) for R29.7 million (2018: R29.7 million), relating to the fair value adjustment of investment property
- AMS – R22.0 million (2018: R21.1 million) for R78.6 million (2018: R75.2 million) relating to the estimated assessed loss
- AMS – R9.1 million (2018: R9.1 million) for R40.6 million (2018: R40.6 million) relating to the fair value of investments
- AWIC – R0.0 million (2018: R87.7 million) for R0.0 million (2018: R313.2 million) relating to the estimated assessed loss.

25. TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less expected credit losses. Discounting is omitted where the effect of discounting is immaterial.

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
Lease receivables	**22 753**	14 186	**–**	3
Municipal receivables	**57 128**	60 099	**–**	–
Deposits	**16 537**	14 793	**38**	38
Other receivables	**16 414**	18 778	**1 940**	1 869
Development receivables	**46 009**	43 239	**–**	
Sale of inventory receivables	**63 422**	62 368	**–**	
Prepayments	**9 687**	5 015	**426**	426
Value added tax	**584**	320	**–**	–
ECL on trade receivables	**(12 881)**	(4 843)	**–**	–
ECL on other receivables	**(16 203)**	(10 941)	**–**	–
Balance at the end of the year	**203 450**	203 014	**2 404**	2 336

All amounts are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

	GROUP		COMPANY	
Figures in R'000	2019	Restated 2018	2019	Restated 2018
Trade receivables that are past due but not impaired	**4 229**	3 403	**–**	–
Trade receivables age analysis excluding amounts impaired and provided for:				
Current	**5 643**	5 940	**–**	3
30 days	**3 669**	1 674	**–**	–
60 days	**2 641**	903	**–**	–
90 days	**1 858**	1 151	**–**	–
120 days and more	**8 942**	4 518	**–**	–
	22 753	14 186	**–**	3
Trade receivables that are past due, considered to be impaired and provided for	**(12 881)**	(4 843)	**–**	–
Total	**9 872**	9 343	**–**	3
Movement in the ECL on trade receivables				
Opening balance	**4 843**	2 613	**–**	–
Impairment losses raised	**9 846**	4 488	**–**	–
Impairment losses reversed	**(1 808)**	(2 258)	**–**	–
Balance at the end of the year	**12 881**	4 843	**–**	–

The group's lease receivables are subject to the expected credit loss model, and amounted to R12.9 million (2018: R4.8 million) net of tenant deposits held as security. The group held tenant cash deposits amounting to R82.6 million at 30 June 2019 (2018: R71.1 million) as collateral for the rental commitments of tenants.

The expected loss rates are based on the payment profiles of the tenants, and the historical credit losses experienced within the period. A default was considered to be at the point where a tenant passes 90 days. Once an amount moves through the default gateway, the recoveries, write-offs and timing is tracked to determine loss rates.

Other receivables does not include any receivables relating leases.

25. TRADE AND OTHER RECEIVABLES *continued*

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Movement in the ECL on other receivables				
Opening balance	**10 941**	5 927	**–**	–
Impairment losses raised	**5 262**	5 014	**–**	–
Balance at the end of the year	**16 203**	10 941	**–**	–

On that basis, the impairment provision at 30 June 2019 was determined as follows:

Figures in R'000	Gross carrying amount	Weighted average loss rate	Impairment loss allowance
Current	**5 643**	**(25.1%)**	**(1 415)**
30 days	**3 669**	**(46.6%)**	**(1 709)**
60 days	**2 641**	**(52.9%)**	**(1 398)**
90 days	**1 858**	**(62.6%)**	**(1 164)**
120 days and more	**8 942**	**(80.5%)**	**(7 195)**

The ECL on the remaining receivables are deemed to be immaterial. Refer to note 1.13 for the accounting policy for impairment.

In considering any impairments on debtor accounts, the group takes into account deposits held, bank guarantees issued by the debtor, additional sureties provided by the principals of the debtors and running credit checks on debtors and their principals.

No material concentration of credit risk exists.

26. INVENTORIES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Opening balance	**42 484**	25 278	**–**	–
Additions	**110 339**	41 297	**–**	–
Transfer to investment property	**(70 139)**	827	**–**	–
Disposal	**(31 547)**	(24 918)	**–**	–
Balance at the end of the year	**51 137**	42 484	**–**	–

During the current year, management's intention with regards to Waterfall Point building 2 and 4 changed. Development commenced with the intention to dispose of these sectional title units. The buildings were transferred to investment property and are valued at fair value. The buildings will be leased to third parties.

Inventories consist of Waterfall Point (2018: Waterfall Point and Pirtek).

Disposals in the current and prior year relate to the disposal of Waterfall Point (2018: Pirtek and a portion of Waterfall Point), resulting in the cost spent to date being recognised as "Cost of sales" in profit or loss.

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27. CASH AND CASH EQUIVALENTS

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Unrestricted cash balances	**585 595**	1 138 921	**12 309**	38 760
Restricted cash balances	**87 891**	82 205	**–**	–
Balance at the end of the year	**673 486**	1 221 126	**12 309**	38 760

The group, through Attacq, AWIC and AIM has overdraft facilities amounting to R90.0 million (2018: R90.0 million) and R150.0 million (2018: R150.0 million) respectively with Nedbank. The overdraft facilities bear interest at SA prime interest rate less 1.0% (2018: SA prime interest rate less 1.0%).

The group, through Attacq, has an overdraft facility amounting to R50.0 million (2018: R50.0 million) with Standard Bank. Standard Bank had a mortgage bond over Waterfall LP 10A as security which has been released in the prior financial year. The overdraft facility bears interest at SA prime interest rate less 1.0% (2018: SA prime interest rate less 1.0%).

Unutilised facilities as detailed above as at 30 June 2019 amounted to R290.0 million (2018: R290.0 million).

Restricted cash balances relate to tenant deposits held by the group.

28. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
The following investment properties and investments and the associate liabilities are presented as held for sale:				
ASSETS				
Other investments				
Rainprop	**763**	775	**763**	775
Investec Securities Limited*	**–**	1 251	**–**	678
Sasfin Limited*	**–**	1 696	**–**	1 696
Investment properties				
Torre	**77 000**	–	**–**	–
Ellipse**	**19 018**	–		
The Atria (Barrow JV)**	**–**	46 668		
Cummins**	**–**	63 372	**–**	–
Zimmer**	**–**	5 109	**–**	–
Balance at the end of the year	**96 781**	118 871	**763**	3 149
LIABILITIES				
Torre	**(53 986)**	–	**–**	–
Balance at the end of the year	**(53 986)**	–	**–**	–

* *The investments and related loans held for sale as detailed above, form part of the head office global segment detailed in note 4.*
** *The investment property held for sale as detailed above, form part of the Waterfall development segment detailed in note 4.*

Torre
The group (through wholly owned subsidiary AWIC) classified the Torre completed development to held for sale. A sale transaction for the property is expected to be concluded in the financial year 2020.

Ellipse
The group (through wholly owned subsidiary AWIC) classified 50% of the development rights (7 600m^2 bulk) and related infrastructure and services for Phase 1 of the Ellipse residential development to held for sale in the current year. The development is a joint venture with Portstone. The transaction is expected to be concluded in the 2020 financial year. As a result the 50.0% undivided share of Phase 1 will be disposed of to Portstone, being the joint venture partner.

28. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES continued

Investment in Rainprop

The investment in Rainprop has been classified as held for sale. Directors have entered into a sale of shares agreement with Prop 5 Corporation. Directors consider the investment in Rainprop to no longer be a core asset. Due to circumstances beyond the control of the group the conclusion of the sale has been delayed. The sale is expected to be concluded during the 2020 financial year.

Investment in SESCF (Investec Securities and Sasfin)

The group (through Attacq and wholly owned subsidiary Leipzig) classified the 19.9% investment in SESCF as held for sale. SESCF is held through foreign investment allowances. SESCF disposed of the underlying property company. During August 2017, R192.6 million was received. The remaining proceeds from the winding up was received during the 2019 financial year.

The Atria

The group (through wholly owned subsidiary AWIC) classified 50.0% of the development rights (17 500m^2 bulk) as well as the infrastructure and services related to the mixed-use Atria development as held for sale in the prior year. The transaction with the joint venture partner did not materialise as AWIC will be taking up 100% of the development, following which the above mentioned development rights together with the related infrastructure and services have been reclassified to investment property in the current year.

Cummins South Africa's regional office

The group (through wholly owned subsidiary AWIC) classified 50.0% of the development rights (22 466m^2 land area), the infrastructure and services as well as top structure costs spend, related to the industrial Cummins development, as held for sale. The transaction was concluded during the 2019 financial year. The development is a joint venture with Zenprop.

Zimmer Biomet

The group (through wholly owned subsidiary AWIC) classified 50.0% of the development rights (4 866m^2 land area) and the infrastructure and services related to the industrial Zimmer development as held for sale. The transaction was concluded during the 2019 financial year. The development is a joint venture with Zenprop. As a result the 50.0% undivided share will be disposed of to Zenprop, being the joint venture partner.

The fair value of assets held for sale is deemed to be Level 3 as defined by IFRS 13: *Fair Value Measurements*.

The fair value of non-current assets held for sale is determined using the following techniques:

- completed developments (Level 3) – using the contractual selling prices for the related properties; and
- completed developments – discounted cash flow methodology.

Future cash flows used in determining the discounted cash flows are determined with reference to the signed leases between the group and tenants. Discount, capitalisation, and vacancy rates used in the estimate are determined by independent experts.

The fair value of other investments is determined with reference to the net asset value of the underlying investment.

There are no unobservable inputs identifiable that would have a significant impact on the fair value of the other investments.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

29. STATED CAPITAL

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Authorised				
Two billion ordinary no par value shares (2018: two billion ordinary no par value shares).				
Issued				
Ordinary no par value shares	**6 463 585**	6 460 108	**6 836 671**	6 833 194
Reconciliation of shares issued in rand value:				
Stated capital				
Balance at the beginning of the year	**6 460 108**	6 456 633	**6 833 194**	6 829 719
Issue of no par value shares	**3 477**	3 475	**3 477**	3 475
	6 463 585	6 460 108	**6 836 671**	6 833 194
Balance at the end of the year	**6 463 585**	6 460 108	**6 836 671**	6 833 194

Number of shares	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Reconciliation of number of shares issued:				
Reported at the beginning of the year	**749 582 777**	749 242 777	**749 582 777**	749 242 777
Issue of share capital during the year	**340 000**	340 000	**340 000**	340 000
	749 922 777	749 582 777	**749 922 777**	749 582 777
Adjusted for treasury shares held:				
ARF	**(29 726 516)**	(29 726 516)	**–**	–
Attacq Treasury Share Company	**(16 701 037)**	(16 701 037)	**–**	–
Total	**703 495 224**	703 155 224	**749 922 777**	749 582 777

In terms of a general authority to issue shares for cash passed by shareholders at the last AGM, a maximum of 70 349 522 (2018: 70 315 522) shares were placed under the control of the board at their discretion. This is subject to compliance with the company's MOI, the Companies Act and the JSE Listings Requirements. This authority is valid for the shorter of 15 months or until the next AGM. As at year end, no shares have been issued in terms of this authority.

In addition, a total of 74 992 277 ordinary shares (2018: 74 958 277) were placed under the control of the directors in terms of a resolution passed at the last AGM, provided that any allotment or issue is subject to a maximum discount of 5.0% of the weighted average traded price on the JSE of those securities over the then agreed number of business days prior to the allotment, issue or disposal or the date that the price is agreed, as the case may be. This authority is valid until the next AGM. As at year end, no shares have been issued in terms of this authority.

In terms of an ordinary resolution at the last AGM, the board may, subject to the Companies Act and JSE Listings Requirements, allot and issue shares pursuant to the Attacq LTIP as approved at the meeting.

In terms of a special resolution at the last AGM, the board may, subject to the company's MOI and the Companies Act, authorise the company to allot and issue shares to the company's directors (present and future) and prescribed officers (present and future) pursuant to the Attacq LTIP as approved at the meeting.

30. SHARE-BASED PAYMENT RESERVE

Equity-settled share-based payment reserve

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Opening balance	**117 390**	128 216	**117 390**	128 216
Recognition of share-based payment expense	**22 039**	19 212	**–**	–
Settlement of share-based payment	**–**	(11 198)	**–**	(11 198)
Modification of share-based payments	**(14 867)**	–	**(14 867)**	–
Transfer between reserves	**(7 444)**	(18 840)	**(7 444)**	(18 840)
Contribution to subsidiary	**–**	–	**22 039**	19 212
Balance at the end of the year	**117 118**	117 390	**117 118**	117 390
Reconciled as follows:				
Share-based payments	**59 547**	59 547	**59 547**	59 547
LTIPs, SARs and retentions expense	**92 890**	85 718	**(2 295)**	12 572
Modification of equity-settled share-based payments	**(35 319)**	(27 875)	**(35 319)**	(27 875)
Contribution to subsidiary	**–**	–	**95 185**	73 146
Balance at the end of the year	**117 118**	117 390	**117 118**	117 390

Cash-settled share-based payment reserve

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Opening balance	**1 306**	3 180	**–**	–
Modification of equity-settled share-based payments	**14 867**	–	**–**	–
Cash-settled share-based payments settled during the current year	**(14 393)**	(2 480)	**–**	–
Recognition of fair value adjustment at the end of the year	**(1 154)**	606	**–**	–
Balance at the end of the year	**626**	1 306	**–**	–
Reconciled as follows:				
Current liability	**89**	747	**–**	–
Non-current liability	**537**	559	**–**	–
Balance at the end of the year	**626**	1 306	**–**	–

Modification of equity-settled share-based payments

During the current year, the group modified retention options and LTIPs from equity-settled to cash-settled. The modified retention options and LTIPs were remeasured on modification date at R15.07 on transfer to the cash-settled liability.

Share options

Key employees, expected to have an impact on the company's future performance, were offered 2 425 000 share options as part of the share incentive scheme.

On 20 July 2015, the 2 425 000 share options granted to key employees were reclassified from equity-settled grants to cash-settled grants due to a change in the contractual terms of the employees.

Share-based payments

The acquisition of 18.05% of the issued share capital of ARF from Nedbank resulted in an IFRS 2 charge of R59.2 million due to the increase in the share price of Attacq subsequent to the agreement of commercial terms with Nedbank prior to listing on 14 October 2013. Subsequent to listing, the share price at which the agreed number of shares were issued upon implementation of the acquisition on 25 November 2013 was R16.50 as opposed to the contractually agreed issue price of R11.63.

An amount included represents the fair value of the agterskot payment to be paid to Trinsam Trust in respect of the acquisition of a 1.225% stake in AWIC from the Trinsam Trust, determined with reference to the estimated future development profits to be earned by AWIC up to and including 30 June 2020, present valued at a rate of 28.0%. This resulted in an IFRS 2 charge of R11.6 million. During the prior year, R11.2 million in respect of this share-based payment was settled.

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FOR THE YEAR ENDED 30 JUNE 2019

30. SHARE-BASED PAYMENT RESERVE continued

Number of options	GROUP AND COMPANY 2019 Share options	Retentions	LTIPs	SARs
Movements during the year are as follows:				
Balance at the beginning of the year	**915 000**	**1 572 219**	**3 700 311**	**1 449 804**
Granted during the year	**–**	**2 518 200**	**1 275 200**	**–**
Exercised during the year	**(440 000)**	**(280 000)**	**(582 237)**	**(324 104)**
Forfeited during the year	**–**	**(563 542)**	**(338 407)**	**(345 356)**
Balance at the end of the year	**475 000**	**3 246 877**	**4 054 867**	**780 344**

Number of options	GROUP AND COMPANY 2018 Share options	Retentions	LTIPs	SARs
Movements during the year are as follows:				
Balance at the beginning of the year	2 190 000	1 687 750	3 507 950	3 329 551
Granted during the year	–	354 334	1 892 162	–
Exercised during the year	(1 140 000)	(130 000)	(463 491)	–
Forfeited during the year	(135 000)	(339 865)	(1 236 310)	(1 879 747)
Balance at the end of the year	915 000	1 572 219	3 700 311	1 449 804

Share options

The outstanding share options at 30 June 2019 include 475 000 (2018: 1 575 000) share options that will be settled in cash and nil (2018: 340 000) share options that will be settled by issue of shares.

The weighted average fair value of share options outstanding at the respective dates were as follows:

- At grant date: R6.47 (2018: R6.47);
- Date of modification: R10.23; and
- At 30 June: R0.24 (2018: R2.21).

Options were priced using the Black-Scholes option pricing model. As most of the grant options expire six months after vesting date, the maximum exercise period has been allowed considering the closed periods for Attacq.

These options does not have performance conditions and will vest between September 2019 and July 2020.

30. SHARE-BASED PAYMENT RESERVE continued

Retention allocations

Retentions were granted between July 2015 and June 2019. For each grant issued a fair value was calculated at each grant date.

The retentions were granted as part of an employment package and are deemed to have been granted on the first day of employment. These will vest only if the employee has remained in the employment of Attacq for a period of three years (vesting period).

The fair value of the retentions is between R10.55 and R19.77 and the LTIPs will vest between October 2021 and October 2024.

For 2 250 000 retention options, financial performance conditions apply to 75.0% of the benefits with non-financial performance conditions applicable to 25.0% of the benefits.

The remaining retention options do not have any performance conditions.

LTIPs

LTIPs were granted between October 2016 and October 2018. For each grant issued a fair value was calculated at each grant date.

For the LTIPs, no performance conditions are applicable to participants receiving less than 10 000 LTIPs. Financial and non-financial performance conditions are applicable to participants who received 10 000 LTIPs or more. Both conditions are treated as non-market conditions under IFRS 2.

Non-market financial performance conditions apply to 45.0%, with non-financial performance conditions applicable to 20.0% of the benefits and market financial performance conditions to 35% of the benefit.

For all LTIPs granted on and after 14 October 2016, 60.0% of the share options will vest in the third year after grant date, 20.0% of the options will vest in the fourth year and the final 20.0% will vest in year five.

The fair value of the LTIPs is between R10.41 and R17.06 and the LTIPs will vest between October 2021 and October 2023.

SARs

SARs were granted between October 2013 and 1 April 2017. For each grant issued a fair value was calculated at each grant date.

Financial performance conditions are applicable to all participants. Conditions are treated as non-market conditions under IFRS 2.

The fair value of the SARs is between R3.65 and R6.23 and the SARs will vest between October 2021 and October 2022.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

31. TRADE AND OTHER PAYABLES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Trade payables	**65 153**	81 627	**4 634**	5 487
Accruals	**164 518**	118 094	**3 962**	5 747
Deposits held	**82 627**	71 105	**–**	69
Rental income received in advance	**69 311**	99 221	**–**	–
Value added tax	**8 081**	13 456	**–**	–
Balance at the end of the year	**389 690**	383 503	**8 596**	11 303

The fair value of trade payables, deposits held, amounts received in advance and sundry payables is deemed to be the same as the carrying value.

Trade payables include amounts due relating to buildings under construction.

Accruals include amounts relating to municipal accruals on the investment properties.

32. PROVISIONS

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Leave pay provision	**4 124**	3 465	**–**	–
Provision for committed infrastructure	**10 925**	25 476	**–**	–
Other provisions	**3 255**	3 255	**739**	739
Balance at the end of the year	**18 304**	32 196	**739**	739
Leave pay provision reconciliation of provision:				
Opening balance	**3 465**	2 777	**–**	–
Provision raised	**659**	3 465	**–**	–
Provision reversed	**–**	(2 258)	**–**	–
Provision utilised	**–**	(519)	**–**	–
Closing balance	**4 124**	3 465	**–**	–
Provision for committed infrastructure reconciliation of provision:				
Opening balance	**25 476**	–	**–**	–
Provision raised	**–**	25 476	**–**	–
Provision reversed	**(14 551)**	–	**–**	–
Closing balance	**10 925**	25 476	**–**	–
Other provisions reconciliation of provision:				
Opening balance	**3 255**	–	**739**	–
Provision raised	**–**	3 255	**–**	739
Closing balance	**3 255**	3 255	**739**	739

The provision relating to committed infrastructure for the current and prior year relates to infrastructure transferred to investment properties (note 16), for which the group has a constructive obligation to incur additional infrastructure costs.

The provision relating to leave pay for the current year was calculated based on the actual leave days outstanding at 30 June 2019 at the hourly rate per employee.

33. CASH FLOW FROM OPERATING ACTIVITIES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
(Loss) profit and other comprehensive income before taxation	**(566 674)**	951 158	**(234 624)**	3 327 220
Adjusted for:				
Interest income	**(230 549)**	(229 523)	**(455 472)**	(83 284)
Dividend income	**–**	(3 800)	**(489 140)**	(637 017)
Finance costs	**855 465**	813 868	**9 340**	7 454
Depreciation	**11 111**	11 908	**–**	–
Amortisation of intangible asset	**19 964**	24 037	**–**	–
Bad debts	**14 533**	3 479	**–**	–
Reversal of impairment of other investments	**(2 430)**	(7 549)	**(21)**	(6 554)
Impairment of investments in subsidiaries	**–**	–	**–**	262 297
Reversal of impairment of loans to subsidiaries	**–**	–	**(2 048)**	–
Impairment of intangible asset	**61 871**	–	**–**	–
Write-off of loan to associates	**–**	–	**–**	56 866
Write-off of other receivables	**–**	39 500	**–**	–
Net profit on disposal of associate and other assets	**(14 547)**	(196)	**–**	(166)
Profit on disposal of other investments	**–**	2 808	**–**	–
Net (profit) loss on disposal of investment properties previously held for sale	**(11 095)**	(14 947)	**–**	950
Profit on disposal of subsidiaries	**–**	(5 633)	**–**	(5 633)
Loss (gain) on available-for-sale financial assets	**6 144**	4 650	**1 108 183**	(2 888 790)
Impairment of investment in associate	**48 159**	25 232	**–**	566
Impairment (reversal of impairment) of loans to associate	**505 148**	23 589	**55 862**	(2 283)
Impairment of loans to other	**24**	9 925	**–**	–
Reversal of impairment loss of investment in subsidiary	**–**	–	**–**	(4 410)
Fair value adjustment to investment properties	**665 110**	(380 198)	**–**	–
Fair value adjustment to other financial instruments	**135 761**	(40 688)	**–**	(13 992)
Fair value adjustment to investments at FVPL	**864**	–	**864**	–
Realisation of available-for-sale financial assets	**–**	(35 750)	**–**	(32 336)
Straight-line rental adjustment	**(197 124)**	(88 467)	**–**	–
Amortisation of deferred initial lease expenditure	**5 951**	5 413	**–**	–
Pemba profit share	**16 108**	–	**–**	–
Equity income from associates	**(124 770)**	(78 092)	**–**	–
Share-based payments	**20 885**	19 818	**–**	–
Foreign currency translation effect	**(31 667)**	50 698	**1 041**	30 428
Cash generated from (utilised in) operations before working capital changes	**1 188 242**	1 101 240	**(6 015)**	11 316
Changes in working capital:				
(Increase) decrease in accounts receivable	**(14 968)**	(81 386)	**(68)**	99
Increase in inventory	**(8 653)**	(17 206)	**–**	–
Increase (decrease) in accounts payable	**6 185**	(91 053)	**(2 705)**	5 437
Total	**1 170 806**	911 595	**(8 788)**	16 852

34. OPERATING LEASE RECEIVABLES

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Value of minimum lease payments receivable				
Within one year	**1 675 646**	1 518 006	**–**	–
In the second to fifth year inclusive	**5 364 090**	5 169 876	**–**	–
Later than five years	**3 999 760**	4 556 118	**–**	–
Total	**11 039 496**	11 244 000	**–**	–

Lease agreements are entered into with tenants on variable terms depending on the location and nature of the lettable area. The lease terms for office and industrial buildings are generally longer than for retail outlets.

35. COMMITMENTS

Number of shares	GROUP 2019	GROUP 2018
35.1 SHARES PLEDGED		
Shares held by AIM in MAS were pledged as security in respect of obligations of AIH International.	**120 702 079**	116 207 554
Total	**120 702 079**	116 207 554

Figures in R'000	GROUP 2019	GROUP Restated 2018
35.2 CAPITAL COMMITMENTS		
Already contracted but not provided for:		
The Waterfall leasehold and development rights relates to a minimum of 1 876 022m^2 of bulk property zoned for light industrial, commercial and retail use. Current costs committed are for the installation of services on various land parcels on the Waterfall land	**157 122**	172 911
The group entered into an agreement for the development of:		
The BMW distribution warehouse. The building has been leased to a third party and has been recognised as an investment property	**–**	3 436
The PwC Tower. The building has been leased to PwC and has been recognised as an investment property. The group has an effective 75.0% interest in the development	**–**	16 390
A communal and conference facility PwC Annex. The building has been leased to PwC and will be recognised as an investment property. The group has an effective 75.0% interest in the development	**–**	3 828
The Dischem warehouse (formerly known as K101 Spec Warehouse). The building has been leased to a third party and has been recognised as an investment property	**–**	7 051
The Corporate Campus Phase 1. The building has been leased to various third parties and has been recognised as an investment property. The group has an effective 50.0% interest in the development	**2 187**	78 423
Two office buildings in Corporate Campus Phase 2. One of the buildings has been leased to a third party and the second building has been developed on a speculative basis. This has been recognised as an investment property. The group has an effective 50.0% interest in the development	**9 518**	–
One office building in Corporate Campus Phase 3. The building has been leased to a third party. This has been recognised as an investment property. The group has an effective 50.0% interest in the development	**38 986**	–
Mall of Africa. The building has been leased to various third parties and has been recognised as an investment property. The group has an effective 80.0% interest in the development	**25 989**	28 043
Sub-total carried forward	**233 802**	310 082

35. COMMITMENTS continued

35.2 CAPITAL COMMITMENTS continued

	GROUP	
Figures in R'000	2019	Restated 2018
Sub-total brought forward	**233 802**	310 082
The group entered into an agreement for the development of (continued):		
The Massbuild expansion. The building has been leased to a third party and has been recognised in investment property as part of the Massbuild development	**–**	2 148
Maxwell Office Park – Magwa House Building. The building has been leased to various third parties and has been recognised as an investment property. The group has an effective 50.0% interest in the development	**–**	1 344
The Gateway west building. The building has been developed on a speculative basis and is partially leased to third parties and has been recognised as an investment property	**22 492**	29 517
The Amrod warehouse. The building has been leased to Amrod and has been recognised as an investment property	**–**	4 500
Sectional title offices in Waterfall Point, comprising four buildings, two buildings have been recognised as investment property, one building as inventory and one building has been sold	**27 116**	145 033
Capital expenditure for the reconfiguration of various retail spaces at Eikestad Mall	**10 182**	10 931
The shooting range at Lynnwood Bridge retail	**5 000**	–
Three Midi warehouses (consisting of Superga, Pirtek and a spec unit). Two of the buildings have been leased to a third party and the third has been developed on a speculative basis. They have been recognised as investment property	**6 763**	78 927
The River Creek development of the Deloitte head office. The building will be leased to Deloitte and has been recognised as an investment property. The group has an effective 50.0% interest in the development	**316 203**	612 458
Cummins Southern Africa regional office. The building has been leased to a third party and has been recognised as an investment property. The group has an effective 50.0% interest in the development	**1 268**	43 305
Two office buildings of the Ingress Phase 1. One of the buildings has been leased to a third party and the second building is being developed on a speculative basis. Both buildings are recognised as an investment property	**81 886**	242 678
For the development of a super basement for the Ext 124 mixed-use precinct. The basement will form part of the Ext 124 mixed use precinct, which will be leased to third parties and will be recognised as investment property	**66 545**	71 062
The Waterfall Courtyard. The Waterfall Courtyard will form part of the Ext 124 mixed-use precinct, which will be leased to a third party and has been recognised as investment property	**141 320**	–
For the retiling and general refurbishment of the Lynnwood Bridge Retail Centre	**–**	14 100
The Zimmer Biomet warehouse. The warehouse has been leased to Zimmer Biomet and has been recognised as investment property. The group has an effective 50.0% interest in the development	**4 213**	–
The Attacq Ellipse residential development. The early works programme on the residential development has commenced. This has been recognised as investment property	**18 195**	–
Total	**934 985**	1 566 085

35. COMMITMENTS continued

35.3 CONTINGENT COMMITMENTS

Figures in R'000	GROUP 2019	GROUP Restated 2018
Approved but not contracted for		
The group has approved:		
The development of the Ext 124 mixed-use precinct. The precinct will be developed on a speculative basis with the intention to lease it to a third party and will be recognised as an investment property	**–**	270 062
One office building in Corporate Campus Phase 4. The building will be developed on a speculative basis. This will be recognised as an investment property. The group has an effective 50.0% interest in the development	**58 099**	–
The Nespresso warehouse. The warehouse has been leased to Nespresso and will be recognised as investment property	**51 508**	–
Various capital expenditures within the AWIC completed buildings portfolio	**19 963**	35 921
Various capital expenditures at 2 Eglin, Sunninghill	**–**	6 370
The installation of generators at Garden Route Mall, Eikestad Mall and MooiRivier Mall	**29 808**	–
Various capital expenditures at Eikestad Precinct	**7 075**	10 132
The installation of a photovoltaic system at Garden Route Mall	**11 506**	–
Various capital expenditures at Garden Route Mall	**9 122**	5 039
Various capital expenditures at Brooklyn Mall	**9 067**	7 947
Various capital expenditures at MooiRivier Mall	**4 817**	7 815
Various capital expenditures at the Aurecon, Brooklyn Bridge, Lynnwood Bridge Retail and Glenfair Boulevard	**7 567**	7 729
Total	**208 532**	351 015

35. COMMITMENTS continued

35.3 CONTINGENT COMMITMENTS continued

Figures in R'000	GROUP 2019	GROUP Restated 2018	COMPANY 2019	COMPANY Restated 2018
Sureties provided				
Surety in respect of funds advanced:				
By Nedbank to Key Capital for the development in Stellenbosch	**–**	20 000	**–**	20 000
By Nedbank for the funding of Kompasbaai	**10 000**	3 333	**10 000**	3 333
By Nedbank to Nieuwtown for the investment property Newtown Junction	**250 000**	250 000	**250 000**	250 000
By Nedbank to Nieuwtown for the investment property Newtown City Lodge	**36 000**	36 000	**36 000**	36 000
By Investec to Brooklyn Bridge for the investment property Brooklyn Bridge Office Park	**–**	–	**140 000**	140 000
By various funders to Lynnwood Bridge and ARF	**–**	–	**3 252 000**	3 252 000
By Sanlam Capital to AWIC for Waterfall Lifestyle Centre	**–**	–	**48 000**	48 000
By Sanlam Capital to AWIC for Dimension Data	**–**	–	**59 070**	59 070
By Sanlam Capital to AWIC for Massbuild	**–**	–	**40 000**	40 000
By Sanlam Capital to AWIC for Dischem	**–**	–	**60 000**	60 000
By Standard Bank for the development of AIH International (euro facility)	**–**	–	**1 447 700**	1 586 825
By Nedbank for the development of the PwC Tower building	**–**	–	**1 075 698**	1 075 698
By Nedbank for the development of the PwC Tower Annex building	**–**	–	**121 545**	121 545
By Nedbank to AWIC for the development of the Deloitte building	**–**	–	**12 619**	–
By Nedbank to AWIC for the development of the Mall of Africa	**–**	–	**336 800**	336 800
By Nedbank to AWIC for the rolling credit facility of the Mall of Africa	**–**	–	**500 000**	–
By Nedbank for a swap entered into for AWIC	**–**	–	**3 568**	3 568
By Nedbank for a swap entered into for AWIC	**–**	–	**4 187**	4 187
By Nedbank for a swap entered into for AWIC	**–**	–	**114 000**	114 000
By Nedbank for a swap entered into for AWIC	**–**	–	**11 500**	11 500
By MMI for the development of the BMW Distribution Centre	**–**	–	**165 000**	165 040
By Nedbank to AWIC for a working capital facility in AWIC	**–**	–	**75 000**	75 000
By BOC for a swap entered into with BOC for the Torre building	**–**	–	**15 000**	15 000
By Standard Bank for a portfolio of buildings situated in Waterfall	**–**	–	**270 000**	270 000
By RMB for a portfolio of buildings situated in Waterfall and Pretoria	–	–	**791 000**	604 181
Causa surety in respect of funds advanced:				
By Standard Bank to The Moolman Group for the development of Maxwell Office Park with joint and several liability	**297 136**	301 750	**–**	–
Total	**593 136**	611 083	**8 838 687**	8 291 747

36. SUBSEQUENT EVENTS

Dividend declaration after the reporting date

In line with IAS 10: *Events After the Reporting Period*, the declaration of the dividend of 41.0 cents per share occurred after the end of the reporting period on 9 September 2019, resulting in a non-adjusting event that is not recognised in the financial statements.

Subsequent to year end, the market value of the investment in MAS reduced to below the equity accounted value at year end. The directors do not believe that this requires an impairment of the investment, as MAS's underlying portfolio and income earning potential has not deteriorated.

No other significant subsequent events occurred.

37. RELATED PARTIES

Related parties are defined as those entities with which the company transacted during the year presented and in which the following relationship(s) exist:

Direct subsidiaries

AIH International
Attacq Energy
Attacq Namco (disposed of on 29 May 2018)
AMS
ARF
AWIC
Brooklyn Bridge
Harlequin Duck
Le Chateau
Attacq Investments
Lynnaur
Lynnwood Bridge
Attacq Treasury Share Company

Indirect subsidiaries

AIHI Ikeja
AIM
Adamax
ARS
ESD (lost control during the 2019 financial year)
Attacq Foundation (lost control during the 2019 financial year)
Micawber
Attacq Ellipse

Direct associates

AttAfrica SA
fatti 365 (disposed 31 August 2018)
fatti Attacq (disposed 31 August 2018)
Fountains Regional Mall
Kompasbaai
Wingspan
Mall of Namibia (disposed 29 May 2018)
Majestic
Nieuwtown
Travenna

37. RELATED PARTIES continued

Indirect associates

Artisan Development (disposed 28 March 2018)
Artisan Southport (disposed 28 March 2018)
AttAfrica
EAJV (disposed 1 March 2019)
JV15 (merged 25 March 2019 into JV115)
JV115
MAS
Gruppo
AWIC Waterfall TM JVCO

Property owners' associations (common directors)

Lynnwood Bridge Property Owners Association
LP8 Waterfall Distribution Campus NPC
LP9 Logistics Precinct Property Association NPC
LP9N Logistics Precinct North NPC
LP 22 Waterfall Commercial District NPC
Waterfall City Property Association NPC
Maxwell Office Park Property Association NPC
Waterfall Allandale Property Association PC
Waterfall Corporate Campus Property Association – LP10B NPC

Directors (note 14)

P Tredoux#* (Chairman)
MC Wilken (CEO) (resigned 31 December 2017)
M Hamman (CEO) (appointed 19 June 2018)
R Nana (CFO) (appointed 19 June 2018)
JR van Niekerk (COO) (appointed 19 June 2018)
MM du Toit#*
IN Mkhari#* (appointed 15 March 2018)
HR El Haimer#*
BT Nagle#*
KR Moloko#* (resigned 2 April 2019)
S Shaw-Taylor#*
JHP van der Merwe#*

 # Independent
** Non-executive*

Management

Key management and prescribed officers (note 14):

2019

• D Theron	
• MW Clampett	
• PL de Villiers	Appointed 1 July 2018
• GE Pendleton	

2018

• D Theron	
• MW Clampett	
• JR van Niekerk	Appointed as executive director on 19 June 2018
• PW MacKenzie	Resigned 31 December 2017
• GE Pendleton	Appointed 1 April 2018
• R Nana	Appointed as CFO on 19 June 2018

37. RELATED PARTIES continued

Figures in R'000	2019 Shares issued/buy back/sold/(purchased)	2019 Sales and services to (purchases and services from)	2019 Dividends received from
GROUP			
ESD	–	–	–
Attacq Foundation	–	–	–
AttAfrica	–	–	–
AttAfrica SA	–	–	–
Artisan Development	–	–	–
Artisan Southport	–	–	–
EAJV	(96 179)	–	5 408
fatti 365	2 000	–	–
fatti Attacq	667	–	–
Fountains Regional Mall	–	–	–
Gruppo	–	–	–
JV15	–	–	–
JV115	–	–	–
Lynnwood Bridge Home Owners Association	–	(1 232)	–
LP8 Waterfall Distribution Campus NPC	–	(1 393)	–
LP9 Logistics Precinct Property Association NPC	–	(788)	–
LP9N Logistics Precinct North NPC	–	(783)	–
LP 22 Waterfall Commercial District NPC	–	(717)	–
Waterfall City Property Association NPC	–	(11 938)	–
Maxwell Office Park Property Association NPC	–	(1 524)	–
Waterfall Allandale Property Association PC	–	(2 518)	–
Waterfall Corporate Campus Property Association – LP10B NPC	–	(1 211)	–
MAS	–	–	185 637
Nieuwtown	–	–	–
Leipzig Nova	–	–	–
Kompasbaai	–	–	–
Wingspan	–	–	–
Grove Mall	–	–	–
Non-executive directors' remuneration (note 14)	–	(3 867)	–
Executive directors' remuneration (note 14)	–	(14 625)	–
Prescribed officers' remuneration (note 14)	–	(9 608)	–
Total	(93 512)	(50 204)	191 045

2019		Restated 2018				
Interest received from (paid/to)	**Balances owing by (to) – net of impairment**	Shares issued/buy back/sold/ (purchased)	Sales and services to (purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owing by (to) – net of impairment
–	**–**	–	–	–	–	943
–	**–**	–	(1 477)	–	–	–
91 153	**362 545**	–	–	–	80 635	787 304
–	**414**	–	–	–	–	414
–	**–**	(53 424)	–	946	–	–
–	**–**	(11 453)	–	2 835	–	–
–	**–**	–	–	5 332		1 201
–	**–**	(2 000)	–	–	–	–
–	**–**	(667)	–	–	–	–
–	**9**	–	–	–	–	317
27 787	**276 899**	–	–	–	39 721	257 225
–	**–**	–	–	–	–	36 579
–	**111 620**	–	–	–	–	105 467
–	**–**	–	(1 326)	–	–	–
–	**–**	–	(1 529)	–	–	
–	**–**	–	(809)	–	–	
–	**–**	–	–	–	–	
–	**–**	–	(733)	–	–	
–	**–**	–	(7 870)	–	–	
–	**–**	–	(1 523)	–	–	
–	**–**	–	(1 867)	–	–	
–	**–**	–	(550)	–	–	
–	**–**	–	–	151 041	28	–
29 034	**240 511**	–	–	–	40 666	271 349
–	**–**	–	–	–	27	–
–	**1 606**	–	–	–	–	2 083
–	**–**	–	–	10 331	–	–
–	**–**	(153 141)	–	–	–	–
–	**–**	–	(3 698)	–	–	–
–	**–**	–	(6 220)	–	–	–
–	**–**	–	(14 235)	–	–	–
147 974	**993 604**	(220 685)	(41 837)	170 485	161 077	1 462 882

37. RELATED PARTIES continued

Figures in R'000	2019 Shares issued/buy back/sold/ (purchased)	2019 Sales and services to (purchases and services from)	2019 Dividends received from
COMPANY			
AIH International	–	–	–
AIM	–	–	–
Attacq Energy	–	–	–
ESD	–	–	–
Attacq Namco	–	–	–
ARF	–	–	110 300
AMS	–	(45)	–
AWIC	–	–	264 940
AttAfrica SA	–	–	–
Brooklyn Bridge	–	–	27 700
fatti Attacq	667	–	–
fatti 365	2 000	–	–
Fountains Regional Mall	–	–	–
Harlequin Duck	–	–	–
Attacq Investments	–	–	–
Le Chateau	–	–	–
Lynnaur	–	–	23 400
Lynnwood Bridge	–	–	62 800
MAS	–	–	–
Nieuwtown	–	–	–
Leipzig Nova	–	–	–
Kompasbaai	–	–	–
Wingspan	–	–	–
Attacq Treasury Share Company	–	–	–
Non-executive directors' remuneration (note 14)	–	(3 867)	–
Executive directors' remuneration (note 14)	–	(14 625)	–
Prescribed officers' remuneration (note 14)	–	(9 608)	–
Total	2 667	(28 145)	489 140

The remuneration of the directors and prescribed officers of the company are paid through AMS (wholly owned subsidiary of Attacq).

Balances owing by and to, net of impairment are detailed in notes 18, 19 and 42 of the AFS.

Refer to note 35 for all sureties provided by Attacq to its related parties.

2019		Restated 2018				
Interest received from (paid/to)	**Balances owing by (to) – net of impairment**	Shares issued/buy back/sold/(purchased)	Sales and services to (purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owing by (to) - net of impairment
(6 104)	**(322 470)**	–	–	–	(4 106)	(317 878)
–	**–**	–	–	–	–	(76 838)
–	**20 603**	–	–	–	–	23 388
–	**–**	–	–	–	–	943
–	**–**	(153 141)	–	–	–	–
8 545	**183 488**	–	–	68 000	350	129 731
–	**110 094**	371	(4 760)	–	–	98 119
389 091	**3 858 328**	–	–	391 500	32 196	4 479 633
–	**414**	–	–	–	–	414
21 444	**282 621**	–	–	19 300	1 362	199 333
–	**–**	(667)	–	–	–	–
–	**–**	(2 000)	–	–	–	–
–	**9**	–	–	–	–	317
–	**(1 469)**	–	–	–	–	(1 466)
–	**–**	–	–	–	–	737
–	**4 999**	–	–	–	–	5 006
–	**397**	–	–	18 000	–	(6 010)
2 126	**61 257**	–	–	55 700	52	56 925
–	**–**	–	–	74 186	28	–
29 034	**240 511**	–	–	–	40 666	271 349
–	**–**	–	–	–	27	–
–	**1 606**	–	–	–	–	2 083
–	**–**	–	–	10 331	–	–
–	**71 512**	–	–	–	–	85 416
–	**–**	–	(3 698)	–	–	–
–	**–**	–	(6 220)	–	–	–
–	**–**	–	(14 235)	–	–	–
444 136	**4 511 900**	(155 437)	(28 913)	637 017	70 575	4 951 202

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

38. FINANCIAL INSTRUMENTS

Figures in R'000	Note
GROUP	
Categories of financial instruments	
ASSETS	
NON-CURRENT ASSETS	
Property and equipment	39
Investment property	16
Straight-line lease debtor	6
Deferred initial lease expenditure	
Intangible assets	23
Goodwill	22
Investment in associates and joint ventures	17
Loans to associates and joint ventures	19
Other financial assets	18
CURRENT ASSETS	
Taxation receivable	
Trade and other receivables	25
Inventory	26
Other financial assets	18
Loans to associates and joint ventures	19
Cash and cash equivalents	27
Non-current assets held for sale	28
TOTAL ASSETS	
LIABILITIES	
NON-CURRENT LIABILITIES	
Long-term borrowings	20
Other financial liabilities	18
Cash-settled share-based payments	30
Deferred tax liabilities	24
CURRENT LIABILITIES	
Long-term borrowings	20
Other financial liabilities	18
Taxation payable	
Cash-settled share-based payments	30
Trade and other payables	31
Provisions	32
Liabilities associated with non-current assets held for sale	28
TOTAL LIABILITIES	

			2019			
Total	Cash	FVPL	At amortised cost	FVOCI	At amortised cost	Non-financial instruments
10 069	–	–	–	–	–	10 069
20 081 544	–	–	–	–	–	20 081 544
1 039 147	–	–	–	–	–	1 039 147
6 860	–	–	–	–	–	6 860
184 667	–	–	–	–	–	184 667
67 774	–	–	–	–	–	67 774
3 217 711	–	–	–	–	–	3 217 711
879 955	–	–	879 955	–	–	–
386 709	–	39 591	347 118	–	–	–
4 806	–	–	4 806	–	–	–
203 450	–	–	202 866	–	–	584
51 137	–	–	–	–	–	51 137
32 656	–	–	32 656	–	–	–
113 649	–	–	113 649	–	–	–
673 486	–	–	673 486	–	–	–
96 781	–	–	–	763	–	96 018
27 050 401	–	39 591	2 254 536	763	–	24 755 511
10 203 134	–	–	10 203 134	–	–	–
268 112	–	268 112	–	–	–	–
537	–	–	–	–	–	537
238 539	–	–	–	–	–	238 539
259 611	–	–	259 611	–	–	–
29 439	–	4 758	24 681	–	–	–
1 228	–	–	1 228	–	–	–
89	–	–	–	–	–	89
389 690	–	–	381 609	–	–	8 081
18 304	–	–	–	–	–	18 304
53 986	–	–	53 986	–	–	–
11 462 669	–	272 870	10 924 249	–	–	265 550

38. FINANCIAL INSTRUMENTS continued

Figures in R'000	Note
GROUP	
Categories of financial instruments	
ASSETS	
NON-CURRENT ASSETS	
Property and equipment	39
Investment property	16
Straight-line lease debtor	6
Deferred initial lease expenditure	
Intangible assets	23
Goodwill	22
Investment in associates and joint ventures	17
Loans to associates and joint ventures	19
Other investments	
Deferred tax assets	
Other financial assets	18
CURRENT ASSETS	
Taxation receivable	
Trade and other receivables	25
Inventory	26
Other financial assets	18
Loans to associates and joint ventures	19
Cash and cash equivalents	27
Non-current assets held for sale	28
TOTAL ASSETS	
LIABILITIES	
NON-CURRENT LIABILITIES	
Long-term borrowings	20
Other financial liabilities	18
Cash-settled share-based payments	30
Provisions for liabilities relating to associates	
Deferred tax liabilities	24
CURRENT LIABILITIES	
Long-term borrowings	20
Other financial liabilities	18
Loans from associates	19
Taxation payable	
Cash-settled share-based payments	30
Trade and other payables	31
Provisions	32
TOTAL LIABILITIES	

			Restated 2018			
Total	Cash	FVPL	Loans and receivables at amortised cost	A-F-S financial assets	Financial liabilities at amortised cost	Equity and non-financial instruments
41 221	–	–	–	–	–	41 221
19 791 145	–	–	–	–	–	19 791 145
842 023	–	–	–	–	–	842 023
9 275	–	–	–	–	–	9 275
266 502	–	–	–	–	–	266 502
67 774	–	–	–	–	–	67 774
3 394 508	–	–	–	–	–	3 394 508
1 315 878	–	–	1 315 878	–	–	–
488	–	–	–	488	–	–
11	–	–	–	–	–	11
373 651	–	19 502	354 149	–	–	–
						–
2 714	–	–	–	–	–	2 714
203 014	–	–	202 694	–	–	320
42 484	–	–	–	–	–	42 484
16 308	–	–	16 308	–	–	–
146 061	–	–	146 061	–	–	–
1 221 126	1 221 126	–	–	–	–	–
118 871	–	–	–	–	–	118 871
27 853 054	1 221 126	19 502	2 035 090	488	–	24 576 848
9 527 490	–	–	–	–	9 527 490	–
126 865	–	126 865	–	–	–	–
559	–	–	–	–	–	559
–	–	–	–	–	–	–
178 923	–	–	–	–	–	178 923
					–	–
538 096	–	–	–	–	538 096	–
21 049	–	–	–	–	21 049	–
–	–	–	–	–	–	–
1 496	–	–	–	–	–	1 496
747	–	–	–	–	–	747
383 503	–	–	–	–	370 047	13 456
32 196	–	–	–	–	–	32 196
10 810 924	–	126 865	–	–	10 456 682	227 377

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

38. FINANCIAL INSTRUMENTS continued

Figures in R'000	Note
COMPANY	
Categories of financial instruments	
ASSETS	
NON-CURRENT ASSETS	
Investment in associates and joint ventures	17
Loans to associates and joint ventures	19
Investment in subsidiaries	41
Loans to subsidiaries	42
Other financial assets	18
CURRENT ASSETS	
Taxation receivable	
Trade and other receivables	25
Other financial assets	18
Loans to associates and joint ventures	19
Loans to subsidiaries	42
Cash and cash equivalents	27
Non-current assets held for sale	28
TOTAL ASSETS	
LIABILITIES	
NON-CURRENT LIABILITIES	
Loans from subsidiaries	16
CURRENT LIABILITIES	
Loans from subsidiaries	42
Provisions	24
Trade and other payables	31
TOTAL LIABILITIES	

			2019			
Total	Cash	FVPL	At amortised cost	FVOCI	At amortised cost	Non-financial instruments
34 217	–	–	–	34 217	–	–
240 511		–	240 511	–	–	–
11 868 422	–	–	–	11 868 422	–	–
4 452 635	–	–	4 452 635	–	–	–
–	–	–	–	–	–	–
4 800	–	–	4 800	–	–	–
2 404	–	–	2 404	–	–	–
3 130	–	–	3 130	–	–	–
2 029	–	–	2 029	–	–	–
207 208	–	–	207 208	–	–	–
12 309	–	–	12 309	–	–	–
763	–	–	–	763	–	–
16 828 428	–	–	4 925 026	11 903 402	–	–
389 014	–	–	389 014	–	–	–
1 469	–	–	1 469	–	–	–
739	–	–	–	–	–	739
8 596	–	–	8 596	–	–	–
399 818	–	–	399 079	–	–	739

38. FINANCIAL INSTRUMENTS continued

Figures in R'000	Note
COMPANY	
Categories of financial instruments	
ASSETS	
NON-CURRENT ASSETS	
Investment in associates and joint ventures	17
Loans to associates and joint ventures	19
Investment in subsidiaries	41
Other investments	
Loans to subsidiary	42
Other financial assets	18
CURRENT ASSETS	
Taxation receivable	
Trade and other receivables	25
Loans to associates and joint ventures	19
Loans to subsidiaries	42
Cash and cash equivalents	27
Non-current assets held for sale	28
TOTAL ASSETS	
LIABILITIES	
NON-CURRENT LIABILITIES	
Loans from subsidiaries	42
Deferred tax liabilities	24
CURRENT LIABILITIES	
Loans from subsidiaries	42
Trade and other payables	31
Provisions	32
TOTAL LIABILITIES	

			Restated 2018			
Total	Cash	FVPL	Loans and receivables at amortised cost	A-F-S financial assets	Financial liabilities at amortised cost	Equity and non-financial instruments
109 113	–	–	–	109 113	–	–
271 349						
12 899 937	–	–	–	12 899 937	–	–
488	–	–	–	488	–	–
4 924 662	–	–	4 924 662	–	–	–
2 643	–	–	2 643	–	–	–
2 707	–	–	–	–	–	2 707
2 336	–	–	2 336	–	–	–
2 814	–	–	2 814	–	–	–
212 666	–	–	212 666	–	–	–
38 760	38 760	–	–	–	–	–
3 149	–	–	–	–	–	3 149
18 470 624	38 760	–	5 145 121	13 009 538	–	5 856
376 918	–	–	–	–	376 918	–
74 219	–	–	–	–	–	74 219
84 314	–	–	–	–	84 314	–
11 301	–	–	–		11 301	–
739	–	–	–		–	739
547 491	–	–	–		472 533	74 958

39. PROPERTY AND EQUIPMENT

Figures in R'000	GROUP 2019	GROUP Restated 2018
Cost		
Opening balance	**76 087**	73 843
Additions	**3 659**	2 528
Transfer to investment property	**(27 167)**	–
Disposals	**–**	(284)
Closing balance	**52 579**	76 087
Accumulated depreciation		
Opening balance	**34 866**	23 242
Depreciation	**11 111**	11 908
Transfer to investment property	**(3 467)**	–
Disposals	**–**	(284)
Closing balance	**42 510**	34 866
Carrying value	**10 069**	41 221

Useful lives of property and equipment

The group reviews the estimated useful lives of property and equipment annually. The useful lives in the current and prior years are:

Item	*Useful life*
Equipment	3 years
Computer equipment	3 years
Furniture and fittings	6 years
Other fixed assets	5 to 10 years

During the current year, the group transferred PV panels to investment property.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

40. DIRECT SUBSIDIARIES AND ASSOCIATES

	Type of investment
AIH International (Mauritian)	Subsidiary
AIM (Note A)	Subsidiary
Attacq Energy	Subsidiary
Attacq Foundation (Note B)	Trust
AMS	Subsidiary
AWIC (Note A)	Subsidiary
Brooklyn Bridge	Subsidiary
Harlequin Duck	Subsidiary
Le Chateau	Subsidiary
Attacq Investment (formerly Leipzig Nova)	Subsidiary
Lynnwood Bridge	Subsidiary
ARF	Subsidiary
Lynnaur	Subsidiary
Attacq Treasury Share Company	Subsidiary
Majestic	Joint venture
Nieuwtown	Joint venture
Wingspan	Associate
Kompasbaai	Associate
Travenna	Associate
fatti 365 (Note C)	Associate
fatti Attacq (Note D)	Associate
Fountains Regional Mall	Associate
AttAfrica SA	Associate

The principal place of incorporation of all the above is South Africa, except for AIH International which is Mauritius and MAS which is Isle of Man.

The financial year end of all the above is 30 June.

Changes in the effective shareholding that the group has in the entities above, are shown below:

A The investment in AIM was disposed of to AWIC during the 2019 year for the issuance of an AWIC share to Attacq. MAS shareholding was transferred to AIM (wholly owned subsidiary of AWIC) during March 2018. The investment in MAS was transferred to AIM in order to comply with REIT legislation.

B The Attacq Foundation was consolidated in the prior year and deconsolidated during the current year.

C fatti 365 issued new shares on 27 June 2018 which the group did not subscribe for in the same ratio than the other shareholders and as a result diluted the shareholding. The investment was disposed of in the current year.

D fatti Attacq issued new shares on 30 June 2018 which the group did not subscribe for in the same ratio than the other shareholders and as a result diluted the shareholding. The investment was disposed of in the current year.

Nature of company	Issued shares 30 June 2019	% 2019	% 2018	Shares 2019	Shares 2018
Investment	**1**	**100.00**	100.00	**1**	1
Investment	**1 000**	**–**	100.00	**–**	1 000
Dormant	**1**	**100.00**	100.00	**1**	1
Trust		**–**	–	**–**	–
Asset management	**9 028**	**100.00**	100.00	**9 028**	9 028
Property investment	**100 000**	**100.00**	100.00	**100 001**	100 000
Property investment	**1 000**	**100.00**	100.00	**1 000**	1 000
Dormant	**400**	**100.00**	100.00	**400**	400
Property investment	**1 000**	**100.00**	100.00	**1 000**	1 000
Dormant	**100**	**100.00**	100.00	**100**	100
Property investment	**1 828**	**100.00**	100.00	**1 828**	1 828
Property investment	**735 624**	**100.00**	100.00	**735 624**	735 624
Property investment	**105**	**100.00**	100.00	**105**	105
Investment	**100**	**100.00**	100.00	**100**	100
Property investment	**100**	**50.00**	50.00	**50**	50
Property investment	**100**	**50.00**	50.00	**50**	50
Investment	**630 732**	**34.44**	34.44	**217 201**	217 201
Property investment	**100**	**33.33**	33.33	**33**	33
Investment	**1 000**	**36.00**	36.00	**360**	360
Investment	**182**	**–**	43.96	**–**	80
Investment	**400**	**–**	40.00	**–**	160
Dormant	**100 000**	**12.73**	12.73	**12 731**	12 731
Investment	**1 000**	**31.83**	31.83	**318**	318

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

41. INVESTMENT IN SUBSIDIARIES

Figures in R'000	COMPANY 2019	COMPANY Restated 2018
Balance at the beginning of the year	**12 899 937**	7 027 755
Additions	**3 278 383**	3 365 445
Disposal	**(3 365 345)**	(153 142)
Reversal of impairment	**211 410**	–
Net impairment	**2 797**	(262 297)
Fair value adjustment through other comprehensive income	**(1 158 760)**	2 922 176
Balance at the end of the year	**11 868 422**	12 899 937
Reconciled as follows:		
Cost	**6 169 183**	6 256 145
Impairment	**(136 422)**	(350 629)
Net gain from fair value adjustment	**5 835 661**	6 994 421
Balance at the end of the year	**11 868 422**	12 899 937
Net investment in subsidiaries	**11 868 422**	12 899 937
Investment in subsidiaries comprise the following:		
AIH International		
Balance at the beginning of the year	**44 419**	18 772
Fair value adjustment through other comprehensive income	**(44 419)**	25 647
Balance at the end of the year	**–**	44 419
Reconciled as follows:		
Cost*	**–**	–
Net gain from fair value adjustment	**–**	44 419
Balance at the end of the year	**–**	44 419
AIM		
Balance at the beginning of the year	**3 153 664**	–
Additions	**–**	3 365 074
Disposal	**(3 365 074)**	–
Reversal of impairment	**211 410**	–
Net impairment	**–**	(211 410)
Balance at the end of the year	**–**	3 153 664
Reconciled as follows:		
Cost	**–**	3 365 074
Impairment^	**–**	(211 410)
Balance at the end of the year	**–**	3 153 664
AMS		
Balance at the beginning of the year	**182 373**	232 889
Additions	**–**	371
Disposal	**(271)**	–
Net impairment	**2 797**	(50 887)
Balance at the end of the year	**184 899**	182 373
Reconciled as follows:		
Cost	**321 321**	321 592
Impairment#	**(136 422)**	(139 219)
Balance at the end of the year	**184 899**	182 373

 # The impairment of the investment in AMS related to the negative NAV of AMS as a result of losses incurred by AMS.
^ The impairment of the investment in AIM related to the decrease in the MAS share price at 30 June 2018.
** The cost of this investment is less than R1 000.*

41. INVESTMENT IN SUBSIDIARIES *continued*

Figures in R'000	COMPANY 2019	COMPANY Restated 2018
Attacq Energy		
Balance at the beginning of the year	**1 439**	357
Fair value adjustment through other comprehensive income	**2 137**	1 082
Balance at the end of the year	**3 576**	1 439
Reconciled as follows:		
Cost*	**–**	–
Net gain from fair value adjustment	**3 576**	1 439
Balance at the end of the year	**3 576**	1 439
ARF		
Balance at the beginning of the year	**2 260 289**	1 700 844
Fair value adjustment through other comprehensive income	**(98 978)**	559 445
Balance at the end of the year	**2 161 311**	2 260 289
Reconciled as follows:		
Cost	**1 017 644**	1 017 644
Net gain from fair value adjustment	**1 143 667**	1 242 645
Balance at the end of the year	**2 161 311**	2 260 289
AWIC		
Balance at the beginning of the year	**5 392 317**	3 577 169
Additions	**3 278 383**	–
Fair value adjustment through other comprehensive income	**(898 415)**	1 815 148
Balance at the end of the year	**7 772 285**	5 392 317
Reconciled as follows:		
Cost	**4 384 939**	1 106 556
Net gain from fair value adjustment	**3 387 346**	4 285 761
Balance at the end of the year	**7 772 285**	5 392 317
Brooklyn Bridge		
Balance at the beginning of the year	**245 502**	157 076
Fair value adjustment through other comprehensive income	**(53 092)**	88 426
Balance at the end of the year	**192 410**	245 502
Reconciled as follows:		
Cost	**126 541**	126 541
Net gain from fair value adjustment	**65 869**	118 961
Balance at the end of the year	**192 410**	245 502
Harlequin Duck		
Balance at the beginning of the year	**1 470**	1 472
Fair value adjustment through other comprehensive income	**(4)**	(2)
Balance at the end of the year	**1 466**	1 470
Reconciled as follows:		
Cost*	**–**	–
Net gain from fair value adjustment	**1 466**	1 470
Balance at the end of the year	**1 466**	1 470
Le Chateau		
Balance at the beginning of the year	**–**	–
Movement in provision for liabilities relating to subsidiaries	**–**	–
Balance at the end of the year	**–**	–
Reconciled as follows:		
Cost	**1**	1
Impairment	**(1)**	(1)
Balance at the end of the year	**–**	–

** The cost of this investment is less than R1 000.*

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

41. INVESTMENT IN SUBSIDIARIES continued

	COMPANY	
Figures in R'000	2019	Restated 2018
Lynnaur		
Balance at the beginning of the year	**343 631**	234 067
Fair value adjustment through other comprehensive income	**(8 499)**	109 564
Balance at the end of the year	**335 132**	343 631
Reconciled as follows:		
Cost	**50 060**	50 060
Net gain from fair value adjustment	**285 072**	293 571
Balance at the end of the year	**335 132**	343 631
Lynnwood Bridge		
Balance at the beginning of the year	**1 060 513**	822 317
Fair value adjustment through other comprehensive income	**9 195**	238 196
Balance at the end of the year	**1 069 708**	1 060 513
Reconciled as follows:		
Cost	**268 677**	268 677
Net gain from fair value adjustment	**801 031**	791 836
Balance at the end of the year	**1 069 708**	1 060 513
Attacq Treasury Share Company		
Balance at the beginning of the year	**214 320**	165 401
Fair value adjustment through other comprehensive income	**(66 685)**	48 919
Balance at the end of the year	**147 635**	214 320
Reconciled as follows:		
Cost*	**–**	–
Net gain from fair value adjustment	**147 635**	214 320
Balance at the end of the year	**147 635**	214 320
Attacq Namco		
Balance at the beginning of the year	**–**	117 391
Disposal	**–**	(153 142)
Fair value adjustment through other comprehensive income	**–**	35 751
Balance at the end of the year	**–**	–
Reconciled as follows:		
Cost	**–**	–
Net gain from fair value adjustment	**–**	–
Balance at the end of the year	**–**	–

** The cost of this investment is less than R1 000.*

The fair value of investments in subsidiaries is determined with reference to the net asset value of the underlying subsidiary.

The fair value of investments in subsidiaries is deemed to be level 2 as defined by IFRS 13: *Fair Value Measurements*.

There are no unobservable inputs identifiable that would have a significant impact on the fair value of the investments in subsidiaries.

41. INVESTMENT IN SUBSIDIARIES continued

During the current year, the investment in AIM was disposed of to AWIC. The amount was settled via the issue of shares.

The directors have assessed the investments in subsidiary relating to AIM to be impaired by R211.4 million in the prior year which has been recognised in the statement of profit or loss and other comprehensive income under "other expenses". This was as a result of the negative share performance from the date of transfer of the investment in MAS from Attacq to AIM. The net asset values of the company's interests in the underlying investments are deemed to approach the fair value less cost to sell. The recoverable amount of the investment in AIM has been based on the market value of the investment AIM holds in MAS. The fair value hierarchy of the investment in AIM has been classified as level 3. During the current year the impairment was reversed upon the disposal of the investment in AIM to AWIC which has been recognised in the statement of profit or loss and other comprehensive income under "other comprehensive income (loss)".

The directors have assessed the investments in subsidiary relating to AMS to be impaired by R17.8 million (2018: R50.9 million) which has been recognised in the statement of profit or loss and other comprehensive income under "other comprehensive income (loss)". This was as a result of the fund expenses incurred by AMS on behalf of the group. The net asset values of the company's interests in the underlying investments are deemed to approach the fair value less cost to sell. The recoverable amount of the investment in AMS has been based on the net asset value of the underlying entity. The fair value hierarchy of the investment in AMS has been classified as level 3.

As per note 43, the investments in AWIC, ARF, Brooklyn Bridge and Lynnwood Bridge were restated. The loans to the mentioned subsidiaries are subordinated for 20 months (2018: 18 months) from 31 May 2019 and 2018. The loans were discounted in the subsidiaries with a corresponding increase in the underlying equity.

41.1 ACQUISITION OF NON-CONTROLLING INTEREST RESERVE

Acquisition of ARF non-controlling interest reserve

During the 2014 year, the group acquired the non-controlling interest in ARF by issuing 12.1 million Attacq shares at R11.63 per share. The transaction was entered into prior to listing and the shares issued subsequent to listing when the market price of a share was R16.50 per share. This resulted in an IFRS 2: *Share-based Payment* charge of R59.2 million recognised in profit or loss (refer to note 30). This resulted in the recognition of an acquisition of non-controlling interest reserve of a credit of R28.8 million. This will be derecognised upon the sale of ARF.

Acquisition of Lynnaur non-controlling interest reserve

During the 2015 year, the group acquired the non-controlling interest in Lynnaur, the owner of the Aurecon building in Pretoria, for an amount of R50.0 million which made the group the sole owner of all the buildings located in the Lynnwood Bridge Precinct. This resulted in the recognition of an acquisition of non-controlling interest reserve of a debit of R14.8 million. This will be derecognised upon the sale of Lynnaur.

Acquisition of AWIC non-controlling interest reserve

During the 2015 year, the group acquired the non-controlling interest in AWIC to manage the Waterfall pipeline and take control of the strategic planning and management of Waterfall, including the roll-out of the infrastructure the group became the 100% shareholder of AWIC, with APH exiting as shareholders. The total purchase consideration for APH's interest, including shareholder's loan, was R655.1 million This resulted in the recognition of an acquisition of non-controlling interest reserve of a debit of R118.3 million. This will be derecognised upon the sale of AWIC.

During the current year, the acquisition of non-controlling interest reserve was transferred to distributable reserves.

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

41. INVESTMENT IN SUBSIDIARIES continued

The assets, liabilities, revenue and total comprehensive income (loss) of the company's subsidiaries are as follows:

Figures in R'000
COMPANY
Adamax
AIH International
AIM
Attacq Energy
Attacq Namco
AMS
ARS
ARF
AWIC
Brooklyn Bridge
Harlequin Duck
Le Chateau
Attacq Investment
Lynnaur
Lynnwood Bridge
Micawber
Attacq Treasury Share Company

Refer to note 40 for the interest in direct subsidiaries.

2019				Restated 2018			
Assets	Liabilities	Revenue	Total compre-hensive income (loss) for the year	Assets	Liabilities	Revenue	Total compre-hensive income (loss) for the year
70	66	(614)	–	1 431	1 427	261	–
1 208 363	1 539 467	–	(376 610)	1 537 687	1 493 269	–	22 449
3 170 562	142 932	–	48 228	3 301 360	147 695	–	(211 409)
27 876	24 299	3 113	2 137	25 422	23 981	3 059	1 084
–	–	–	–	–	–	–	35 751
26 047	129 691	169 154	(25 473)	29 372	114 710	160 634	(33 169)
171	138	–	1	179	147	–	18
4 825 366	2 664 051	494 729	(7 604)	4 833 081	2 589 770	464 284	610 467
17 376 913	9 604 638	1 266 199	(1 004 427)	15 237 350	10 466 869	1 032 787	1 603 958
796 405	603 996	64 012	(59 470)	565 419	353 424	55 778	74 219
1 466	–	–	(2)	1 470	–	–	(2)
5 000	44 117	–	(5)	5 001	44 113	–	(5)
–	–	–	–	737	738	–	(1)
806 441	471 313	157 720	14 835	810 474	466 844	68 097	127 565
2 085 395	1 015 688	263 073	68 166	2 055 233	1 002 158	298 567	286 459
154 008	375 199	7 181	(89 520)	234 365	366 036	26 667	(45 839)
219 283	71 648	–	(66 685)	299 736	85 416	–	48 919

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

42. LOANS TO (FROM) SUBSIDIARIES

Figures in R'000	Repayment date	Stage of credit impairment	Interest rate
COMPANY			
AMS	None	Stage 2	None
ARF*	None	Stage 1	None
AWIC*	None	Stage 1	None
AIM	None	Stage 1	None
AIH International (US dollar)	31 December 2020	Stage 1	6-month USD LIBOR + 2.0%
AIH International (euro)	31 December 2020		6-month EURIBOR + 2.4%
Attacq Energy	None	Stage 1	None
Brooklyn Bridge*	None	Stage 1	None
Harlequin Duck	None		None
Le Chateau	None	Stage 2	None
Leipzig	None	Stage 3	None
Lynnaur*	None	Stage 1	None
Lynnwood Bridge*	None	Stage 1	None
Razorbill	None	Stage 1	None
Total			
Loans to subsidiaries			
Non-current			
Current			
Loans from subsidiaries			
Non-current			
Current			
Total			

* *These loans have been subordinated for 20 months (2018: 18 months) effective 1 June 2019 (2018: 1 June 2018). The amounts reflected is the present value of the loans discounted back at the average cost of borrowing in the underlying entity.*

The ECL of R36.9 million (2018: R36.9 million) was recognised for the loan to Le Chateau as there is no prospect of profitable development at present. The recoverable amount of the loan has been based on the estimated future cash flow of the development.

A write-off of R42.5 million and an ECL of R0.1 million (2018: an impairment of R42.5 million) was recognised for the loan to Leipzig due to the fact that the investment in Europe was unprofitable and has been liquidated. The recoverable amount of the loan has been based on the expected cash return. The loan was written of in the current year.

The other ECLs of R2.6 million (2018: R0.0 million) were recognised based on a discounted probability of default and loss given default.

The fair value of loans to (from) subsidiaries is deemed to be level 3 as defined by IFRS 13: *Fair Value Measurements.*

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances is determined with reference to the carrying value and the net asset value of the underlying investments. ECLs were recognised by considering on a discounted basis the cash shortfalls it would incur in a default scenario for prescribed future periods and multiplying the shortfalls by the probability of the scenario occurring.

				Restated 2018		
	2019					
	Loan amount	ECL	Total	Loan amount	Impairment	Total
	110 959	(865)	110 094	98 119	–	98 119
	183 525	(37)	183 488	129 731	–	129 731
	3 859 486	(1 158)	3 858 328	4 479 633	–	4 479 633
	–	–	–	(76 838)	–	(76 838)
	66 544	–	66 544	59 040	–	59 040
	(389 014)	–	(389 014)	(376 918)	–	(376 918)
	20 713	(110)	20 603	23 388	–	23 388
	282 678	(57)	282 621	199 333	–	199 333
	(1 469)	–	(1 469)	(1 466)	–	(1 466)
	41 869	(36 870)	4 999	41 865	(36 859)	5 006
	195	(195)	–	43 188	(42 451)	737
	397	–	397	(6 010)	–	(6 010)
	61 324	(67)	61 257	56 925	–	56 925
	71 648	(136)	71 512	85 416	–	85 416
	4 308 855	(39 495)	4 269 360	4 755 406	(79 310)	4 676 096
			4 659 843			5 137 328
			4 452 635			4 924 662
			207 208			212 666
			(390 483)			(461 232)
			(389 014)			(376 918)
			(1 469)			(84 314)
			4 269 360			4 676 096

43. RESTATEMENT

Deconsolidation of Nieuwtown and Majestic

The group has a 50.0% shareholding in Nieuwtown and Majestic. The group was considered to have control over both Nieuwtown and Majestic because of its 50.0% ownership as well as performing the asset management function on behalf of both companies. As a result, Nieuwtown and Majestic were consolidated in the group annual financial statements for all previous reporting dates since inception.

When Attacq relinquished the asset management function, Nieuwtown and Majestic were deconsolidated by the group with effect from 1 July 2018.

The decision to consolidate Nieuwtown and Majestic in prior years was reviewed together with the accounting treatment appropriate with the change in asset managers referred to above. Following the review, it was determined that the performance of the asset management function in conjunction with a 50.0% shareholding does not by itself result in control. It was therefore concluded that Attacq had joint control with its co-shareholder prior to 1 July 2018.

The impact of this error is that the group has restated the prior year annual financial statements by deconsolidating Nieuwtown and Majestic and accounting for these investments as associates in terms of IFRS 11: *Joint Arrangements*.

Error in treatment of non-controlling interest of Nieuwtown in calculating distributable earnings

While preparing the restated prior year annual financial statements as referred to above, it was observed that the non-cash inter-company transactions attributable to the non-controlling interest in respect of Nieuwtown were not adjusted for in the calculation of distributable earnings. This error was corrected by effecting the prior year restatement of deconsolidating Nieuwtown and accounting for this investment as an associate in terms of IFRS 11: *Joint Arrangements*.

Adjustment to headline earnings as a result of the deconsolidation of Nieuwtown and Majestic

In accordance with Circular 4/2018: *Headline Earnings issued by the South African Institute of Chartered Accountants*, an adjustment should be made for the headline earnings of an investment in associates. Due to the deconsolidation of Nieuwtown and Majestic and the resulting equity accounting for these investments, an adjustment to headline earnings is required to reflect the headline earnings of the underlying associates.

43. RESTATEMENT continued

Error in discounting inter-company loans not payable on demand

The group (through Attacq) grants inter-company loans to subsidiaries and associates. For the loans granted to AWIC, ARF, BBOP, LBOP, Lynnaur Investments Proprietary Limited and Nieuwtown, subordination agreements are in place. Consequently, these loans are not repayable to Attacq on demand. In terms of IFRS 9: *Financial Instruments* (2018: IAS 39: *Financial Instruments: Recognition and Measurement*), loans to group companies should be recognised initially at fair value. Due to the loans to the mentioned entities not being repayable on demand, the fair value of the loan at initial recognition will be lower than the amount advanced. The loans were discounted back for the duration of the subordination period at the incremental rate of borrowing of the underlying subsidiaries and associate. Interest was recognised for the period, on the discounted loan balances using the effective interest rate method.

The discounting of the loans to the subsidiaries are eliminated on consolidation of the group's annual financial statements and therefore has no impact on the group's annual financial statements.

Error in classification of AttAfrica and Gruppo loans

The group, through its wholly owned subsidiary AIHI, granted loans to AttAfrica and Gruppo. The loan to AttAfrica is repayable on 31 December 2020 and the loan to Gruppo is repayable at Gruppo's discretion. These loans have been reclassified from current assets to non-current assets.

Error in classification of Nieuwtown loan

The group granted a loan to Nieuwtown and as per the subordination agreement the loan to Nieuwtown has been subordinated until 29 April 2042. This loan has been reclassified from current assets to non-current assets.

The impact of these restatements on the key metrics is as follows:

Key metric	As reported Audited 30 June 2018	Restatement	Restated Audited 30 June 2018	As reported Audited 30 June 2017	Restatement	Restated Audited 1 July 2017
NAVPS (cents)	2 424.0	–	2 424.0	1 984.0	–	1 984.0
DEPS (cents)	75.0	5.7	80.7	n/a	n/a	n/a

A restatement is required in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* because of the material adjustments to individual line items of the financial statements as detailed on the following pages:

As at 30 June 2017, distributable earnings per share was not a key metric.

43. RESTATEMENT continued

Figures in R'000
Impact on consolidated statement of comprehensive income
Gross revenue
Rental income
Straight-line lease income adjustment
Property expenses
Net profit from property operations
Other income
Operating expenses
Operating profit
Fair value adjustments
Investment property
Other financial assets/liabilities
Net income from associates and joint ventures
Investment income
Finance costs
Profit before taxation
Income tax credit
Profit for the year
Attributable to:
Owners of the holding company
Non-controlling interests
Total comprehensive income for the year
Attributable to:
Owners of the holding company
Non-controlling interests
Earnings per share
Basic (cents)
Diluted (cents)

GROUP 2018						
As reported Audited 30 June 2018	Deconsoli-dation of Nieuwtown and Majestic	Present value of loans to associates	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
2 168 826	(186 452)	–	–	–	–	1 982 374
2 035 494	(171 452)	–	–	–	–	1 864 042
103 467	(15 000)	–	–	–	–	88 467
(749 644)	70 878	–	–	–	–	(678 766)
1 419 182	(115 574)	–	–	–	–	1 303 608
157 675	(112 705)	–	–	–	–	44 970
(170 256)	2	–	–	–	–	(170 254)
1 253 939	(228 277)	–	–	–	–	1 025 662
370 265	50 621	–	–	–	–	420 886
328 970	51 228	–	–	–	–	380 198
41 295	(607)	–	–	–	–	40 688
81 706	(52 560)	48 946	–	–	–	78 092
194 447	38 868	8	–	–	–	233 323
(950 501)	136 633	–	–	–	–	(813 868)
961 569	(54 715)	48 954	–	–	–	955 808
1 749 765	(2 293)	–	–	–	–	1 747 472
2 711 334	(57 008)	48 954	–	–	–	2 703 280
2 651 542	2 784	48 954	–	–	–	2 703 280
59 792	(59 792)	–	–	–	–	–
2 706 686	(57 008)	48 954	–	–	–	2 698 632
2 646 894	2 784	48 954	–	–	–	2 698 632
59 792	(59 792)	–	–	–	–	–
377.2	0.3	7.0	–	–	–	384.5
374.2	0.4	6.9	–	–	–	381.5

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on consolidated statement of financial position
ASSETS
Non-current assets
Property and equipment
Investment properties
Per valuation
Straight-line lease debtor
Straight-line lease debtor
Investment in associates and joint ventures
Loans to associates and joint ventures
Total non-current assets
Current assets
Trade and other receivables
Loans to associates and joint ventures
Cash and cash equivalents
Total current assets
Total assets
EQUITY AND LIABILITIES
Equity
Distributable reserves
Available-for-sale reserve
Equity attributable to owners of the holding company
Non-controlling interests
Total equity
Non-current liabilities
Long-term borrowings
Deferred tax liabilities
Other financial liabilities
Finance lease obligation
Total non-current liabilities
Current liabilities
Other financial liabilities
Trade and other payables
Short-term portion of long-term borrowings
Total current liabilities
Total liabilities
Total equity and liabilities
The following information does not form part of the statement of financial position
Net asset value per share (cents)
Net asset value per share adjusted for deferred tax (cents)

			GROUP 2018				
	As reported Audited 30 June 2018	Deconsolidation of Nieuwtown and Majestic	Present value of loans to associates	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
	42 667	(1 446)	–	–	–	–	41 221
	21 234 085	(1 442 940)	–	–	–	–	19 791 145
	22 166 318	(1 533 150)	–	–	–	–	20 633 168
	(932 233)	90 210	–	–	–	–	(842 023)
	932 233	(90 210)	–	–	–	–	842 023
	3 328 852	16 710	48 946	–	–	–	3 394 508
	–	–	–	787 304	257 225	271 349	1 315 878
	26 255 538	(1 517 886)	48 946	787 304	257 225	271 349	26 102 476
	212 563	(9 549)	–	–	–	–	203 014
	1 190 590	320 295	(48 946)	(787 304)	(257 225)	(271 349)	146 061
	1 239 631	(18 505)	–	–	–	–	1 221 126
	2 704 290	292 241	(48 946)	(787 304)	(257 225)	(271 349)	1 631 707
	29 078 699	(1 225 645)	–	–	–	–	27 853 054
	9 544 296	(9 520)	–	–	–	–	9 534 776
	279 845	9 525	–	–	–	–	289 370
	17 042 125	5	–	–	–	–	17 042 130
	16 705	(16 705)	–	–	–	–	–
	17 058 830	(16 700)	–	–	–	–	17 042 130
	10 527 029	(999 539)	–	–	–	–	9 527 490
	178 924	(1)	–	–	–	–	178 923
	127 869	(1 004)	–	–	–	–	126 865
	88 914	(88 914)	–	–	–	–	–
	10 923 295	(1 089 458)	–	–	–	–	9 833 837
	74 060	(53 011)	–	–	–	–	21 049
	403 550	(20 047)	–	–	–	–	383 503
	584 525	(46 429)	–	–	–	–	538 096
	1 096 574	(119 487)	–	–	–	–	977 087
	12 019 869	(1 208 945)	–	–	–	–	10 810 924
	29 078 699	(1 225 645)	–	–	–	–	27 853 054
	2 424	–	–	–	–	–	2 424
	2 449	–	–	–	–	–	2 449

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on reconciliation between earnings and headline earnings
Profit for the year
Headline earnings adjustments
Fair value adjustments
Net income from associates and joint ventures
Tax effect of adjustments
Non-controlling interests' share
Headline earnings
Headline earnings per share
Basic (cents)
Diluted (cents)

Figures in R'000
Impact on reconciliation between earnings and headline earnings
Cash flow generated from operating activities
Cash generated from operations
Investment income
Finance costs
Cash flow (utilised in) generated from investing activities
Property and equipment acquired
Investment properties acquired
Cash flow generated from (utilised in) financing activities
Long-term borrowings repaid
Loans to associates and joint ventures (advanced) repaid
Total cash movement for the year
Cash at the beginning of the year
Total cash at the end of the year

GROUP
2018

As reported Audited 30 June 2018	Deconsolidation of Nieuwtown and Majestic	Present value of loans to associates	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
2 651 542	2 784	48 954	–	–	–	2 703 280
(426 476)	(85)	–	–	–	–	(426 561)
(370 265)	(50 621)	–	–	–	–	(420 886)
(33 270)	25 311	–	–	–	–	(7 959)
4 975	(170)	–	–	–	–	4 805
(25 395)	25 395	–	–	–	–	–
2 225 066	2 699	48 954	–	–	–	2 276 719
316.5	0.4	7.0	–	–	–	323.9
314.0	0.4	6.9	–	–	–	321.3

GROUP
2018

As reported Audited 30 June 2018	Deconsolidation of Nieuwtown and Majestic	Present value of loans to associates	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
380 762	3 827	–	–	–	–	384 589
1 019 788	(108 193)	–	–	–	–	911 595
119 625	(1 790)	–	–	–	–	117 835
(899 312)	113 810	–	–	–	–	(785 502)
(119 105)	3 075	–	–	–	–	(116 030)
(2 874)	346	–	–	–	–	(2 528)
(738 927)	2 729	–	–	–	–	(736 198)
530 128	4 878	–	–	–	–	535 006
(2 895 275)	21 093	–	–	–	–	(2 874 182)
130 649	(16 215)	–	–	–	–	114 434
791 785	11 780	–	–	–	–	803 565
447 846	(30 285)	–	–	–	–	417 561
1 239 631	(18 505)	–	–	–	–	1 221 126

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on reconciliation of profit for the year to distributable earnings
Profit for the year attributable to Attacq's shareholders
Fair value adjustments
Net income from associates and joint ventures
Non-controlling interests' share of fair value adjustments
Straight-line lease income adjustments
Adjustment for net non-cash interest from associates
Depreciation and amortisation
Finance lease interest
Write-off of other trade and receivable
Write-off of loan by APD net of non-controlling interest
Non-cash interest accrued
Deferred taxation
Actual finance lease payments
Distributable earnings for the year
Distributable earnings per share
Basic (cents)
Diluted (cents)

GROUP 2018						
As reported Audited 30 June 2018	Deconsolidation of Nieuwtown and Majestic	Present value of loans to associates	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
2 651 542	2 784	48 954	–	–	–	2 703 280
(370 265)	(50 621)	–	–	–	–	(420 886)
(81 706)	52 560	(48 946)	–	–	–	(78 092)
(25 395)	25 395	–	–	–	–	–
(95 967)	7 500	–	–	–	–	(88 467)
(87 613)	(40 658)	(8)	–	–	–	(128 279)
40 335	(571)	–	–	–	–	39 764
3 784	(3 784)	–	–	–	–	–
52 492	(4 520)	–	–	–	–	47 972
(56 178)	56 178	–	–	–	–	–
7 536	(7 536)	–	–	–	–	–
(1 771 676)	2 293	–	–	–	–	(1 769 383)
(773)	773	–	–	–	–	–
527 384	39 793	–	–	–	–	567 177
75.0	5.7					80.7
74.4	5.6					80.0

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on consolidated statement of comprehensive income
Gross revenue
Rental income
Straight-line lease income adjustment
Property expenses
Net profit from property operations
Other income
Operating profit
Fair value adjustments
Investment property
Other financial assets/liabilities
Net income from associates and joint ventures
Investment income
Finance costs
Profit before taxation
Income tax credit
Profit for the year
Attributable to:
Owners of the holding company
Non-controlling interests
Other comprehensive (loss) income
Taxation relating to components of other comprehensive income
Other comprehensive income (loss) for the year net of taxation
Total comprehensive income for the year
Attributable to:
Owners of the holding company
Non-controlling interests
Earnings per share
Basic (cents)
Diluted (cents)

GROUP 2017					
As reported Audited 30 June 2017	Deconsolidation of Nieuwtown and Majestic	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	As reported Audited 1 July 2017
2 060 895	(196 135)	–	–	–	1 864 760
1 861 093	(171 866)	–	–	–	1 689 227
199 802	(24 269)	–	–	–	175 533
(742 277)	66 183	–	–	–	(676 094)
1 318 618	(129 952)	–	–	–	1 188 666
60 463	(88)	–	–	–	60 375
793 351	(130 040)	–	–	–	663 311
527 581	20 269	–	–	–	547 850
664 525	19 207	–	–	–	683 732
(136 944)	1 062	–	–	–	(135 882)
249 880	(29 879)	–	–	–	220 001
189 536	34 925	–	–	–	224 461
(987 411)	134 573	–	–	–	(852 838)
750 877	29 848	–	–	–	780 725
(150 599)	50	–	–	–	(150 549)
600 278	29 898	–	–	–	630 176
630 164	12	–	–	–	630 176
(29 886)	29 886	–	–	–	–
(11 269)	(38)	–	–	–	(11 307)
(129 096)	(38)	–	–	–	(129 134)
471 182	29 860	–	–	–	501 042
501 068	(26)	–	–	–	501 042
(29 886)	29 886	–	–	–	–
89.7	–	–	–	–	89.7
89.0	–	–	–	–	89.0

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on consolidated statement of financial position
ASSETS
Non-current assets
Property and equipment
Investment properties
Per valuation
Straight-line lease debtor
Straight-line lease debtor
Investment in associates and joint ventures
Loans to associates and joint ventures
Total non-current assets
Current assets
Trade and other receivables
Loans to associates and joint ventures
Cash and cash equivalents
Total current assets
Total assets
EQUITY AND LIABILITIES
Equity
Distributable reserves
Available-for-sale reserve
Equity attributable to owners of the holding company
Non-controlling interests
Total equity
Non-current liabilities
Long-term borrowings
Deferred tax liabilities
Other financial liabilities
Finance lease obligation
Total non-current liabilities
Current liabilities
Other financial liabilities
Trade and other payables
Short-term portion of long-term borrowings
Total current liabilities
Total liabilities
Total equity and liabilities
The following information does not form part of the statement of financial position
Net asset value per share (cents)
Net asset value per share adjusted for deferred tax (cents)

GROUP 2017 As reported Audited 30 June 2017	Deconsolidation of Nieuwtown and Majestic	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	As reported Audited 1 July 2017
52 272	(1 671)	–	–	–	50 601
19 735 365	(1 491 439)	–	–	–	18 243 926
20 536 861	(1 566 649)	–	–	–	18 970 212
(801 496)	75 210	–	–	–	(726 286)
801 496	(75 210)	–	–	–	726 286
3 153 392	12 404	–	–	–	3 165 796
–	–	776 246	214 245	320 289	1 310 780
24 428 142	(1 555 916)	776 246	214 245	320 289	24 183 006
174 623	(13 495)	–	–	–	161 128
1 250 278	320 289	(776 246)	(214 245)	(320 289)	259 787
447 846	(30 285)	–	–	–	417 561
2 092 566	276 509	(776 246)	(214 245)	(320 289)	1 058 295
27 322 191	(1 279 407)	–	–	–	26 042 784
6 945 483	(12 304)	–	–	–	6 933 179
282 329	9 525	–	–	–	291 854
13 946 700	(2 779)	–	–	–	13 943 921
(43 087)	43 087	–	–	–	–
13 903 613	40 308	–	–	–	13 943 921
7 976 110	(1 037 514)	–	–	–	6 938 596
1 932 140	(2 294)	–	–	–	1 929 846
164 696	(1 611)	–	–	–	163 085
83 150	(83 150)	–	–	–	–
10 157 592	(1 124 569)	–	–	–	9 033 023
137 145	(134 309)	–	–	–	2 836
501 380	(26 824)	–	–	–	474 556
2 279 802	(34 013)	–	–	–	2 245 789
2 930 453	(195 146)	–	–	–	2 735 307
13 418 578	(1 319 715)	–	–	–	12 098 863
27 322 191	(1 279 407)	–	–	–	26 042 784
1 984	–	–	–	–	1 984
2 259	(1)	–	–	–	2 258

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on reconciliation between earnings and headline earnings
Profit for the year
Headline earnings adjustments
Fair value adjustments
Net income from associates and joint ventures
Tax effect of adjustments
Non-controlling interests' share
Headline earnings
Headline earnings per share
Basic (cents)
Diluted (cents)

Figures in R'000
Impact on reconciliation between earnings and headline earnings
Cash flow generated from operating activities
Cash generated from operations
Investment income
Finance costs
Cash flow (utilised in) generated from investing activities
Property and equipment acquired
Investment properties acquired
Cash flow generated from (utilised in) financing activities
Long-term borrowings repaid
Loans to associates and joint ventures (advanced) repaid
Loss of control of subsidiary
Total cash movement for the year
Cash at the beginning of the year
Total cash at the end of the year

GROUP 2017					
As reported Audited 30 June 2017	Deconsoli-dation of Nieuwtown and Majestic	Reclassification of loans to AttAfrica	Reclassification of loans to Gruppo	Reclassification of loans to Nieuwtown	As reported Audited 1 July 2017
630 164	12	–	–	–	630 176
(468 558)	14	–	–	–	(468 544)
(527 581)	(20 269)	–	–	–	(547 850)
(249 880)	10 135	–	–	–	(239 745)
123 110	2 313	–	–	–	125 423
(7 835)	7 835	–	–	–	–
161 606	26				161 632
23.0	–				23.0
22.8	–				22.8

GROUP 2017					
As reported Audited 30 June 2017 R'000	Deconsoli-dation of Nieuwtown and Majestic R'000	Reclassification of loans to AttAfrica R'000	Reclassification of loans to Gruppo R'000	Reclassification of loans to Nieuwtown R'000	As reported Audited 1 July 2017 R'000
124 022	(6 653)	–	–	–	117 369
1 033 295	(119 200)	–	–	–	914 095
60 303	(2 696)	–	–	–	57 607
(934 930)	115 243	–	–	–	(819 687)
310 427	5 534	–	–	–	315 961
(27 319)	1 395	–	–	–	(25 924)
(1 098 009)	4 139	–	–	–	(1 093 870)
(423 884)	(11 806)		–	–	(435 690)
(3 254 770)	9 604	–	–	–	(3 245 166)
468 643	8 875	–	–	–	477 518
–	(30 285)	–	–	–	(30 285)
10 565	(12 925)	–	–	–	(2 360)
437 281	(17 360)	–	–	–	419 921
447 846	(30 285)	–	–	–	417 561

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on statement of comprehensive income
Gross revenue
Investment income
Net rental income
Operating profit (loss)
Profit (loss) before taxation
Profit (loss) for the year
Owners of the holding company
Items that will be reclassified subsequently to profit and loss
Gain on available-for-sale financial assets
Other comprehensive income for the year net of taxation
Total comprehensive income for the year

COMPANY 2018				
As reported Audited 30 June 2018	Deconsolidation of Nieuwtown and Majestic	Present value of loans to group companies	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
681 019	–	33 968		714 987
681 019	–	33 968	–	714 987
680 246	–	33 968	–	714 214
360 274	–	33 968	–	394 242
404 462	–	33 968	–	438 430
310 740	–	33 968	–	344 708
310 740	–	33 968	–	344 708
2 192 419	–	728 707	–	2 921 126
3 280 834	–	728 707	–	4 009 541
3 591 574	–	762 675	–	4 354 249

Notes to the financial statements CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

43. RESTATEMENT continued

Figures in R'000
Impact on statement of financial position
ASSETS
Non-current assets
Investment in associates and joint ventures
Loans to associates and joint ventures
Investment in subsidiaries
Loans to subsidiaries
Total non-current assets
Current assets
Loans to associates and joint ventures
Loans to subsidiaries
Total current assets
Total assets
EQUITY AND LIABILITIES
Equity
Distributable reserves
Available-for-sale reserve
Equity attributable to owners of the holding company
Total equity and liabilities

Figures in R'000
Impact on statement of cash flows
Cash flow utilised in financing activities
Loans to associates and joint ventures (advanced) repaid
Loans repaid (advanced) to group companies

		COMPANY 2018		
As reported Audited 30 June 2018	Deconsoli-dation of Nieuwtown and Majestic	Present value of loans to group companies	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
43 457	16 710	48 946	–	109 113
–	–	(48 946)	320 295	271 349
12 236 886	(16 710)	679 761	–	12 899 937
5 604 423	–	(679 761)	–	4 924 662
17 887 897	–	–	320 295	18 208 192
2 814	320 295	–	(320 295)	2 814
532 961	(320 295)	–	–	212 666
579 578	–	–	(320 295)	259 283
18 470 624	–	–	–	18 470 624
4 619 971	–	(728 707)	–	3 891 264
6 352 576	–	728 707	–	7 081 283
17 923 131	–	–	–	17 923 131
18 470 624	–	–	–	18 470 624

		COMPANY 2018		
As reported Audited 30 June 2018	Deconsoli-dation of Nieuwtown and Majestic	Present value of loans to group companies	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2018
(989 806)	–	–	–	(989 806)
5 074	(16 214)	–	–	(11 140)
(983 760)	16 214	–	–	(967 546)

43. RESTATEMENT continued

	COMPANY 2017			
Figures in R'000	As reported Audited 30 June 2017	Deconsolidation of Nieuwtown and Majestic	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2017
Impact on statement of financial position				
ASSETS				
Non-current assets				
Investment in associates and joint ventures	3 457 313	12 404	–	3 469 717
Loans to associates and joint ventures	–	–	320 289	320 289
Investment in subsidiaries	7 040 159	(12 404)	–	7 027 755
Total non-current assets	10 678 604	–	320 289	10 998 893
Current assets				
Loans to associates and joint ventures	5 605	320 289	(320 289)	5 605
Loans to subsidiaries	4 572 652	(320 289)		4 252 363
Total current assets	4 657 462	–	(320 289)	4 337 173
Total assets	15 496 014	–	–	15 496 014

Figures in R'000	As reported Audited 30 June 2017	Deconsolidation of Nieuwtown and Majestic	Reclassification of loans to Nieuwtown	Restated Audited 30 June 2017
Impact on statement of cash flows				
Cash flow utilised in financing activities	(96 555)	–		(96 555)
Loans to associates and joint ventures (advanced) repaid	(8 788)	8 875	–	87
Loans repaid (advanced) to group companies	406 444	(8 875)	–	397 569

Supplementary information

FOR THE YEAR ENDED 30 JUNE 2019

SHAREHOLDER INFORMATION

Beneficial shareholders holding 5.0% or more of Attacq's issued share capital:

	At 30 June 2019		At 30 June 2018	
Number of shares	**Shares held**	**%**	Shares held	%
Coronation	**100 575 882**	**13.4%**	107 669 844	15.5%
Government Employees Pension Fund	**68 616 891**	**9.1%**	62 505 003	9.0%
RBH*	**41 439 525**	**5.5%**	41 439 525	6.0%
Sanlam	**11 830 937**	**1.6%**	69 465 490	10.0%
Total	**222 463 235**	**29.6%**	281 079 862	40.4%

** The shares held by RBH are directly held by Lisinfo 222.*

Beneficial shareholder spread

	At 30 June 2019			At 30 June 2018		
	Number	**Shares held**	**%**	Number	Shares held	%
Non-public	**12**	**148 784 378**	**19.8%**	11	225 159 209	34.8%
> 10%	**1**	**100 575 882**	**13.4%**	2	177 135 334	27.7%
Treasury shares	**2**	**46 427 553**	**6.2%**	2	46 427 553	6.2%
Directors and associates	**9**	**1 780 943**	**0.2%**	7	1 596 322	0.8%
Public	**6 395**	**601 138 399**	**80.2%**	6 585	524 423 568	65.2%
Total	**6 407**	**749 922 777**	**100.0%**	6 596	749 582 777	100.0%

Summary of trading in Attacq shares

	30 June 2019	30 June 2018
Number of trades	**130 544**	106 395
Total number of shares traded	**306 097 300**	304 241 264
Total value of shares traded (R'000)	**4 615 248**	5 668 413
High (R)	**17.09**	20.32
Low (R)	**12.71**	16.80
Closing price (R)	**13.12**	17.05

Supplementary information CONTINUED

FOR THE YEAR ENDED 30 JUNE 2019

Multi/single tenanted	Property	Province
Office and mixed use[1]		
Multi	Brooklyn Bridge Office Park	Gauteng
Multi	Lynnwood Bridge Offices	Gauteng
Single	Aurecon building	Gauteng
Multi	2 Eglin, Sunninghill	Gauteng
Single	Waterfall – Cell C Campus	Gauteng
Single	Waterfall – Transnet	Gauteng
Multi	Maxwell Office Park*	Gauteng
Multi	Waterfall – Allandale building	Gauteng
Single	Waterfall – PwC Tower and PwC Annex**	Gauteng
Multi	Waterfall – Gateway west building	Gauteng
Multi	Waterfall – Corporate Campus*	Gauteng
Single	Waterfall – Novartis	Gauteng
Retail		
Multi	Glenfair Boulevard Shopping Centre	Gauteng
Multi	Lynnwood Bridge Retail	Gauteng
Multi	Garden Route Mall	Western Cape
Multi	Brooklyn Mall#	Gauteng
Multi	Mooi Rivier Mall	North West
Multi	Eikestad Mall Precinct^	Western Cape
Multi	Waterfall – Mall of Africa^	Gauteng
Multi	Waterfall – Waterfall Corner	Gauteng
Multi	Waterfall – Waterfall Lifestyle	Gauteng
Light industrial[2]		
Single	Waterfall – Amrod	Gauteng
Single	Waterfall – BMW	Gauteng
Single	Waterfall – Cummins*	Gauteng
Single	Waterfall – Dimension Data	Gauteng
Single	Waterfall – Dischem	Gauteng
Single	Waterfall – Massbuild Distribution Centre	Gauteng
Single	Waterfall – Midi warehouse	Gauteng
Single	Waterfall – Pirtek	Gauteng
Single	Waterfall – Superga warehouse	Gauteng
Single	Waterfall – Torre$	Gauteng
Single	Waterfall – Zimmer Biomet*	Gauteng
Hotel[3]		
Single	Waterfall – City Lodge	Gauteng
Single	Lynnwood Bridge City Lodge	Gauteng
Developments under construction		
Single	Waterfall – Deloitte*	Gauteng
Single	Waterfall – Corporate Campus (ContinuitySA)*	Gauteng
Multi	Waterfall – Waterfall Point	Gauteng
Multi	Waterfall – PSG Wealth	Gauteng
Multi	Waterfall – Ingress building 2	Gauteng
Single	Waterfall – Courtyard	Gauteng

*# 25.0% share, * 50.0% share, ** 75.0% share, ^ 80.0% share, $ Classified as held for sale (note 28)*
[1] Single-tenanted office and mixed-use properties weighted average rental rate of R201.0/m² (2018: R176.0/m²)
[2] Single-tenanted industrial properties weighted average rental rate of R77.0/m² (2018: R70.0/m²)
[3] Single-tenanted hotel properties weighted average rental rate of R218.0/m² (2018: R187.0/m²)

Valuation R'000	PGLA m²	GMR R	GMR R/m²	Vacancy m²
7 239 506	**264 189**			**30 584**
490 000	23 525	4 132 529	207	3 537
957 165	27 613	7 569 306	275	138
796 093	19 104	–	–	–
151 503	25 525	455 335	95	20 732
1 028 004	43 890	–	–	–
630 743	24 354	–	–	–
548 096	18 423	3 901 951	212	–
422 729	15 359	2 984 637	194	–
1 415 730	36 461	–	–	–
344 021	13 803	2 184 505	201	2 947
218 317	8 150	981 455	199	3 230
237 105	7 982	–	–	–
9 918 911	**304 337**			**10 572**
492 026	15 951	3 794 095	247	575
377 089	11 378	3 016 781	270	222
1 495 400	53 816	10 427 221	194	8
694 000	18 778	5 667 671	313	676
1 235 500	49 696	8 561 531	180	2 088
930 880	38 227	6 439 871	188	3 958
4 358 165	99 770	28 042 330	289	2 802
202 985	9 582	1 708 409	183	243
132 866	7 139	1 208 918	169	–
1 637 924	**168 609**			**5 262**
426 367	37 937	–	–	–
282 871	31 987	–	–	–
117 587	7 649	–	–	–
97 866	8 291	–	–	–
85 848	8 518	–	–	–
412 404	50 033	–	–	–
39 804	5 262	–	–	5 262
29 868	2 815	–	–	–
41 983	4 710	–	–	–
77 000	9 357	–	–	–
26 326	2 050	–	–	–
346 873	**13 690**			–
121 980	5 744	–	–	–
224 893	7 946	–	–	–
1 310 443	**44 307**			**–**
753 077	22 040	–	–	–
38 806	2 765	–	–	–
119 565	4 678	–	–	–
128 223	4 311	–	–	–
101 592	4 240	–	–	–
169 180	6 273	–	–	–

Corporate information

Attacq Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1997/000543/06)
(JSE share code: ATT   ISIN: ZAE000177218)
(Approved as a REIT by the JSE)
(Attacq or company or group)

Registered office
ATT House, 2nd floor
Maxwell Office Park
37 Magwa Crescent
Waterfall City 2090

Postal address
PostNet Suite 016
Private Bag X81
Halfway House 1685

Independent non-executive directors
P Tredoux (chairperson)
HR El Haimer (lead independent)
MM du Toit
IN Mkhari
BT Nagle
S Shaw-Taylor
JHP van der Merwe

Executive directors
M Hamman (CEO)
R Nana (CFO)
JR van Niekerk (COO)

Interim company secretary
Peter de Villiers (CIO)

Transfer secretaries
Computershare Investor Services Proprietary Limited

Sponsor
Java Capital

Independent auditor
Deloitte & Touche

Bastion

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