

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of the Company are responsible for the preparation, integrity, and fair presentation of the financial statements of the Company and the Group. The financial statements presented on pages 70 to 120 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the financial statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all standards of International Financial Reporting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of operations for the year and the financial position

of the Fund at year-end. The directors also prepared the other information included in the report and are responsible for both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Fund to enable the directors to ensure that the financial statements comply with the relevant legislation.

The Fund operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business, are being controlled. The going-concern

basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

These financial statements support the viability of the Fund. The Fund's external auditor, PricewaterhouseCoopers Incorporated, audited the financial statements, and their report is presented on page 69.



**BJ van der Ross**  
Chairman



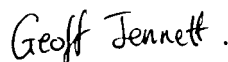
**GM Jennett**  
Chief Executive Officer

## APPROVAL OF ANNUAL STATEMENTS

The annual financial statements of the Company and Group, incorporating statutorily required information in respect of the Company, for the year ended 30 June 2016 set out on pages 70 to 120 were approved by the Board of Directors of Emira on 23 September 2016 and are signed on its behalf by:



**BJ van der Ross**  
Chairman



**GM Jennett**  
Chief Executive Officer

# REPORT OF THE INDEPENDENT AUDITOR

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMIRA PROPERTY FUND LIMITED

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### Report on the financial statements

We have audited the consolidated and separate financial statements of Emira Property Fund Limited set out on pages 70 to 120, which comprise the statements of financial position as at 30 June 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these 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 controls as the directors determine are necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Emira Property Fund Limited as at 30 June 2016, 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.

### Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

### 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 PricewaterhouseCoopers Inc. has been the auditor of Emira Property Fund Limited for 13 years.



**PricewaterhouseCoopers Inc.**

Director: V. Muguto  
Registered Auditor

Sunninghill  
23 September 2016

# STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

R'000	Notes	GROUP		COMPANY	
		2016	2015	2016	2015
<b>REVENUE</b>		<b>1 796 951</b>	<b>1 811 968</b>	<b>1 158 025</b>	<b>1 123 195</b>
Operating lease rental income from investment properties		1 349 437	1 290 396	859 285	827 103
Recoveries of operating costs from tenants		431 079	396 274	295 014	273 597
Allowance for future rental escalations	7	16 435	125 298	3 726	22 495
Dividends received from subsidiaries				748 291	-
Income from listed property investment		58 045	47 388	58 045	47 388
Property expenses		(637 805)	(581 752)	(418 313)	(384 208)
Fee paid on cancellation of interest-rate swap agreements	3	-	(36 641)	-	(36 641)
Administration expenses		(84 612)	(86 341)	(70 905)	(67 944)
Depreciation		(14 840)	(9 324)	(11 276)	(5 760)
<b>OPERATING PROFIT BEFORE FAIR VALUE ADJUSTMENTS</b>		<b>1 117 739</b>	<b>1 145 298</b>	<b>1 463 867</b>	<b>676 030</b>
<b>Net fair value adjustments</b>		<b>(83 347)</b>	<b>1 113 841</b>	<b>70 480</b>	<b>996 410</b>
Net fair value (loss)/gain on revaluation of investment properties		(201 028)	983 226	(54 865)	872 145
Change in fair value as a result of straight-lining lease rentals	7	(16 435)	(125 298)	(3 726)	(22 495)
Change in fair value as a result of amortising upfront lease costs	8	24 778	996	17 957	334
Change in fair value as a result of property (depreciation)/appreciation in value	6	(209 371)	1 107 528	(69 096)	894 306
Revaluation of derivative financial instruments relating to share appreciation rights scheme		(25 753)	6 350	(18 089)	-
Impairment charge		-	(6 673)	-	(6 673)
Unrealised gain on fair valuation of listed property investment	10	143 434	130 938	143 434	130 938
<b>PROFIT BEFORE FINANCE COSTS</b>		<b>1 034 392</b>	<b>2 259 139</b>	<b>1 534 347</b>	<b>1 672 440</b>
<b>Net finance costs</b>		<b>(394 306)</b>	<b>(351 137)</b>	<b>(379 575)</b>	<b>(333 232)</b>
Finance income		10 896	10 833	8 434	8 556
Interest received		10 896	10 833	8 434	8 556
Finance costs		(405 202)	(361 970)	(388 009)	(341 788)
Interest paid and amortised borrowing costs		(411 767)	(401 133)	(394 574)	(380 951)
Interest capitalised to the cost of developments		10 378	5 110	10 378	5 110
Unrealised (deficit)/surplus on revaluation of interest-rate swaps		(3 813)	34 053	(3 813)	34 053
<b>PROFIT BEFORE INCOME TAX CHARGE</b>	3	<b>640 086</b>	<b>1 908 002</b>	<b>1 154 772</b>	<b>1 339 208</b>
<b>Income tax charge</b>	4	<b>(6)</b>	<b>(1 777)</b>		
SA normal taxation		(6)	(1 777)		
<b>Profit for the year</b>		<b>640 080</b>	<b>1 906 225</b>	<b>1 154 772</b>	<b>1 339 208</b>
<b>Attributable to Emira equity holders</b>		<b>640 080</b>	<b>1 910 187</b>	<b>1 154 772</b>	<b>1 339 208</b>
<b>Attributable to non-controlling interests</b>		<b>-</b>	<b>(3 962)</b>		
		<b>640 080</b>	<b>1 906 225</b>	<b>1 154 772</b>	<b>1 339 208</b>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>Attributable to Emira equity holders</b>		<b>640 080</b>	<b>1 910 187</b>	<b>1 154 772</b>	<b>1 339 208</b>
<b>Attributable to non-controlling interests</b>		<b>-</b>	<b>(3 962)</b>		
		<b>640 080</b>	<b>1 906 225</b>	<b>1 154 772</b>	<b>1 339 208</b>
Basic/diluted earnings per share (cents)	5	125,37	375,09		

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2016

R'000	Notes	GROUP		COMPANY	
		2016	2015	2016	2015
<b>ASSETS</b>					
<b>Non-current assets</b>		<b>13 085 752</b>	<b>13 274 255</b>	<b>12 454 371</b>	<b>11 745 774</b>
Investment properties	6	11 757 917	12 035 656	8 234 948	8 048 937
Fixtures and fittings	6	61 784	55 288	42 778	36 289
Allowance for future rental escalations	7	292 077	286 762	145 811	148 371
Unamortised upfront lease costs	8	18 101	44 387	11 338	30 195
Fair value of investment properties		12 129 879	12 422 093	8 434 875	8 263 792
Investments in subsidiaries	9			3 066 275	2 636 680
Listed property investment	10	940 364	796 930	940 364	796 930
Accounts receivable	11	–	39 177	–	39 177
Derivative financial instruments	17	15 509	16 055	12 857	9 195
<b>Current assets</b>		<b>373 709</b>	<b>247 809</b>	<b>281 011</b>	<b>172 343</b>
Accounts receivable	11	301 312	181 726	240 952	146 509
Derivative financial instruments	17	16 848	12 872	15 192	5 206
Cash and cash equivalents		55 549	53 211	24 867	20 628
Investment properties held-for-sale	6	835 000	319 000	452 900	309 000
<b>Total assets</b>		<b>14 294 461</b>	<b>13 841 064</b>	<b>13 188 282</b>	<b>12 227 117</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' capital and reserves</b>	12, 13	<b>8 857 648</b>	<b>8 940 015</b>	<b>8 070 718</b>	<b>7 638 393</b>
<b>Non-current liabilities</b>		<b>3 969 252</b>	<b>3 463 985</b>	<b>3 769 516</b>	<b>3 264 416</b>
Interest-bearing debt	14	3 944 172	3 448 396	3 744 436	3 248 827
Derivative financial instruments	17	25 080	15 589	25 080	15 589
<b>Current liabilities</b>		<b>1 467 561</b>	<b>1 437 064</b>	<b>1 348 048</b>	<b>1 324 308</b>
Short-term portion of interest-bearing debt	14	1 034 000	1 061 965	1 034 000	1 061 965
Accounts payable	15	383 391	346 122	276 737	251 091
Employee benefits liability	16	12 859	15 948		
Derivative financial instruments	17	37 311	11 252	37 311	11 252
Taxation		–	1 777		
<b>Total equity and liabilities</b>		<b>14 294 461</b>	<b>13 841 064</b>	<b>13 188 282</b>	<b>12 227 117</b>

# STATEMENTS OF CASH FLOWS

For the year ended 30 June 2016

R'000	Notes	GROUP		COMPANY	
		2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash generated from operations	18	1 097 191	1 037 433	1 459 753	652 098
Finance income		10 896	10 833	8 434	8 556
Interest paid		(411 767)	(401 133)	(394 574)	(380 951)
Taxation paid	18	(1 783)	-		
Fee paid on cancellation of interest-rate swaps		-	(36 641)	-	(36 641)
Derivative acquired in respect of share appreciation rights scheme		-	(3 636)		
Dividends paid to shareholders	18	(714 566)	(639 126)	(714 566)	(639 125)
<b>Net cash (utilised in)/generated from operating activities</b>		<b>(20 029)</b>	<b>(32 270)</b>	<b>359 047</b>	<b>(396 063)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of and additions to investment properties excluding capitalised interest	6	(695 282)	(350 926)	(637 282)	(312 397)
Additions to fixtures and fittings	6	(26 781)	(17 681)	(20 695)	(7 941)
Proceeds on disposal of investment properties	6	283 834	321 722	272 329	286 140
Proceeds on disposal of fixtures and fittings	6	666	5 010	671	4 958
Loans to subsidiaries	9			(429 595)	(54 971)
Acquisition of subsidiary	9	-	(448 279)	-	(448 279)
<b>Net cash utilised in investing activities</b>		<b>(437 563)</b>	<b>(490 154)</b>	<b>(814 572)</b>	<b>(532 490)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Participatory interests issued	12	-	360 075	-	360 075
REIT restructure costs	12	(7 881)	-	(7 881)	
Interest-bearing debt raised		2 620 327	2 512 808	2 620 327	2 899 131
Interest-bearing debt repaid		(2 152 516)	(2 342 551)	(2 152 682)	(2 342 256)
<b>Net cash generated from financing activities</b>		<b>459 930</b>	<b>530 332</b>	<b>459 764</b>	<b>916 950</b>
Net increase in cash and cash equivalents		2 338	7 908	4 239	(11 603)
Cash and cash equivalents at the beginning of the year		53 211	45 303	20 628	32 231
<b>Cash and cash equivalents at the end of the year</b>		<b>55 549</b>	<b>53 211</b>	<b>24 867</b>	<b>20 628</b>

# STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2016

R'000	GROUP					
	Share capital	Fair value reserve	Other reserve	Non-controlling interest	Retained earnings	Total
<b>2015</b>						
Balance at 1 July 2014	3 435 434	3 671 462	(98 262)	(1 300)	305 506	7 312 840
Participatory interests issued	360 075					360 075
Total comprehensive income/(loss) for the year				(3 962)	1 910 187	1 906 225
Distribution to participatory interest holders					(639 125)	(639 125)
Transfer to fair value reserve		1 235 555			(1 235 555)	
<b>Balance at 30 June 2015</b>	<b>3 795 509</b>	<b>4 907 017</b>	<b>(98 262)</b>	<b>(5 262)</b>	<b>341 013</b>	<b>8 940 015</b>
<b>2016</b>						
Balance at 1 July 2015	3 795 509	4 907 017	(98 262)	(5 262)	341 013	8 940 015
REIT restructure costs	(7 881)					(7 881)
Acquisition of non-controlling interest in STREM				5 262	(5 262)	–
Total comprehensive income for the year					640 080	640 080
Dividend paid – September 2015					(355 445)	(355 445)
Dividend paid – March 2016					(359 121)	(359 121)
Transfer to fair value reserve		(95 503)			95 503	–
<b>Balance at 30 June 2016</b>	<b>3 787 628</b>	<b>4 811 514</b>	<b>(98 262)</b>	<b>–</b>	<b>356 768</b>	<b>8 857 648</b>
Notes	12	13	13	13	13	
R'000	COMPANY					
	Share capital	Fair value reserve	Other reserve	Retained earnings	Total	
<b>2015</b>						
Balance at 1 July 2014		3 435 434	2 935 781	(98 262)	305 282	6 578 235
Participatory interests issued		360 075				360 075
Total comprehensive income for the year					1 339 208	1 339 208
Distribution to participatory interest holders					(639 125)	(639 125)
Transfer to fair value reserve			1 015 983		(1 015 983)	
<b>Balance at 30 June 2015</b>		<b>3 795 509</b>	<b>3 951 764</b>	<b>(98 262)</b>	<b>(10 618)</b>	<b>7 638 393</b>
<b>2016</b>						
Balance at 1 July 2015		3 795 509	3 951 764	(98 262)	(10 618)	7 638 393
REIT restructure costs		(7 881)				(7 881)
Total comprehensive income for the year					1 154 772	1 154 772
Dividend paid – September 2015					(355 445)	(355 445)
Dividend paid – March 2016					(359 121)	(359 121)
Transfer to fair value reserve			52 436		(52 436)	–
<b>Balance at 30 June 2016</b>		<b>3 787 628</b>	<b>4 004 200</b>	<b>(98 262)</b>	<b>377 152</b>	<b>8 070 718</b>
Notes		12	13	13	13	

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016

## 1. GENERAL INFORMATION

Emira Property Fund Limited (“the Company”) and its subsidiaries (together the “Group”) hold a major portfolio of investment properties in South Africa. The Company is listed on the JSE.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 23 September 2016. The shareholders do not have the power to amend the consolidated financial statements after issue.

This report was compiled under the supervision of Greg Booyens CA(SA), the Chief Financial Officer.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### 2.1 BASIS OF PREPARATION

#### Statement of compliance

The consolidated financial statements of Emira Property Fund Limited have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and IFRS Interpretations Committee (“IFRS IC”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listings Requirements.

#### Income and cash flow statements

The Group presents its statement of comprehensive income by nature of expense. The Group reports cash flows from operating activities using the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group’s business activities.

#### Preparation of the consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements 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. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 27.

#### New and amended international financial reporting standards and interpretations

IFRS and amendments issued but not effective for 30 June 2016 year-end.

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’ on sale or contribution of assets	Postponed: initially 1 January 2016	The postponement applies to narrow-scope amendments to IFRS 10 ‘Consolidated Financial Statements’ and IAS 28 ‘Investments in Associates and Joint Ventures’. The amendments do not have a material impact on the Group.
Amendments to IFRS 10, ‘Consolidated financial statements’ and IAS 28, ‘Investments in associates and joint ventures’ on applying the consolidation exemption	1 January 2016	The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
Amendment to IFRS 11, ‘Joint arrangements’ on acquisition of an interest in a joint operation	1 January 2016	New guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments do not have a material impact on the Group.
Amendments to IAS 1, ‘Presentation of financial statements’ disclosure initiative	1 January 2016	Clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendments do not have a material impact on the Group.
Amendments to IAS 27, ‘Separate financial statements’ on equity accounting	1 January 2016	In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity’s separate financial statements. The amendments do not have a material impact on the Group.
Amendment to IAS 7, ‘Cash flow statements’	1 January 2017	Amendments to better understand changes in an entity’s debt. The amendments do not have a material impact on the Group.
IFRS 15, Revenue from contracts with customers	1 January 2018	IFRS 15 is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. The impact is currently being assessed by the Directors of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

IFRS and amendments issued but not effective for 30 June 2016 year-end.

NUMBER	EFFECTIVE DATE	EXECUTIVE SUMMARY
IFRS 9, Financial Instruments (including amendments)	1 January 2018	This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39. The impact is currently being assessed by the Directors of the Group.
IFRS 16, Leases	1 January 2019	IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The impact is currently being assessed by the Directors of the Group.
Annual Improvements 2014 (issued September 2014): > Amendment to IFRS 7, 'Financial Instruments: Disclosures' > Amendment to IAS 34, 'Interim Financial Reporting'	1 January 2016	IFRS 7: Applicability of the offsetting disclosures to condensed interim financial statements. IAS 34: Disclosure of information 'elsewhere in the interim financial report'. The amendments do not have a material impact on the Group.

### 2.2 CONSOLIDATION

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are substantive are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3 Business Combinations, a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to policyholders or participants. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. In the absence of such criteria, a group of assets is deemed to have been acquired. If goodwill is present in a transferred set of activities and assets, the transferred set is presumed to be a business.

For acquisitions meeting the definition of a business, the acquisition method of accounting is used. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest at the non-controlling interests proportionate share of the recognised amounts of the acquiree's identifiable net assets. The excess of the consideration over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the consideration is less than the fair value of the Group's share of the net assets acquired, the difference is recognised directly in the profit or loss for the year as a bargain purchase.

Acquisition-related costs in relation to business combinations are expensed as incurred.

For acquisitions not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the Group companies have 30 June as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

### 2.3 OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or Group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the Chief Executive Officer ("CEO") of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.4 FOREIGN CURRENCY TRANSLATION

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in South African rand, the Company's functional currency and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the statements of comprehensive income within finance income or finance costs. All other foreign exchange gains and losses are presented net in the statements of comprehensive income within other losses or gains.

### 2.5 INVESTMENT PROPERTY

Property comprising both freehold and leasehold land and buildings that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is recognised initially at cost, including transaction costs.

Borrowing costs incurred for the purpose of acquiring, developing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or development is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value adjusted for the carrying values of fixtures and fittings, allowance for future rental escalations and unamortised upfront lease costs which are recognised as separate assets. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under development is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under development. In order to evaluate whether the fair value of an investment property under development can be determined reliably, management considers the following factors, among others:

- > The provisions of the development contract
- > The stage of completion
- > Whether the project/property is standard (typical for the market) or non-standard
- > The level of reliability of cash inflows after completion
- > The development risk specific to the property
- > Past experience with similar developments

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in the statement of comprehensive income. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net fair value gain on investment property.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.6 FIXTURES AND FITTINGS

Fixtures and fittings are stated at historical cost less accumulated depreciation and impairment charges. Cost comprises the purchase price as well as any other directly attributable costs.

Depreciation is calculated at cost less expected residual value on the straight-line method, which is reviewed annually. The useful lives of fixtures and fittings range between five and 20 years.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Fixtures and fittings are linked to specific properties. Consequently, any gains or losses on disposal are incorporated with the gains or losses on the disposal of the investment property.

### 2.7 LEASES

#### (a) A Group company is the lessee

##### (i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties.

##### (ii) Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Investment properties recognised under finance leases are carried at their fair value.

#### (b) A Group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position.

#### (c) A Group company is the lessor – fees paid in connection with arranging leases and lease incentives

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term.

### 2.8 INVESTMENT IN SUBSIDIARIES

The investment in subsidiaries is recognised at cost less impairment.

### 2.9 GOODWILL

Goodwill represents the excess of the aggregate of the consideration transferred over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition (providing that the acquisition fulfils the definition of a business combination in accordance with IFRS 3). Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

### 2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.11 FINANCIAL INSTRUMENTS – CLASSIFICATION

The Fund classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables. Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate. The Fund determines the classification of its financial assets at initial recognition.

#### Financial assets and liabilities at fair value through profit and loss

Financial assets and liabilities at fair value through profit or loss have two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

##### (i) Financial assets and liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or, if on initial recognition, is part of a portfolio of identifiable financial investments that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivatives financial assets and liabilities are classified as financial assets and liabilities held for trading and comprise mainly interest-rate swaps, share options and forward foreign exchange contracts. The Group uses derivative financial instruments to hedge its exposure to interest-rate and foreign exchange rate risk arising from financing and investing activities (economic hedge). The Group does not apply hedge accounting in accordance with IAS 39.

##### (ii) Financial assets and liabilities designated at fair value through profit or loss

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. Investments in the listed securities of property investment companies are designated at fair value through profit or loss.

The Fund's policy requires the CEO and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "accounts receivable" and "cash and cash equivalents" in the statements of financial position.

Trade receivables are amounts due from customers for services performed in the ordinary course of business and are included in "accounts receivable".

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within accounts payable.

#### Other liabilities

All borrowings and accounts payable are classified as other financial liabilities measured at amortised cost.

The Group obtains deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition or for the lease payments for a period ranging from one to 12 months. Such deposits are treated as financial liabilities in accordance with IAS 39 and included in accounts payable. The difference between fair value at initial recognition and cash received is considered to be part of the minimum lease payments received for the operating lease.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

### 2.12 FINANCIAL INSTRUMENTS – RECOGNITION AND MEASUREMENT

#### Financial assets

Regular purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the assets. Financial assets are initially recognised at fair value plus directly attributable transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "net fair value adjustments" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Group's right to receive payment is established.

The fair value of interest-rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest-rate method.

The fair value of a non-interest-bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

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 draw-down occurs. To the extent that 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 prepayment for liquidity services and amortised over the period of the facility to which it relates.

### 2.13 IMPAIRMENT OF FINANCIAL ASSETS

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

### 2.14 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.15 SHARE CAPITAL

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

### 2.16 CURRENT AND DEFERRED INCOME TAX

Tax charges comprise current and deferred tax in respect of the Fund's subsidiaries. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly, in other comprehensive income, in which case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2.17 PROVISIONS

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.18 REVENUE RECOGNITION

Revenue includes rental, income from the listed property investment, and operating cost recoveries from tenants, but excludes value added tax. Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis. The amount not yet recognised is capitalised as part of investment property.

Emira acts as a principal on its own account when recovering operating costs from tenants.

Distribution income revenue from the listed property investment is recognised when the unit holder's right to receive payment has been established.

### 2.19 DISTRIBUTIONS PAYABLE TO SHAREHOLDERS

The Fund has an obligation to distribute the net amount available for distribution, to its shareholders.

Distributions payable are recognised as a liability once the amount for distribution has been determined and declared by the Board.

Distributions exclude items arising as a result of:

- › The unrealised fair value adjustments to investment properties
- › The unrealised gains and losses in respect of the fair valuing of financial assets through profit and loss
- › The income arising out of the straight-lining of lease income

### 2.20 INTEREST INCOME AND EXPENSE

Interest income and expense are recognised within "finance income" and "finance costs" in profit or loss using the effective interest-rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset.

The effective interest-rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

### 2.21 OTHER EXPENSES

Expenses include legal, accounting, auditing and other fees. They are recognised as an expense in profit or loss in the period in which they are incurred (on an accruals basis).

### 2.22 INVESTMENT PROPERTIES HELD-FOR-SALE

Investment properties are classified as held-for-sale when their carrying amount is to be recovered through a sale transaction and a sale is considered highly probable. Investment properties held-for-sale are measured at fair value.

### 2.23 EMPLOYEE BENEFITS

#### (a) Short-term employee benefits

Salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the Group.

#### (b) Profit-sharing and bonus payments

The Group recognises a liability and an expense for bonuses and cash-settled share-based transactions where contractually obliged or where there is a past practice that has created a constructive obligation. The bonuses are based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The liability on the cash-settled share-based transactions is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered services to date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 3. PROFIT FOR THE YEAR BEFORE INCOME TAX CHARGE

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Profit for the year before income tax charge is arrived at after taking into account the following items:				
Dividends received from subsidiaries			748 291	-
<b>Expenses</b>				
Auditor's remuneration	2 898	2 710	2 759	2 452
- Audit fee	2 756	2 599	2 617	2 341
- Expenses	142	111	142	111
Operating lease payments – leasehold properties	21 109	19 279	6 615	5 979
Payroll costs	31 635	31 470		
Fee paid on cancellation of interest-rate swap contracts	-	36 641	-	36 641

## DIRECTORS' EMOLUMENTS

R'000	GROUP					Total
	Basic salary	Contributions to defined contribution plans	Annual bonus*	Phantom share scheme payment	Leave pay	
<b>Executive directors</b>						
<b>2016</b>						
GM Jennett (CEO)	2 233	327	938	953	-	4 451
JWA Templeton (ex CEO)**	370	96	2 208	1 743	188	4 605
G S Booyens (CFO)	902	108	-	-	-	1 010
U van Biljon (COO)	1 936	375	1 413	953	-	4 677
<b>Total</b>	<b>5 441</b>	<b>906</b>	<b>4 559</b>	<b>3 649</b>	<b>188</b>	<b>14 743</b>
<b>2015</b>						
JWA Templeton (ex CEO)	1 929	544	1 580	1 077	-	5 130
GM Jennett (CEO)	1 170	176	-	-	-	1 346
PJ Thurling (ex CFO)	1 150	142	200	552	-	2 044
U van Biljon (COO)	1 678	338	1 050	552	-	3 618
<b>Total</b>	<b>5 927</b>	<b>1 200</b>	<b>2 830</b>	<b>2 181</b>	<b>-</b>	<b>12 138</b>

\* Bonuses awarded with reference to the financial year ended 30 June 2015.

\*\* Resigned with effect from 31 August 2015.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 3. PROFIT FOR THE YEAR BEFORE INCOME TAX CHARGE CONTINUED

### PHANTOM SHARES HELD

Number of shares	Balance at 1 Jul 2015	(Exercised)/ issued/ (cancelled) during the year	Balance at 30 Jun 2016
<b>First tranche</b>			
GM Jennett (CEO)	132 299	(132 299)	–
JWA Templeton (ex CEO)*	258 398	(258 398)	–
U van Biljon (COO)	132 299	(132 299)	–
<b>Total</b>	<b>522 996</b>	<b>(522 996)</b>	<b>–</b>
<b>Second tranche</b>			
GM Jennett (CEO)	–	555 556	<b>555 556</b>
JWA Templeton (ex CEO)*	555 556	(555 556)	–
U van Biljon (COO)	555 556	–	<b>555 556</b>
GS Booyens (CFO)	–	56 166	<b>56 166</b>
<b>Total</b>	<b>1 111 112</b>	<b>56 166</b>	<b>1 167 278</b>
<b>Third tranche</b>			
GM Jennett (CEO)	–	329 598	<b>329 598</b>
JWA Templeton (ex CEO)*	329 598	(329 598)	–
U van Biljon (COO)	263 678	–	<b>263 678</b>
GS Booyens (CFO)	–	98 879	<b>98 879</b>
<b>Total</b>	<b>593 276</b>	<b>98 879</b>	<b>692 155</b>
<b>Fourth tranche</b>			
GM Jennett (CEO)	–	1 580 000	<b>1 580 000</b>
U van Biljon (COO)	–	1 250 000	<b>1 250 000</b>
GS Booyens (CFO)	–	725 000	<b>725 000</b>
<b>Total</b>	<b>–</b>	<b>3 555 000</b>	<b>3 555 000</b>

\* Resigned with effect from 31 August 2015.

R'000	GROUP	
	2016	2015
<b>Non-executive directors</b>		
BJ van der Ross (Chairman)	<b>253</b>	236
MS Aitken	<b>254</b>	190
BH Kent (Lead independent non-executive director)	<b>437</b>	408
V Mahlangu	<b>363</b>	366
NE Makiwane	<b>186</b>	174
W McCurrie	<b>276</b>	258
MSB Nesor	<b>254</b>	189
V Nkonyeni	<b>214</b>	174
G van Zyl	<b>426</b>	335
<b>Total</b>	<b>2 663</b>	<b>2 330</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 4. INCOME TAX CHARGE

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Reconciliation of the taxation charge</b>				
Profit for the year before income tax credit at 28% (2015: 28%)	179 224	534 241	323 336	374 978
Qualifying distributions	(208 856)	(191 944)	(208 856)	(89 961)
Qualifying distributions received from subsidiaries relating to prior year	–	–	(101 893)	–
Fair value adjustments	23 337	(337 050)	(19 734)	(278 995)
Allowances for future rental escalations and upfront lease costs	2 336	(8 816)	3 985	(6 205)
Other	(4 943)	3 259	(203)	(853)
Tax loss not carried forward	8 902	2 087	3 455	1 036
Prior year under provision	6	–	–	–
<b>Total</b>	<b>6</b>	<b>1 777</b>	<b>–</b>	<b>–</b>

## 5. BASIC AND DILUTED EARNINGS PER SHARE

R'000	GROUP	
	2016	2015
<b>Reconciliation between earnings and headline earnings and dividend payable</b>		
Profit for the year attributable to equity holders	640 080	1 906 225
<b>Adjusted for:</b>		
Net fair value gain on revaluation of investment properties	201 028	(983 226)
Change in fair value as a result of straight-lining lease rentals	16 435	125 298
Change in fair value as a result of amortising upfront lease costs	(24 778)	(996)
Change in fair value as a result of property depreciation/(appreciation) in value	209 371	(1 107 528)
<b>Headline earnings</b>	<b>841 108</b>	<b>922 999</b>
<b>Adjusted for:</b>		
Allowance for future rental escalations	(16 435)	(125 298)
Amortised upfront lease costs	24 778	996
Unrealised deficit/(surplus) on revaluation of interest-rate swaps	3 813	(34 053)
Revaluation of share appreciation rights scheme derivative financial instruments	25 753	(6 350)
Unrealised gain on listed property investment	(143 434)	(130 938)
(Credit)/charge in respect of leave pay provision and share appreciation rights scheme	(4 238)	3 962
Depreciation	14 563	9 107
Impairment charge	–	6 673
Fee paid on cancellation of interest-rate swap agreements	–	36 641
SA normal taxation	6	1 777
<b>Distribution payable to shareholders</b>	<b>745 914</b>	<b>685 516</b>
<b>Dividend per share</b>		
Interim (cents)	70,34	64,65
Final (cents)	75,76	69,62
	146,10	134,27
Number of shares in issue at the end of the year	510 550 084	510 550 084
Weighted average number of shares in issue	510 550 084	508 199 272
<b>Earnings per share (cents)</b>	<b>125,37</b>	<b>375,09</b>
The calculation of earnings per share is based on net profit for the year of R640,1 million (2015: R1 906,2 million), divided by the weighted average number of shares in issue during the year of 510 550 084 (2015: 508 199 272).		
<b>Headline earnings per share (cents)</b>	<b>164,75</b>	<b>181,62</b>
The calculation of headline earnings per share is based on net profit for the year, adjusted for headline items, of R841,1 million (2015: R923,0 million), divided by the weighted average number of shares in issue during the year of 510 550 084 (2015: 508 199 272).		
Diluted headline earnings per share (cents)	164,75	181,62



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 6. INVESTMENT PROPERTIES

R'000	GROUP			COMPANY		
	Freehold and leasehold land and buildings 2016	Fixtures and fittings 2016	Total 2016	Freehold and leasehold land and buildings 2016	Fixtures and fittings 2016	Total 2016
<b>Net carrying value at 30 June 2016</b>						
Cost	8 183 872	171 480	8 355 352	5 515 624	132 812	5 648 436
Accumulated depreciation		(104 178)	(104 178)		(87 033)	(87 033)
Revaluation surplus	4 403 527		4 403 527	3 169 223		3 169 223
Investment properties held-for-sale	(829 482)	(5 518)	(835 000)	(449 899)	(3 001)	(452 900)
	11 757 917	61 784	11 819 701	8 234 948	42 778	8 277 726
<b>Movement for the year</b>						
Valuation at 1 July 2015	12 035 656	55 288	12 090 944	8 048 937	36 289	8 085 226
Acquisitions	369 933		369 933	369 933		369 933
Additions	335 782	26 781	362 563	277 728	20 694	298 422
Disposals	(283 834)	(666)	(284 500)	(272 329)	(671)	(273 000)
Depreciation		(14 840)	(14 840)		(11 276)	(11 276)
Deficit on revaluation	(201 028)		(201 028)	(54 865)		(54 865)
Investment properties held-for-sale	(498 592)	(4 779)	(503 371)	(134 456)	(2 258)	(136 714)
- prior year	318 261	739	319 000	308 257	743	309 000
- prior year straight-lining adjustments	(2 040)		(2 040)	(2 031)		(2 031)
- current year at valuation	(829 482)	(5 518)	(835 000)	(449 899)	(3 001)	(452 900)
- current year straight-lining adjustments	14 669		14 669	9 217		9 217
Valuation at 30 June 2016	11 757 917	61 784	11 819 701	8 234 948	42 778	8 277 726
<b>Reconciliation to independent and directors' valuations</b>						
Valuation at 30 June 2016 – as above	11 757 917	61 784	11 819 701	8 234 948	42 778	8 277 726
Allowance for future rental escalations	292 077		292 077	145 811		145 811
Unamortised upfront lease costs	18 101		18 101	11 338		11 338
Investment properties held-for-sale	829 482	5 518	835 000	449 899	3 001	452 900
<b>Independent and directors' valuations at 30 June 2016</b>	<b>12 897 577</b>	<b>67 302</b>	<b>12 964 879</b>	<b>8 841 996</b>	<b>45 779</b>	<b>8 887 775</b>

Two properties, valued at R59,0 million (which were held-for-sale at 30 June 2015), have not yet been sold, but are being actively marketed. The disposal of the two properties are still highly probable and the directors expect to dispose of these in the next financial year.

The properties acquired during the year included: a 50% undivided share in Mitchells Plain Town Centre in the Western Cape for R77,6 million; the remaining 40% of Ben Fleur Boulevard in Emalaheni together with additional bulk for R63,2 million; a greenfield site known as 1 West in the Centurion CBD for R17,2 million; and a 50% undivided share in five buildings known as Summit Place in Menlyn, Pretoria for a total amount of R403,5 million upon final completion. Summit Place A and C, the two completed office buildings transferred in December 2015 at a cost of R86,4 million. The balance of Summit Place, which comprises office and retail space, is being developed by Emira and its partners with an expected final completion date in January 2017. By 30 June 2016, R195,7 million had been paid for the land and development costs for Summit Place D, E and G1.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 6. INVESTMENT PROPERTIES CONTINUED

R'000	GROUP			COMPANY		
	Freehold and leasehold land and buildings 2015	Fixtures and fittings 2015	Total 2015	Freehold and leasehold land and buildings 2015	Fixtures and fittings 2015	Total 2015
<b>Net carrying value at 30 June 2015</b>						
Cost	7 562 998	147 804	7 710 802	4 945 122	115 222	5 060 344
Accumulated depreciation		(91 777)	(91 777)		(78 190)	(78 190)
Revaluation surplus	4 790 919		4 790 919	3 412 072		3 412 072
Investment properties held-for-sale	(318 261)	(739)	(319 000)	(308 257)	(743)	(309 000)
	12 035 656	55 288	12 090 944	8 048 937	36 289	8 085 226
<b>Movement for the year</b>						
Valuation at 1 July 2014	10 319 522	51 551	10 371 073	7 329 020	38 972	7 367 992
Acquisitions	836 446	454	836 900	66 480		66 480
Additions	357 065	17 227	374 292	251 026	7 941	258 967
Disposals	(321 722)	(5 010)	(326 732)	(286 140)	(4 957)	(291 097)
Depreciation		(9 324)	(9 324)		(5 760)	(5 760)
Surplus on revaluation	983 226		983 226	872 145		872 145
Investment properties held-for-sale	(138 881)	390	(138 491)	(183 594)	93	(183 501)
- prior year	179 199	1 129	180 328	123 757	836	124 593
- prior year straight-lining adjustments	(1 859)		(1 859)	(1 125)		(1 125)
- current year at valuation	(318 261)	(739)	(319 000)	(308 257)	(743)	(309 000)
- current year straight-lining adjustments	2 040		2 040	2 031		2 031
Valuation at 30 June 2015	12 035 656	55 288	12 090 944	8 048 937	36 289	8 085 226
<b>Reconciliation to independent and directors' valuations</b>						
Valuation at 30 June 2015 – as above	12 035 656	55 288	12 090 944	8 048 937	36 289	8 085 226
Allowance for future rental escalations	286 762		286 762	148 371		148 371
Unamortised upfront lease costs	44 387		44 387	30 195		30 195
Investment properties held-for-sale	318 261	739	319 000	308 257	743	309 000
<b>Independent and directors' valuations at 30 June 2015</b>	<b>12 685 066</b>	<b>56 027</b>	<b>12 741 093</b>	<b>8 535 760</b>	<b>37 032</b>	<b>8 572 792</b>

Investment properties held-for-sale have been identified in note 30 – Property listing – with a ^.

Full details of freehold and leasehold investment properties owned by the Group are available for inspection at the registered office of the Group.

In terms of its accounting policy, one third of the Group's property portfolio is valued annually by independent valuers.

The properties were valued as at 30 June 2016 using a discounted cash flow approach based on future income streams, applying an appropriate capitalisation rate to each property.

Independent valuations were carried out by Quadrant Properties and Real Insight, both registered valuers in terms of section 19 of the Property Valuers Profession Act (Act No. 47 of 2000).

The balance of the portfolio was valued by the directors on a similar basis.

Investment properties classified as held-for-sale were valued at fair value.

Investment properties to the value of R9 937,5 million (2015: R10 198,9 million) have been used to provide security for loans taken out. See note 14.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 7. ALLOWANCE FOR FUTURE RENTAL ESCALATIONS

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Balance at 1 July 2015	286 762	162 190	148 371	126 691
Net straight-lining for the year	16 435	125 298	3 726	22 495
Investment properties held-for-sale	(11 120)	(726)	(6 286)	(815)
Balance at 30 June 2016	292 077	286 762	145 811	148 371
Current portion	54 815	62 770	24 990	33 352

## 8. UNAMORTISED UPFRONT LEASE COSTS

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Balance at 1 July 2015	44 387	45 413	30 195	30 620
Net smoothing for the year	(24 778)	(996)	(17 957)	(334)
Investment properties held-for-sale	(1 508)	(30)	(900)	(91)
Balance at 30 June 2016	18 101	44 387	11 338	30 195

## 9. SUBSIDIARY COMPANIES

R'000	COMPANY	
	2016	2015
Shares at cost	1 888 568	1 888 568
Amounts owing by subsidiary companies	1 177 707	748 112
	3 066 275	2 636 680

The Group's shares in Arnold Properties (Pty) Ltd have been pledged to Nedbank Limited as security.

The Group's shares in Freestone Property Investments (Pty) Ltd have been pledged to Freestone Mortgage Bond SPV Series 1 (Pty) Limited as security for the issue of DMTN.

The Directors' valuation of the investment in subsidiaries at 30 June 2016 was R3 066 275 (2015: R2 636 680).

R'000	ISSUED ORDINARY SHARE CAPITAL		PROPORTION HELD BY HOLDING COMPANY (%)		SHARES AT COST		AMOUNT DUE TO/(BY) HOLDING COMPANY	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Subsidiaries directly held</b>								
Adamass Investments (Pty) Ltd*	–	–	100	100	13 641	13 641	39 863	34 856
Aquarella Investments 272 (Pty) Ltd*	–	–	100	100	6 379	6 379	63 192	61 853
Freestone Property Holdings Limited	38 659	38 659	100	100	1 339 187	1 339 187	250 081	(22 918)
Libra Investments 5 (Pty) Ltd*	–	–	100	100	66 412	66 412	284 901	260 420
Lowmer Investments (Pty) Ltd*	–	–	100	100	111 249	111 249	96 448	70 231
Menlyn Corporate Park (Pty) Ltd*	–	–	100	100	283 386	283 386	343 537	282 531
Monagon Properties (Pty) Ltd*	–	–	100	100	14 835	14 835	49 662	39 054
Omicron Investments 005 (Pty) Ltd*	–	–	100	100	35 368	35 368	21 940	9 268
Rapidough Properties 509 (Pty) Ltd*	–	–	100	100	17 832	17 832	15 356	9 908
Strategic Real Estate Managers (Pty) Ltd*	–	–	100	–	300	–	12 412	2 746

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 9. SUBSIDIARY COMPANIES CONTINUED

R'000	ISSUED ORDINARY SHARE CAPITAL		PROPORTION HELD BY HOLDING COMPANY (%)		SHARES AT COST		AMOUNT DUE TO/(BY) HOLDING COMPANY	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>Subsidiaries indirectly held</b>								
Arnold Properties (Pty) Ltd*	-	-	100	100	8 020	8 020	122 174	6 838
Freestone Property Investments (Pty) Ltd*	-	-	100	100	-	-	817 822	626 890
Azgold Investments (Pty) Ltd	10 382	10 382	100	100	3 247	3 247	(3 947)	(3 947)
Backbone Investments (Pty) Ltd*	-	-	100	100	3 243	3 243	3 082	2 829
Cape Poinsett Property Investments (Pty) Ltd*	-	-	100	100	159 773	159 773	254 831	211 920
Kenview Share Block (Pty) Ltd*	-	-	100	100	(1 885)	(1 885)	(2 222)	(2 222)
No. 9 Sturdee Holdings Share Block (Pty) Ltd*	-	-	100	100	497	497	7 504	7 484
Paddy's Pad (2091) (Pty) Ltd*	-	-	100	100	15 539	15 539	(16 715)	(16 715)
Surgate Share Block (Pty) Ltd*	-	-	100	100	(1 981)	(1 981)	(1 585)	(1 585)
Windrifter Share Block (Pty) Ltd*	-	-	100	100	20 192	20 192	67 747	59 630
Emira Property Fund Scheme	-	-	-	-	-	-	-	-

\* The zero balances represent nominal amounts under R1 000.

All subsidiary companies, with the exception of Strategic Real Estate Managers (Pty) Ltd, are property investment companies incorporated in the Republic of South Africa.

## 10. LISTED PROPERTY INVESTMENT

R'000	GROUP AND COMPANY		NUMBER OF STAPLED SECURITIES	
	2016	2015	2016	2015
Growthpoint Properties Australia Limited (GOZ)				
Fair valuation at 1 July 2015	796 930	665 992	27 225 813	27 225 813
Fair value adjustment	143 434	130 938		
<b>Fair value at 30 June 2016</b>	<b>940 364</b>	<b>796 930</b>	<b>27 225 813</b>	<b>27 225 813</b>
Exchange rate ZAR : 1 AUD	10,96	9,35		

The investment is designated as fair value through profit and loss. The fair value is determined using the quoted bid price at 30 June 2016 of AUD 3,15.

## 11. ACCOUNTS RECEIVABLE

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Trade receivables	85 238	60 439	56 801	42 033
Less: Provision for non-recoverable receivables	(25 467)	(20 953)	(19 462)	(13 618)
Net trade receivables	59 771	39 486	37 339	28 415
Prepayments	47 591	58 032	40 384	53 245
Investment income receivable	28 740	22 940	28 740	22 940
Accrual of recoverable expenses	35 674	26 529	24 697	18 833
Municipal deposits	19 304	17 977	13 191	12 487
Debtors for sale of investment property	43 256	39 177	43 256	39 177
Other receivables	66 976	16 762	53 345	10 589
<b>Total</b>	<b>301 312</b>	<b>220 903</b>	<b>240 952</b>	<b>185 686</b>
Due within one year	301 312	181 726	240 952	146 509

The carrying values of accounts receivable and municipal deposits approximate their fair value. All classes of accounts receivable have been considered for impairment.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 11. ACCOUNTS RECEIVABLE CONTINUED

The movement in the accumulated provision for non-recoverable receivables is as follows:

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Accumulated provision for non-recoverable receivables at 1 July 2015	20 953	19 383	13 618	14 318
Amounts written off during the year as uncollectable	(18 991)	(12 119)	(16 245)	(6 194)
Additional provision recognised during the year	23 505	13 689	22 089	5 494
Accumulated provision for non-recoverable receivables at 30 June 2016	25 467	20 953	19 462	13 618
<b>Ageing of receivables past due but not impaired</b>				
30 days	15 908	5 035	1 294	492
60 days	5 452	10 228	2 896	9 341
90 days	6 201	3 775	4 958	2 535
120+ days	32 210	20 448	28 191	16 047
<b>Total</b>	<b>59 771</b>	<b>39 486</b>	<b>37 339</b>	<b>28 415</b>
<b>Ageing of impaired receivables</b>				
30 days	1 878	391	783	221
60 days	3 039	5 668	1 576	5 006
90 days	2 906	2 825	2 523	1 271
120+ days	17 644	12 069	14 580	7 120
<b>Total</b>	<b>25 467</b>	<b>20 953</b>	<b>19 462</b>	<b>13 618</b>

## 12. SHARE CAPITAL

	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Authorised</b>				
2 000 000 000 ordinary shares of no par value (2015: 2 000 000 000)	–	–	–	–
<b>Issued</b>				
510 550 084 ordinary shares of no par value (2015: 510 550 084)	3 787 628	3 795 509	3 787 628	3 795 509
<b>Movements</b>				
Balance at 1 July 2015	3 795 509	3 435 434	3 795 509	3 435 434
Issued during the year	–	360 075	–	360 075
REIT restructure costs	(7 881)	–	(7 881)	–
Balance at 30 June 2016	3 787 628	3 795 509	3 787 628	3 795 509

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 13. RESERVES

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Fair value reserve</b>				
Balance at 1 July 2015	4 907 017	3 671 462	3 951 764	2 935 781
Movement for the year	(95 503)	1 235 555	52 436	1 015 983
Fair value adjustments	(83 347)	1 113 841	70 480	996 410
Allowance for future rental escalations	16 435	125 298	3 726	22 495
Unamortised upfront lease costs	(24 778)	(996)	(17 957)	(334)
Unrealised surplus on interest-rate swaps	(3 813)	34 053	(3 813)	34 053
Fee paid on cancellation of interest-rate swap agreements	–	(36 641)	–	(36 641)
Balance at 30 June 2016	4 811 514	4 907 017	4 004 200	3 951 764
<b>Other reserve</b>				
Balance at 1 July 2015	(98 262)	(98 262)	(98 262)	(98 262)
Balance at 30 June 2016	(98 262)	(98 262)	(98 262)	(98 262)
<b>Non-controlling interest</b>				
Balance at 1 July 2015	(5 262)	(1 300)		
Acquisition during the year	5 262	–		
Loss for the year	–	(3 962)		
Balance at 30 June 2016	–	(5 262)		
<b>Retained earnings</b>				
Balance at 1 July 2015	341 013	305 506	(10 618)	305 282
Total comprehensive income for the year	634 818	1 910 187	1 154 772	1 339 208
Profit before income tax charge	640 086	1 908 002	1 154 772	1 339 208
Income tax charge	(6)	(1 777)		
Acquisition of minority interests	(5 262)	–		
Loss attributable to minority interests	–	3 962		
Dividends declared to shareholders	(714 566)	(639 125)	(714 566)	(639 125)
Transfer to fair value reserve	95 503	(1 235 555)	(52 436)	(1 015 983)
Fair value adjustments	83 347	(1 113 841)	(70 480)	(996 410)
Allowance for future rental escalations	(16 435)	(125 298)	(3 726)	(22 495)
Unamortised upfront lease costs	24 778	996	17 957	334
Unrealised surplus on interest-rate swaps	3 813	(34 053)	3 813	(34 053)
Fee paid on cancellation of interest-rate swap agreements	–	36 641	–	36 641
Balance at 30 June 2016	356 768	341 013	377 152	(10 618)
<b>Total reserves</b>	<b>5 070 020</b>	<b>5 144 506</b>	<b>4 283 090</b>	<b>3 842 884</b>

The fair value reserve represents all fair value adjustments made in respect of investment properties, the listed property investment and derivative financial instruments.

The other reserve represents the charge which was made to the statement of comprehensive income in respect of the discount at which shares were issued to the Company's BEE partners and vendors of properties, in prior years.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 14. INTEREST-BEARING DEBT

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>FirstRand Bank Limited</b>				
Floating rate seven-year access funding term loan with a capital repayment on termination on 31 July 2018. Interest is payable at prime less 180 basis points.	–	155 000	–	155 000
	665 335	665 132	665 335	665 132
Floating rate ten-year funding term loan with a capital repayment on termination, on 30 March 2019. Interest is payable at three month JIBAR plus 153 basis points.	665 895	665 895	665 895	665 895
Less: unamortised structuring fee and bond costs	(560)	(763)	(560)	(763)
	500 000	499 356	500 000	499 356
Floating rate three-year funding term loan with a capital repayment on termination, on 1 September 2018. Interest is payable at three month JIBAR plus 160 basis points.	500 000	500 000	500 000	500 000
Less: unamortised structuring fee and bond costs	–	(644)	–	(644)
	499 456	383 639	499 456	383 639
Floating rate four-year funding term loan with a capital repayment on termination, on 1 September 2019. Interest is payable at three month JIBAR plus 170 basis points.	500 000	385 000	500 000	385 000
Less: unamortised structuring fee and bond costs	(544)	(1 361)	(544)	(1 361)
The facilities above are secured by a first mortgage bond over fixed property with a carrying value of R6 893,3 million.	199 736	199 569		
<b>Nedbank Limited</b>				
Three-year term loan repayable on 2 May 2018. Interest is payable at three month JIBAR plus 105 basis points, plus capital costs of 50 basis points.	200 000	200 000		
Less: unamortised structuring fee	(264)	(431)		
	–	–	–	–
Two-year R200 million term loan repayable two years after commencement date. The facility has not yet been drawn. Interest is payable at three month JIBAR plus 158 basis points.	–	–	–	–
The facilities above are secured by a first mortgage bond over fixed property with a carrying value of R591,1 million.	613 481	576 635	613 481	576 635
Three-year term loan repayable on 3 July 2017. Interest is payable quarterly at three month JIBAR plus 163 basis points. The loan is unsecured.	614 000	577 673	614 000	577 673
Less: unamortised service fee	(519)	(1 038)	(519)	(1 038)
	199 702	199 565	199 702	199 565
<b>Standard Bank of South Africa Limited</b>				
Four-year term loan repayable on 18 August 2018. Interest is payable quarterly at three month JIBAR plus 159 basis points. The loan is unsecured.	200 000	200 000	200 000	200 000
Less: unamortised structuring fee	(298)	(435)	(298)	(435)
	212 635	–	212 635	–
<b>ABSA Bank Limited</b>				
Two-year access facility repayable on 11 September 2017. Interest is payable monthly at prime minus 185 basis points. The loan is secured by a first mortgage bond over fixed property with a carrying value of R618,5 million.	213 000	–	213 000	–
Less: unamortised structuring fee	(365)	–	(365)	–
	154 642	–	154 642	–
<b>Bank of China</b>				
Two-year term loan repayable on 24 February 2018. Interest is payable quarterly at three month JIBAR plus 130 basis points. The loan is secured by a first mortgage bond over fixed property with a carrying value of R225,8 million.	155 000	–	155 000	–
Less: unamortised structuring fee	(358)	–	(358)	–
	15 000	–	15 000	–
<b>Investec Bank</b>				
One-year general banking facility repayable on 10 May 2017. Interest is payable monthly at the daily negotiable call rate which as at 30 June 2016 was 8,25%. The facility is unsecured.	15 000	–	15 000	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 14. INTEREST-BEARING DEBT CONTINUED

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Domestic medium term notes</b>	<b>1 269 185</b>	<b>1 269 465</b>	<b>1 269 185</b>	<b>1 269 465</b>
Four-year issue repaid on 19 August 2015.	–	500 000	–	500 000
Less: unamortised structuring fee	–	(35)	–	(35)
Four-year issue repayable on 28 May 2018. Interest is payable quarterly at three month JIBAR plus 160 basis points. The notes are unsecured.	300 000	300 000	300 000	300 000
Less: unamortised structuring fee	(250)	(500)	(250)	(500)
Two-year issue repayable on 12 September 2016. Interest is payable quarterly at three month JIBAR plus 130 basis points. The notes are unsecured.	270 000	270 000	270 000	270 000
Three-year issue repayable on 6 November 2017. Interest is payable quarterly at three month JIBAR plus 165 basis points. The notes are unsecured.	100 000	100 000	100 000	100 000
Two-year issue repayable on 6 November 2016. Interest is payable quarterly at three month JIBAR plus 135 basis points. The notes are unsecured.	100 000	100 000	100 000	100 000
Three-year issue repayable on 19 August 2018. Interest is payable quarterly at three month JIBAR plus 146 basis points. The notes are secured.	430 000	–	430 000	–
Five-year issue repayable on 2 September 2020. Interest is payable quarterly at three month JIBAR plus 87 basis points. The notes are secured.	70 000	–	70 000	–
Less: unamortised structuring fees	(565)	–	(565)	–
<b>Senior unsecured floating rate listed notes</b>	<b>649 000</b>	<b>562 000</b>	<b>649 000</b>	<b>562 000</b>
One-year issue repaid on 5 November 2015.	–	250 000	–	250 000
Six-month issue repaid on 24 August 2015.	–	175 000	–	175 000
One-year issue repaid on 23 February 2016.	–	137 000	–	137 000
One-year issue repayable on 22 August 2016. Interest is payable quarterly at three month JIBAR plus 115 basis points.	158 000	–	158 000	–
Six-month issue repayable on 4 November 2016. Interest is payable quarterly at three month JIBAR plus 85 basis points.	70 000	–	70 000	–
One-year issue repayable on 4 November 2016. Interest is payable quarterly at three month JIBAR plus 113 basis points.	170 000	–	170 000	–
Six-month issue repayable on 22 August 2016. Interest is payable quarterly at three month JIBAR plus 87 basis points.	42 000	–	42 000	–
Six-month issue repayable on 22 August 2016. Interest is payable six monthly at six month JIBAR plus 40 basis points.	30 000	–	30 000	–
One-year issue repayable on 22 February 2017. Interest is payable quarterly at three month JIBAR plus 120 basis points.	179 000	–	179 000	–
<b>Total interest-bearing debt</b>	<b>4 978 172</b>	<b>4 510 361</b>	<b>4 778 436</b>	<b>4 310 792</b>
Less: Short-term portion of interest-bearing debt				
<b>Investec Bank</b>				
One-year loan repayable on 10 May 2017.	15 000	–	15 000	–
<b>Domestic medium term notes</b>				
Four-year issue repayable on 19 August 2015	–	499 965	–	499 965
Two-year issue repayable on 12 September 2016.	270 000	–	270 000	–
Two-year issue repayable on 6 November 2016	100 000	–	100 000	–



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 14. INTEREST-BEARING DEBT CONTINUED

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Senior unsecured floating rate listed notes</b>				
Six-month issue repayable on 24 August 2015	–	175 000	–	175 000
One-year issue repayable on 5 November 2015	–	250 000	–	250 000
One-year issue repayable on 23 February 2016	–	137 000	–	137 000
One-year issue repayable on 22 August 2016	158 000	–	158 000	–
Six-month issue repayable on 22 August 2016	42 000	–	42 000	–
Six-month issue repayable on 22 August 2016	30 000	–	30 000	–
One-year issue repayable on 4 November 2016	170 000	–	170 000	–
Six-month issue repayable on 4 November 2016	70 000	–	70 000	–
One-year issue repayable on 22 February 2017	179 000	–	179 000	–
<b>Short-term portion of interest-bearing debt</b>	<b>1 034 000</b>	<b>1 061 965</b>	<b>1 034 000</b>	<b>1 061 965</b>
<b>Long-term portion of interest-bearing debt</b>	<b>3 944 172</b>	<b>3 448 396</b>	<b>3 744 436</b>	<b>3 248 827</b>

The carrying amount of the interest-bearing debt approximates its fair value.

At 30 June 2016, the aggregate indebtedness amounted to 35,4% (2015: 33,1%) of the gross value of the underlying assets. As at 30 June 2016 Emira had total debt facilities available of R5 703,9 million (2015: R4 811,9 million).

At 30 June 2016 interest rates were fixed in respect of 93,1% (2015: 84,6%) of borrowings and the weighted average all in interest rate was 8,0% (2015: 8,7%). Details of the Group's interest-rate hedging contracts are shown in note 17.

### DEBT COVENANTS

No covenants were breached during the financial year. The following covenants are applicable:

	Prescribed interest cover ratio	Actual interest cover ratio	Prescribed LTV covenant (%)	Actual LTV covenant at 30 Jun 2016 (%)
FirstRand Bank Limited	2,0	2,9	40,0	35,4
Nedbank Limited	2,0	2,9	40,0	35,4
Standard Bank of South Africa Limited	2,0	2,9	50,0	35,4
ABSA Bank Limited	2,0	2,9	40,0	35,4
Bank of China	2,0	2,9	40,0	35,4
Domestic medium term notes			40,0	35,4

## 15. ACCOUNTS PAYABLE

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
Trade payables	19 147	8 746	3 033	3 489
Tenant deposits	105 891	98 538	63 325	62 501
Accrued expenses	189 585	167 620	157 105	134 623
Pre-paid debtors	41 545	39 932	24 772	25 045
Value added tax	3 775	9 517	–	6 455
Other payables	23 448	21 769	28 502	18 978
<b>Total</b>	<b>383 391</b>	<b>346 122</b>	<b>276 737</b>	<b>251 091</b>
Current	383 391	346 122	276 737	251 091

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 16. EMPLOYEE BENEFITS LIABILITY

R'000	GROUP	
	2016	2015
Share appreciation rights scheme	3 730	8 157
Provision for leave pay	1 212	1 024
Accrued bonuses	7 917	6 767
<b>Total</b>	<b>12 859</b>	<b>15 948</b>

The credit recognised in the statement of comprehensive income in respect of the revaluation of the options backing the share appreciation rights scheme amounted to R4,427 million (2015: R3,941 million charge).

In total, 1 736 112 shares are outstanding from tranche 2 granted on 15 September 2013, 1 318 393 shares are outstanding from tranche 3 granted on 15 September 2014 and 5 375 000 shares are outstanding from tranche 4 granted on 15 September 2015. The tranches may be exercised in equal tranches three, four and five years after the date of the grant.

## 17. DERIVATIVE FINANCIAL INSTRUMENTS

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Net fair value of the derivative assets at the statement of financial position date was:</b>				
Interest-rate swap contracts	19 422	14 401	19 422	14 401
Cross-currency interest-rate swap contracts	7 775	-	7 775	-
Foreign exchange option contracts	852	-	852	-
Call option contracts relating to share appreciation rights scheme	4 308	14 526	-	-
Less: current portion	(16 848)	(12 872)	(15 192)	(5 206)
Non-current portion	15 509	16 055	12 857	9 195

The Group entered into call option contracts with Investec as an economic hedge, in respect of the second and third tranches of the share appreciation rights scheme, at the following strike prices:

Date	Number of shares	Strike price
<b>Second tranche</b>		
15 September 2016	583 158	14,37
15 September 2017	583 158	14,22
15 September 2018	583 158	13,98
<b>Third tranche</b>		
14 September 2017	437 803	15,25
14 September 2018	437 803	15,10
14 September 2019	437 803	14,84

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Net fair value of the derivative liabilities at the statement of financial position date was:</b>				
Interest-rate swap contracts	11 388	26 841	11 388	26 841
Cross-currency interest-rate swap contracts	32 598	-	32 598	-
Foreign exchange option contracts	316	-	316	-
Forward contracts relating to share appreciation rights scheme	18 089	-	18 089	-
Less: current portion	(37 311)	(11 252)	(37 311)	(11 252)
Non-current liabilities	25 080	15 589	25 080	15 589

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 17. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

The Group entered into cash settled forward contracts with Investec as an economic hedge, in respect of the fourth tranche of the share appreciation rights scheme, at the following forward prices:

Date	Number of shares	Forward price
<b>Fourth tranche</b>		
8 October 2018	1 791 667	17,57
7 October 2019	1 791 667	17,57
5 October 2020	1 791 666	17,56

## INTEREST-RATE HEDGING CONTRACTS

The notional principal amount of the outstanding interest-rate hedging contracts at 30 June 2016 was R4 637,1 million (2015: R3 818,5 million).

The interest-rate hedging contracts as at 30 June 2016 were as follows:

Financial institution	Nominal amount	Commencement date	Maturity date	Fixed rate (%)	Rate basis
<b>Interest-rate swaps</b>					
RMB	R62,0 million	01 Dec 12	01 Dec 16	5,760	JIBAR-linked
RMB	R100,0 million	01 Jul 14	31 Dec 16	7,300	JIBAR-linked
RMB	R55,0 million	12 Mar 14	12 Mar 17	7,680	JIBAR-linked
RMB	R60,0 million	12 Mar 14	12 Mar 17	7,690	JIBAR-linked
RMB	R50,0 million	25 Mar 14	25 Mar 17	7,580	JIBAR-linked
RMB	R80,0 million	01 Jul 11	30 Jun 17	7,780	JIBAR-linked
RMB	R50,0 million	01 Jul 11	30 Jun 17	7,650	JIBAR-linked
RMB	R40,0 million	01 Jul 11	30 Jun 17	7,670	JIBAR-linked
RMB	R83,3 million	01 Jul 14	30 Jun 17	6,960*	JIBAR-linked
RMB	R310,0 million	01 Jul 14	30 Jun 17	7,250	JIBAR-linked
RMB	R125,0 million	15 Aug 14	15 Aug 17	7,160	JIBAR-linked
RMB	R50,0 million	23 Sep 10	23 Sep 17	7,430	JIBAR-linked
RMB	R83,3 million	01 Oct 14	01 Oct 17	7,140*	JIBAR-linked
RMB	R176,1 million	01 Dec 12	01 Dec 17	6,010	JIBAR-linked
RMB	R83,3 million	02 Jan 15	31 Dec 17	7,260*	JIBAR-linked
RMB	R125,0 million	01 Sep 14	01 Mar 18	6,600	JIBAR-linked
RMB	R125,0 million	01 Sep 14	01 Mar 18	6,600	JIBAR-linked
RMB	R150,0 million	25 Mar 14	25 Mar 18	7,890	JIBAR-linked
RMB	R200,0 million	15 Aug 14	15 Aug 18	7,340	JIBAR-linked
RMB	R50,0 million	23 Sep 10	23 Sep 18	6,980	JIBAR-linked
RMB	R170,0 million	03 Nov 14	05 Nov 18	6,740	JIBAR-linked
RMB	R100,0 million	01 Jul 14	31 Dec 18	7,840	JIBAR-linked
RMB	R50,0 million	11 Mar 16	11 Mar 19	8,020	JIBAR-linked
RMB	R50,0 million	01 Apr 11	31 Mar 19	7,260*	JIBAR-linked
RMB	R50,0 million	19 Apr 16	23 Apr 19	7,950	JIBAR-linked
ABSA	R50,0 million	01 Jul 11	30 Jun 19	7,930	JIBAR-linked
RMB	R40,0 million	01 Jul 11	30 Jun 19	7,960	JIBAR-linked
RMB	R50,0 million	01 Jul 11	30 Jun 19	7,810	JIBAR-linked
RMB	R213,0 million	15 Aug 14	15 Aug 19	7,630	JIBAR-linked
RMB	R100,0 million	10 Sep 07	12 Sep 19	7,940	JIBAR-linked
RMB	R60,0 million	02 Jun 10	31 Dec 19	7,990	JIBAR-linked
RMB	R88,5 million	01 Nov 13	01 Nov 20	8,210	JIBAR-linked
RMB	R200,0 million	20 Jun 13	20 Jun 22	8,265	JIBAR-linked
RMB	R200,0 million	20 Jun 13	20 Jun 23	7,650*	JIBAR-linked
RMB	R100,0 million	20 Jun 13	20 Jun 23	8,300	JIBAR-linked
RMB	R60,0 million	01 Jul 14	30 Jun 24	8,060	JIBAR-linked
RMB	R100,0 million	02 Dec 14	02 Dec 24	8,030	JIBAR-linked

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 17. DERIVATIVE FINANCIAL INSTRUMENTS CONTINUED

Financial institution	Nominal amount	Commencement date	Maturity date	Fixed rate (%)	Rate basis
<b>Forward starting interest-rate swaps</b>					
Nedbank	R150,0 million	09 Jun 17	11 Jun 18	8,105	JIBAR-linked
Nedbank	R150,0 million	12 Jun 17	12 Jun 18	7,995	JIBAR-linked
ABSA	R150,0 million	29 Jun 17	29 Jun 20	7,980	JIBAR-linked
ABSA	R150,0 million	29 Jun 17	29 Jun 21	8,100	JIBAR-linked
<b>Cross-currency interest-rate swaps</b>					
ABSA	AUD10,0 million	02 Oct 15	07 Sep 17	2,070	JIBAR-linked
ABSA	AUD15,5 million	02 Oct 15	07 Sep 17	2,100	JIBAR-linked
ABSA	AUD10,0 million	17 Jun 16	06 Mar 18	1,720	JIBAR-linked
ABSA	AUD10,0 million	09 Jun 16	06 Sep 18	1,930	JIBAR-linked
RMB	AUD9,0 million	20 Jun 16	06 Mar 19	2,000	JIBAR-linked
RMB	AUD10,0 million	10 Jun 16	06 Sep 19	2,260	JIBAR-linked
ABSA	AUD10,0 million	17 Jun 16	06 Mar 20	2,380	JIBAR-linked
RMB	AUD9,0 million	20 Jun 16	06 Sep 20	2,480	JIBAR-linked

\* Subsidised with a cap rate of 10%

# Subsidised with a cap rate of 9%

## 18. NOTES TO THE STATEMENTS OF CASH FLOWS

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Cash generated from operations</b>				
Profit before income tax charge for the year adjusted for:	640 086	1 908 002	1 154 772	1 339 208
Fair value adjustments	83 347	(1 113 841)	(70 480)	(996 410)
Allowance for future rental escalations	(16 435)	(125 298)	(3 726)	(22 495)
Unamortised upfront lease costs	24 778	996	17 957	334
Interest paid	411 767	401 133	394 574	380 951
Interest capitalised to cost of developments	(10 378)	(5 110)	(10 378)	(5 110)
Unrealised deficit/(surplus) on interest-rate swaps	3 813	(34 053)	3 813	(34 053)
Fee paid on cancellation of interest-rate swaps	–	36 641	–	36 641
Amortisation of call option	2 554	3 541	–	–
Impairment of investment in subsidiaries	–	(6 673)	–	(6 673)
Finance income	(10 896)	(10 833)	(8 434)	(8 556)
Depreciation	14 840	9 324	11 276	5 760
Operating profit before working capital changes	1 143 476	1 063 829	1 489 374	689 597
Increase in accounts receivable	(80 465)	(75 152)	(55 266)	(65 556)
Increase in accounts payable	34 180	48 756	25 645	28 057
<b>Cash generated from operations</b>	<b>1 097 191</b>	<b>1 037 433</b>	<b>1 459 753</b>	<b>652 098</b>
<b>Distribution to shareholders</b>				
Dividend payable at 1 July 2015	–	–	–	–
Dividends for the year	(714 566)	(639 125)	(714 566)	(639 125)
Dividend payable at 30 June 2016	–	–	–	–
Dividends paid to shareholders	(714 566)	(639 125)	(714 566)	(639 125)
<b>Taxation paid for the year</b>				
Taxation (liability)/asset at 1 July 2015	(1 777)	13	–	–
Movement in statement of comprehensive income:				
SA normal taxation	(6)	–	–	–
Net taxation liability at 30 June 2016	–	(13)	–	–
Taxation paid for the year	(1 783)	–	–	–

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 19. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
The following transactions were carried out with related parties:				
<b>Strategic Real Estate Managers (Pty) Ltd</b>				
Expenditure comprising asset management fees – post amendment to service charge arrangement			34 835	32 865
Key management personnel compensation:				
– short-term benefits	14 743	12 138		
– share-based payments	561	2 295		
Relationship: Manager and wholly-owned subsidiary of Emira Property Fund Limited				
<b>Adamass Investments (Pty) Ltd</b>				
Shares			13 641	13 641
Loan			39 863	34 856
Dividends received			10 637	–
Relationship: Wholly-owned subsidiary				
<b>Aquarella Investments 272 (Pty) Ltd</b>				
Shares			6 379	6 379
Loan			63 192	61 853
Dividends received			8 526	–
Relationship: Wholly-owned subsidiary				
<b>Freestone Property Holdings (Pty) Ltd</b>				
Shares			1 339 187	1 339 187
Loan			250 081	(22 918)
Dividend received			484 496	–
Relationship: Wholly-owned subsidiary				
<b>Libra Investments 5 (Pty) Ltd</b>				
Shares			66 412	66 412
Loan			284 901	260 420
Dividend received			54 179	–
Relationship: Wholly-owned subsidiary				
<b>Lowmer Investments (Pty) Ltd</b>				
Shares			111 249	111 249
Loan			96 448	70 231
Dividend received			48 977	–
Relationship: Wholly-owned subsidiary				
<b>Menlyn Corporate Park (Pty) Ltd</b>				
Shares			283 386	283 386
Loan			343 537	282 531
Dividend received			105 306	–
Relationship: Wholly-owned subsidiary				
<b>Monagon Properties (Pty) Ltd</b>				
Shares			14 835	14 835
Loan			49 662	39 054
Dividend received			16 538	–
Relationship: Wholly-owned subsidiary				
<b>Omicron Investments 005 (Pty) Ltd</b>				
Shares			35 368	35 368
Loan			21 940	9 268
Dividend received			10 722	–
Relationship: Wholly-owned subsidiary				
<b>Rapidough Properties 509 (Pty) Ltd</b>				
Shares			17 832	17 832
Loan			15 356	9 908
Dividend received			8 929	–
Relationship: Wholly-owned subsidiary				

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 20. MINIMUM CONTRACTED RENTAL INCOME

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
The Group has rental income receivable in terms of operating lease contracts:				
- Due within one year	1 025 718	991 805	714 366	658 222
- Due within two to five years	2 845 432	2 649 287	1 978 301	1 609 965
- Due beyond five years	330 793	490 792	300 388	393 144
<b>Total</b>	<b>4 201 943</b>	<b>4 131 884</b>	<b>2 993 055</b>	<b>2 661 331</b>

The weighted average length of leases is 2,80 years (2015: 2,80 years) and the average lease escalation is 7,8% (2015: 7,9%).

## 21. COMMITMENTS AND CONTINGENCIES

R'000	GROUP		COMPANY	
	2016	2015	2016	2015
<b>Authorised capital expenditure</b>				
- Committed	24 669	27 146	24 669	27 146
- Contracted for	512 642	159 277	495 293	129 762
<b>Operating lease commitments</b>				
Commitments due in respect of leases entered into on leasehold properties:				
- Due within one year	21 730	26 087	7 178	6 538
- Due within two to five years	103 247	97 769	34 314	30 910
- Due beyond five years	4 727 052	4 252 427	3 291 342	2 978 211
<b>Total</b>	<b>4 852 029</b>	<b>4 376 283</b>	<b>3 332 834</b>	<b>3 015 659</b>

### CONTINGENCIES

The Fund had no material contingent liabilities at 30 June 2016.

## 22. POST YEAR-END EVENTS

### DECLARATION OF DIVIDEND AFTER REPORTING DATE

In line with IAS 10, Events after the reporting period, the declaration of the final dividend of 75,76 cents per share occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements.

### SHARE BUY-BACKS

Prior to 30 June 2016 the Emira Board approved a programme to repurchase Emira shares. In terms of the approved programme, Emira has to date, subsequent to year-end, repurchased 14 016 201 shares at an average price of 1 427 cents per share. The repurchased shares are being held as treasury shares and are under the control of the Board of Directors.

### ENYUKA PROPERTY FUND

On 2 September 2016 Emira entered into an agreement with One Property Holdings to form Enyuka Property Fund. Emira will contribute its 15-asset rural retail portfolio to the new venture. These properties will deliver returns to Emira at the same income yield they currently achieve within Emira, together with annual escalations up to a pre-set level. The excess above the set benchmarks will be shared within the joint venture. Emira will benefit from the development pipeline brought by One Property Holdings.

### ISSUE OF COMMERCIAL PAPER

On 18 August 2016 and 12 September 2016 a total of R232 million and R240 million of Commercial Paper were issued as part of Emira's DMTN programme.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 23. SEGMENT INFORMATION

The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision maker is the CEO of the Fund.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions. The CEO considers the business based on the following operating segments:

- > **Office** – comprises commercial properties
- > **Retail** – comprises shopping centres
- > **Industrial** – comprises industrial properties

The operating segments derive their revenue primarily from rental income from lessees. All of the Group's business activities and operating segments are reported within the above segments.

R'000	Office	Retail	Industrial	Other	Total
<b>SECTORAL SEGMENTS</b>					
<b>June 2016</b>					
<b>Revenue</b>	<b>746 978</b>	<b>781 292</b>	<b>268 681</b>		<b>1 796 951</b>
Revenue	770 255	742 686	267 575		1 780 516
Allowance for future rental escalations	(23 277)	38 606	1 106		16 435
<b>Segmental result</b>					
Operating profit	443 441	483 808	173 784	16 706 *	1 117 739
<b>Other information</b>					
Depreciation	8 446	5 418	976		14 840
Investment properties	4 894 437	5 354 612	1 880 830		12 129 879
Investment properties held-for-sale	818 800	16 200			835 000
Change in fair value of investment properties	(301 562)	130 210	(29 676)		(201 028)
<b>June 2015</b>					
<b>Revenue</b>	<b>797 210</b>	<b>757 254</b>	<b>257 504</b>		<b>1 811 968</b>
Revenue	759 379	675 734	251 557		1 686 670
Allowance for future rental escalations	37 831	81 520	5 947		125 298
<b>Segmental result</b>					
Operating profit	524 553	478 831	176 045	(34 131)**	1 145 298
<b>Other information</b>					
Depreciation	4 935	4 000	389		9 324
Investment properties	5 607 104	4 874 166	1 940 823		12 422 093
Investment properties held-for-sale	53 500	265 500			319 000
Change in fair value of investment properties	294 907	659 727	99 997		1 054 631

\* Includes income from listed property investment of R58,0 million less general Fund expenses of R41,3 million.

\*\* Includes income from listed property investment of R47,4 million less general Fund expenses of R44,9 million and fee paid on cancellation of swap agreements of R36,6 million.

No segment analysis of liabilities and the related interest payable has been presented as liabilities cannot be linked to specific properties.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 23. SEGMENT INFORMATION CONTINUED

R'000	Office	Retail	Industrial	Other	Total
<b>June 2016</b>					
<b>Revenue</b>					
- Gauteng	539 883	526 333	181 568		1 247 784
- Western and Eastern Cape	114 938	87 319	48 500		250 757
- KwaZulu-Natal	59 277	123 985	38 613		221 875
- Free State	32 880	43 655			76 535
	746 978	781 292	268 681		1 796 951
<b>Investment properties</b>					
- Gauteng	4 223 137	3 875 762	1 263 250		9 362 149
- Western and Eastern Cape	921 600	590 450	369 150		1 881 200
- KwaZulu-Natal	402 800	691 600	248 430		1 342 830
- Free State	165 700	213 000			378 700
	5 713 237	5 370 812	1 880 830		12 964 879
<b>June 2015</b>					
<b>Revenue</b>					
- Gauteng	586 365	518 411	173 056		1 277 832
- Western and Eastern Cape	122 560	98 253	51 520		272 333
- KwaZulu-Natal	55 813	74 649	32 928		163 390
- Free State	32 472	65 941			98 413
	797 210	757 254	257 504		1 811 968
<b>Investment properties</b>					
- Gauteng	4 268 996	3 570 269	1 343 323		9 182 588
- Western and Eastern Cape	850 870	477 120	365 000		1 692 990
- KwaZulu-Natal	369 838	640 977	232 500		1 243 315
- Free State	170 900	451 300			622 200
	5 660 604	5 139 666	1 940 823		12 741 093



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 24. MEASUREMENTS OF FAIR VALUE

R'000	2016				2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>GROUP</b>								
<b>Assets</b>								
Listed property investment	940 364			940 364	796 930			796 930
Derivative financial instruments – swaps		27 197		27 197		13 971		13 971
Derivative financial instruments – foreign exchange options		852		852		430		430
Derivative financial instruments – share options			4 308	4 308			14 526	14 526
<b>Total</b>	<b>940 364</b>	<b>28 049</b>	<b>4 308</b>	<b>972 721</b>	<b>796 930</b>	<b>14 401</b>	<b>14 526</b>	<b>825 857</b>
<b>Liabilities</b>								
Derivative financial instruments – swaps		43 986		43 986		26 646		26 646
Derivative financial instruments – foreign exchange options		316		316		195		195
Derivative financial instruments – share forwards		18 089		18 089				-
<b>Total</b>	<b>-</b>	<b>62 391</b>	<b>-</b>	<b>62 391</b>	<b>-</b>	<b>26 841</b>	<b>-</b>	<b>26 841</b>
<b>Net fair value</b>	<b>940 364</b>	<b>(34 342)</b>	<b>4 308</b>	<b>910 330</b>	<b>796 930</b>	<b>(12 440)</b>	<b>14 526</b>	<b>799 016</b>

### FAIR VALUE ESTIMATION

The table above analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- > Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- > Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- > Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. The instrument included in level 1 comprises an investment in a property trust, listed on the Australian Stock Exchange (ASX), classified as trading security.

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. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- > Quoted market prices or dealer quotes for similar instruments.
- > The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

### LISTED PROPERTY INVESTMENT

This comprises stapled securities held in a listed property company at fair value which is determined by reference to quoted closing prices at the reporting date.

### DERIVATIVE FINANCIAL INSTRUMENTS – INTEREST-RATE SWAPS

The fair values of the interest rate swap contracts are determined using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of the relevant swap agreements and external evidence such as the ZAR 0-coupon perfect-fit swap curve.

### DERIVATIVE FINANCIAL INSTRUMENTS – CROSS-CURRENCY INTEREST-RATE SWAPS

The fair values of the cross-currency interest-rate swap contracts are valued by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place.

### DERIVATIVE FINANCIAL INSTRUMENTS – AUD FORWARD EXCHANGE CONTRACTS

The AUD forward exchange contracts are valued by discounting the forward rates applied at year-end to the open hedged positions.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 24. MEASUREMENTS OF FAIR VALUE CONTINUED

### DERIVATIVE FINANCIAL INSTRUMENTS – CALL OPTION CONTRACTS

The call option contracts relating to the employee share scheme are valued using a Black Scholes option pricing model. The expected volatility of the unit price of the call options was 35,8% and the risk-free discount rate used ranged between 7,2% and 7,7%. Management considers the key input in the valuation to be the spot price. A 10% increase in the spot price results in an increase to the call options of R1,8 million. A 10% decrease in the spot price results in a decrease to the call options of R1,4 million. The call option contracts have been classified as Level 3. During the year R2,5 million of the option premiums relating to these contracts were amortised and a fair value loss of R7,7 million was recognised at year-end.

### DERIVATIVE FINANCIAL INSTRUMENTS – FORWARD CONTRACTS

The forward contracts relating to the employee share scheme are valued using a Black Scholes option pricing model. The risk-free discount rate used ranged between 7,6% and 7,8%. Management considers the key input in the valuation to be the spot price. A 10% increase in the spot price results in a decrease to the forward contracts of R5,5 million. A 10% decrease in the spot price results in an increase to the forward contracts of R5,5 million.

### NON-FINANCIAL ASSETS

The following table reflects the levels within the hierarchy of non-financial assets measured at fair value at 30 June 2016:

R'000	2016 Level 3	2015 Level 3
<b>GROUP</b>		
<b>Assets</b>		
Investment properties	12 129 879	12 422 093
Investment properties held-for-sale	835 000	319 000
<b>COMPANY</b>		
<b>Assets</b>		
Investment properties	8 434 875	8 263 792
Investment properties held-for-sale	452 900	309 000

Refer to note 6 where the reconciliations of these balances are disclosed.

### FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES

The fair value of commercial buildings is estimated using an income approach which discounts the estimated rental income stream, net of projected operating costs, as well as an exit value, using a discount rate derived from market yields. The estimated rental stream takes into account current occupancy levels, estimates of future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions regarding vacancy levels, the discount rate and the reversionary capitalisation rate. The estimated fair value increases if the estimated rentals increase, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline. The overall valuations are sensitive to all four assumptions. Management considers the range of reasonable possible alternative assumptions to be greatest for reversionary capitalisation rates, rental values and vacancy levels and that there is also an interrelationship between these inputs. The inputs used in the valuations at 30 June 2016 were the following:

- > The range of the reversionary capitalisation rates applied to the portfolio are between 8,15% and 16,0% with the weighted average being 10,43% (2015: 9,52%).
- > The discount rates applied range between 13,0% and 18,0% with the weighted average being 15,28% (2015: 14,41%).
- > Changes in discount rates and revisionary capitalisation rates attributable to changes in market conditions can have a significant impact on property valuations. A 25 basis points increase in the discount rate will decrease the value of the investment property by R206,8 million (1,6%) and a 25 basis decrease will increase the value of the investment property by R213,9 million (1,7%). A 25 basis points decrease in the reversionary capitalisation rate will increase the value of the investment property by R216,0 million (1,7%) and a 25 basis point increase will decrease the value of the investment property by R204,8 million (1,6%).

Fair values are estimated twice a year by Emira's internal registered valuer, whereafter they are reviewed by the executive directors and approved by the Board of Directors.

### FAIR VALUE MEASUREMENT OF INVESTMENT PROPERTIES HELD-FOR-SALE

The fair value of investment properties held-for-sale is based on the expected sale price.

### VALUATION PROCESSES

A third of the Group's investment properties were valued at 30 June 2016 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. The remainder were valued by Emira's internal registered valuer. All valuations were reviewed by the executive directors and asset managers, before being recommended to the Board for approval. For all investment properties, their current use equates to the highest and best use.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 25. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, investment in a listed property company, accounts receivable and prepayments, derivative financial instruments, interest-bearing debt and accounts payable. In respect of the aforementioned financial instruments, book values approximate fair value.

Exposure to interest rate, credit and liquidity risks occurs in the normal course of business.

Cash resources are monitored to meet working capital requirements and surplus cash is applied on an access basis against long-term interest-bearing liabilities.

### CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

On order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares to shareholders or sell assets to reduce debt.

The Group monitors capital on the basis mandated by the board. The Group's borrowings are limited to 40% of the value of the Group's property portfolio. This ratio is calculated as total borrowings, less cash, divided by total assets as disclosed in the statement of financial position of the Group.

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain this ratio and an A credit rating. The Group's GCR's credit rating was A throughout 2016 and 2015. The Group's utilised borrowings capacity at 30 June 2016 can be summarised as follows:

R'000	2016	2015
<b>GROUP</b>		
Total assets	14 294 461	13 841 064
Total borrowings	4 978 172	4 510 361
Utilised capacity (%)	34,8	32,6
<b>COMPANY</b>		
Total assets	13 188 282	12 227 117
Total borrowings	4 778 436	4 310 791
Utilised capacity (%)	36,2	35,3

### MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group's market risks arise from changes in foreign currency exchange rates and interest rates. The Group enters into interest-rate swap agreements to mitigate the risk of rising interest rates as set out in note 17.

### FOREIGN CURRENCY RISK MANAGEMENT

The Group's exposure to exchange rate fluctuations arises through its investment in GOZ which is an Australian listed REIT.

The following table details the Group's sensitivity to a 10% increase and decrease in the rand against the Australian dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

R'000	INCREASE		DECREASE	
	2016	2015	2016	2015
<b>GROUP AND COMPANY</b>				
Profit or loss excluding value movement	5 805	4 739	(5 805)	(4 739)
Investment in listed property investment	94 036	79 693	(94 036)	(79 693)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 25. FINANCIAL RISK MANAGEMENT CONTINUED

### INTEREST-RATE RISK MANAGEMENT

The Group's exposure to interest rates on financial instruments at the date of the statement of financial position is set out in note 14.

Interest rates are constantly monitored and appropriate steps are taken to ensure that the Company's exposure to interest rate fluctuations is limited. Interest rates have been fixed for extended periods ranging from 2017 to 2024. The average rate of interest at 30 June 2016 (applicable to the fixed interest rate agreements) was 7,9% (2015: 9,0%). At 30 June 2016 6,9% (2015: 15,4%) of the Group's debt was subject to a variable or floating interest rate and was not covered by an interest rate swap agreement. An increase in the prime interest rate of 1% per annum would result in an increase in interest payable, of R3,3 million per annum, in respect of the floating portion of the Group's debt.

### EQUITY PRICE RISK

The listed property investment in GOZ, of R940,4 million (2015: R796,9 million) is subject to equity price risk. It is reflected at fair value based on the quoted bid price at 30 June 2016, of AUD3,15. The following table details the Group's sensitivity to a 10% increase or decrease in the quoted price of the listed property investment on the Australian Stock Exchange:

R'000	2016		2015	
	10% increase	10% decrease	10% increase	10% decrease
<b>GROUP AND COMPANY</b>				
Listed property investment	94 036	(94 036)	79 693	(79 693)

### CREDIT RISK MANAGEMENT

Credit risk is limited to the carrying amount of financial assets at the date of the statement of financial position.

Potential areas of credit risk consist of trade receivables and short-term cash investments. Trade receivables consist of a large, widespread tenant base. All specific doubtful debts have been impaired and at year-end management did not consider there to be any material credit risk exposure that was not already covered by an impairment adjustment.

The impairment adjustment at 30 June 2016 was R25,5 million (2015: R21,0 million) net of tenants' deposits and guarantees held as security.

The Group held cash deposits and guarantees with a fair value of R237,6 million at 30 June 2016 (2015: R159,7 million).

The specifically impaired receivables relate primarily to tenants who have either been handed over for non-payment, or have vacated the premises.

It is expected that a portion of the specifically impaired receivables will be recovered.

The allowance for impaired receivables and receivables written off are included in property expenses. Amounts charged to the allowance will be written off when all avenues for recovery have been exhausted and there is no expectation that any further cash will be received.

At 30 June 2016 no geographic area, rental sector or size of tenant had been identified as a specific credit risk.

The credit quality of financial assets was as follows:

- > Cash and cash equivalents – FirstRand Bank Limited – AA- (Standard & Poor's)
- > Derivative financial instrument – FirstRand Limited – AA- (Standard & Poor's)
- > Derivative financial instrument – ABSA Bank Limited – AA- (Standard & Poor's)
- > Derivative financial instruments – Investec – AA- (Standard & Poor's)
- > Other assets were not rated.

### RECEIVABLES PAST DUE BUT NOT IMPAIRED

Receivables are considered to be "past due" when they are uncollected one day or more beyond their contractual due date.

As at 30 June 2016, trade receivables of R59,8 million (2015: R39,5 million) were considered past due but not impaired.

These include varied tenants with no recent history of payment default.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 25. FINANCIAL RISK MANAGEMENT CONTINUED

### LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that the Group will be unable to meet its financial commitments. The risk is minimised by holding cash balances and by a floating loan facility.

The Group monitors liquidity risk by regularly monitoring forecast cash flows. The following table details the maturity of financial assets and liabilities and is used by management to manage liquidity risks.

The amounts disclosed in the below table are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within one year or less generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The fair value of the derivative financial instruments fluctuates in line with interest rate movements. This value will reduce to nil on expiry date.

R'000	Weighted average effective interest rate %	1 year or less	1 - 5 years	More than 5 years	Total
<b>GROUP</b>					
<b>Year ended 30 June 2016</b>					
<b>Financial assets</b>					
Listed property investment		940 364			940 364
Accounts receivable		253 721			253 721
Derivative financial instruments:					
- swaps		11 031	6 759	1 632	19 422
- options		1 656	2 652		4 308
- forex options		852			852
- cross-currency swaps		3 309	4 466		7 775
Cash and cash equivalents	5,75	55 549			55 549
<b>Total financial assets</b>		<b>1 266 482</b>	<b>13 877</b>	<b>1 632</b>	<b>1 281 991</b>
<b>Financial liabilities</b>					
Interest-bearing debt	8,0	1 034 000	3 944 172		4 978 172
Accounts payable		338 072			338 072
Derivative financial instruments:					
- swaps		3 574	3 334	4 480	11 388
- forex options		316			316
- cross-currency swaps		27 415	5 183		32 598
- forward contracts		6 006	12 083		18 089
<b>Total financial liabilities</b>		<b>1 409 383</b>	<b>3 964 772</b>	<b>4 480</b>	<b>5 378 635</b>
<b>Year ended 30 June 2015</b>					
<b>Financial assets</b>					
Listed property investment		796 930			796 930
Accounts receivable		220 903			220 903
Derivative financial instruments:					
- swaps		5 206	7 235	1 960	14 401
- options		7 666	6 860		14 526
Cash and cash equivalents	5,35	53 211			53 211
<b>Total financial assets</b>		<b>1 083 916</b>	<b>14 095</b>	<b>1 960</b>	<b>1 099 971</b>
<b>Financial liabilities</b>					
Interest-bearing debt	8,74	1 061 965	3 448 396		4 510 361
Accounts payable		352 553			352 553
Derivative financial instruments:					
- swaps		11 252	8 733	6 856	26 841
<b>Total financial liabilities</b>		<b>1 425 770</b>	<b>3 457 129</b>	<b>6 856</b>	<b>4 889 755</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 25. FINANCIAL RISK MANAGEMENT CONTINUED

R'000	Weighted average effective interest rate %	1 year or less	1 – 5 years	More than 5 years	Total
<b>COMPANY</b>					
<b>Year ended 30 June 2016</b>					
<b>Financial assets</b>					
Listed property investment		940 364			940 364
Accounts receivable		200 568			200 568
Derivative financial instruments:					
– swaps		11 031	6 759	1 632	19 422
– forex options		852			852
– cross-currency swaps		3 309	4 466		7 775
Cash and cash equivalents	5,75	24 867			24 867
<b>Total financial assets</b>		<b>1 180 991</b>	<b>11 225</b>	<b>1 632</b>	<b>1 193 848</b>
<b>Financial liabilities</b>					
Interest-bearing debt	8,0	1 034 000	3 744 436		4 778 436
Derivative financial instruments:					
– swaps		3 574	3 334	4 480	11 388
– forex options		316			316
– cross-currency swaps		27 415	5 183		32 598
– forward contracts		6 006	12 083		18 089
<b>Total financial liabilities</b>		<b>1 071 311</b>	<b>3 765 036</b>	<b>4 480</b>	<b>4 840 827</b>
<b>Year ended 30 June 2015</b>					
<b>Financial assets</b>					
Listed property investment		796 930			796 930
Accounts receivable		185 686			185 686
Derivative financial instruments:					
– swaps		5 206	7 235	1 960	14 401
Cash and cash equivalents		20 628			20 628
<b>Total financial assets</b>		<b>1 008 450</b>	<b>7 235</b>	<b>1 960</b>	<b>1 017 645</b>
<b>Financial liabilities</b>					
Interest-bearing debt		1 061 965	3 248 826		4 310 791
Accounts payable		244 637			244 637
Derivative financial instruments:					
– swaps		11 252	8 733	6 856	26 841
<b>Total financial liabilities</b>		<b>1 317 854</b>	<b>3 257 559</b>	<b>6 856</b>	<b>4 582 269</b>

### CASH AND CASH EQUIVALENTS

It is the Group's policy to deposit short-term cash investments with FirstRand Bank Limited, which has been given an AA- rating.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 25. FINANCIAL RISK MANAGEMENT CONTINUED

### CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

R'000	Fair value	Amortised cost	Loans and receivables	Total
<b>GROUP</b>				
<b>Financial assets</b>				
Listed property investment	940 364			940 364
Derivative financial instruments	32 357			32 357
Accounts receivable			301 312	301 312
Cash and cash equivalents			55 549	55 549
<b>Total financial assets</b>	<b>972 721</b>	<b>–</b>	<b>356 861</b>	<b>1 329 582</b>
<b>Financial liabilities</b>				
Interest-bearing debt		4 978 172		4 978 172
Derivative financial instruments	62 391			62 391
Accounts payable			396 250	396 250
<b>Total financial liabilities</b>	<b>62 391</b>	<b>4 978 172</b>	<b>396 250</b>	<b>5 436 813</b>
<b>COMPANY</b>				
<b>Financial assets</b>				
Listed property investment	940 364			940 364
Derivative financial instruments	28 049			28 049
Accounts receivable			240 952	240 952
Cash and cash equivalents			24 867	24 867
<b>Total financial assets</b>	<b>968 413</b>	<b>–</b>	<b>265 819</b>	<b>1 234 232</b>
<b>Financial liabilities</b>				
Interest-bearing debt		4 778 436		4 778 436
Derivative financial instruments	62 391			62 391
Accounts payable			276 737	276 737
<b>Total financial liabilities</b>	<b>62 391</b>	<b>4 778 436</b>	<b>276 737</b>	<b>5 117 564</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 26. PORTFOLIO SUMMARY

### SECTORAL PROFILE

	Office	Retail	Industrial	Total
<b>% of GLA</b>	34,1	35,0	30,9	100,0
<b>Weighted average lease escalation (%)</b>	8,2	7,6	7,6	7,8
<b>Lease expiry profile (% of revenue)</b>				
Vacant	5,9	1,4	0,4	7,7
Expiries rolled over	0,3	0,9	-	1,2
Year 1	10,9	7,5	4,8	23,2
Year 2	7,9	7,2	2,7	17,8
Year 3	6,5	6,6	4,7	17,8
Year 4	2,0	4,5	0,7	7,2
Year 5+	9,3	13,8	2,0	25,1
	42,8	41,9	15,3	100,0
<b>Lease expiry profile (% of GLA)</b>				
Vacant	3,9	1,3	1,0	6,2
Expiries rolled over	0,1	0,8	0,1	1,0
Year 1	10,4	5,1	9,9	25,4
Year 2	6,2	5,7	4,8	16,7
Year 3	5,7	5,3	9,4	20,4
Year 4+	7,5	16,9	5,9	30,3
	33,8	35,1	31,1	100,0
<b>Vacancy profile (% of GLA)</b>	10,5	2,8	2,4	5,3

### GEOGRAPHICAL PROFILE

	Gauteng and Mpumalanga	Western and Eastern	KwaZulu-Natal	Free State	Total
<b>% of GLA</b>	67,0	16,2	13,2	3,6	100,0
Average annualised yield achieved by the portfolio was 8,7%.					

### TENANT PROFILE

	Grade A	Grade B	Grade C	Total
<b>% of GLA</b>	57,8	23,9	18,3	100,0

Tenants have been graded as follows:

**"A" grade:** Large national tenants, large listed tenants, government and major franchisees. These include, inter alia, ABSA Bank, Afrox, Audi, Bidvest, Checkers, Clicks, Coricraft Group, Defy, Department of Public Works, FirstRand Bank, J D Group, Mr Price Group, Nedbank, Pepkor, Pick n Pay, RTT Group, Shell, the Standard Bank Group, Ster-Kinekor, Truworths International, Virgin Active and Woolworths.

**"B" grade:** National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, Amalgamated Power Solutions, Baby Boom, Builder's Express, Cash Crusaders, Debonairs Pizza, Dial-a-Bed, Easylife Kitchens, Fishaways, Little Green Beverages, Postnet, Rage Distribution, Tile Afrika, Torga Optical, Verimark and Vodacom.

**"C" grade:** Other tenants comprise all other tenants that do not fall into the above two categories.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 27. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

### 27.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the following:

#### Investment properties – Note 6

The valuation of investment properties was determined principally using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of any existing lease contracts and by external evidence such as current market rentals for similar properties in the same location and condition, and using discount rates that reflect current market assessments, of the uncertainty in the amount and timing of the cash flows.

The future rental rates were estimated depending on the actual location, type and quality of the properties and taking into account market data and projections at the valuation date, as well as the length of vacant periods following the expiry of existing lease agreements.

#### Accounts receivable – Note 11

At each statement of financial position date, management considers each material debtor in respect of whom legal proceedings have been instituted, in order to determine the level of recoverability. A provision is made for a portion of those considered as irrecoverable.

#### Derivative financial instruments – Note 17

The valuation of interest-rate swaps was determined using discounted cash flow projections, based on estimates of future cash flows, supported by the terms of the relevant swap agreements and external evidence such as the ZAR 0-coupon perfect-fit swap curve (“the swap curve”). Future floating cash flows are determined using forward rates derived from the swap curve as at 30 June 2016. The net cash flows were discounted using the swap curve as at 30 June 2016.

The valuation of cross-currency interest-rate swaps was determined by discounting the future cash flows using the basis swap curve of the respective currencies at the dates when the cash flows will take place. Future floating cash flows are determined using forward rates derived from the basis swap curve of the respective currencies as at 30 June 2016. The net cash flows were discounted using the basis swap curve of the respective currencies as at 30 June 2016.

The valuation of the AUD forward exchange contracts was determined by discounting the forward rates applied at 30 June 2016 to the open hedged positions.

The valuation of the call option contracts relating to the employee share scheme was determined using a Black Scholes option pricing model. The model took into account the spot price, the expected volatility and the risk-free rate as at 30 June 2016.

The valuation of the forward contracts relating to the employee share scheme was determined using a Black Scholes option pricing model. The model took into account the spot price and the risk-free rate as at 30 June 2016.

### 27.2 CRITICAL ACCOUNTING JUDGEMENTS

#### Business combination versus asset acquisition

Management has assessed the properties acquired during the previous financial year and concluded that the assets acquired do not constitute a business as defined by IFRS 3 – Business Combinations due to the following:

- > Processes or significant ancillary services were not acquired, and therefore integrated sets of activities were not identified, and
- > The purchase price of the assets does not include an element of goodwill.

The acquisition of these properties was accounted for as the acquisition of assets and in line with IAS 40 – Investment Property.

#### Current and deferred tax

In accordance with the Group’s status as a REIT, the distributions made in line with the Group’s distribution policy meet the requirements of a “qualifying distribution” for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 (“Income Tax Act”). In determining the tax obligation of the Group, the “qualifying distribution” is deducted from taxable profits. As all taxable profits are distributed as a “qualifying distribution”, no current tax liability was raised in the current year. In addition, the Group is not liable for capital gains tax on the disposal of directly held properties. The Group would not either be liable for any capital gains tax on the disposal of its investment in GOZ on the basis that Emira holds less than 10% of the equity and that it is a subsidiary of a REIT.

No deferred tax liabilities were raised on the “Allowance for future rental escalations”, “Unamortised upfront lease costs” and other balances as these will form part of the Group’s “qualifying distribution” in the future and are not expected to attract any tax.

#### Disclosure of comparative information

Effective 1 July 2015, Emira Property Fund converted to a Corporate REIT, Emira Property Fund Limited. The Directors of the Company assessed this to be a capital re-organisation and comparatives within the financial statements disclose the position of Emira Property Fund since nothing has changed from a shareholder point of view.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
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## 28. SHAREHOLDERS' PROFILE AND JSE INFORMATION AT 30 JUNE 2016

	Number of holders	% of holders	Number of shares	% of capital
Directors' holdings	5	0,11	2 722 435	0,53
Empowerment partners excluding directors' holdings	3	0,06	64 176 272	12,57
Non-public	8	0,17	66 898 707	13,10
Public	4 746	99,83	443 651 377	86,90
<b>Total</b>	<b>4 754</b>	<b>100,00</b>	<b>510 550 084</b>	<b>100,00</b>
<b>Distribution of shareholders</b>				
Banks	64	1,35	39 129 709	7,66
Close corporations	47	0,99	2 163 633	0,42
Empowerment	3	0,06	64 176 272	12,57
Endowment funds	114	2,40	5 504 028	1,08
Individuals	3 182	66,93	23 327 854	4,57
Insurance companies	50	1,05	28 178 856	5,52
Investment companies	5	0,10	5 954 894	1,17
Medical schemes	16	0,34	1 924 871	0,38
Mutual funds	249	5,24	218 336 130	42,76
Other corporations	10	0,21	69 915	0,01
Private companies	84	1,77	4 807 206	0,94
Public companies	3	0,06	386 487	0,08
Retirement funds	144	3,03	102 155 352	20,01
Trusts	783	16,47	14 434 877	2,83
<b>Total</b>	<b>4 754</b>	<b>100,00</b>	<b>510 550 084</b>	<b>100,00</b>
<b>Range analysis at 30 June 2016</b>				
1 - 1 000 shares	621	13,06	291 563	0,06
1 001 - 10 000 shares	2 689	56,56	12 722 602	2,49
10 001 - 100 000 shares	1 097	23,08	31 625 206	6,19
100 001 - 1 000 000 shares	259	5,45	80 448 947	15,76
1 000 001 shares and over	88	1,85	385 461 766	75,50
<b>Total</b>	<b>4 754</b>	<b>100,00</b>	<b>510 550 084</b>	<b>100,00</b>

The following holders of shares hold, beneficially directly or indirectly, at 30 June 2016 in excess of 5% of the issued share capital:

	Number of shares	% of capital
Redefine Properties Limited	58 564 627	11,47
Government Employees Pension Fund	45 982 670	9,01
Old Mutual	37 240 571	7,29
Prudential Investment Managers	28 757 053	5,63

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 29. DIRECTORS' HOLDINGS

The directors' holdings in shares of the Company as at 30 June 2016, were:

	2016				2015			
	Beneficial direct	Beneficial indirect	Held by associates	Total	Beneficial direct	Beneficial indirect	Held by associates	Total
<b>Executive directors</b>								
Geoff Jennett (CEO)		50 000		50 000		10 000		10 000
James Templeton (ex CEO)*					349 800			349 800
<b>Non-executive directors</b>								
Michael Aitken	20 000		288 000	308 000	20 000		288 000	308 000
Nocawe Makiwane		536 741		536 741		1 511 133		1 511 133
Thys Nesor			20 000	20 000			20 000	20 000
Ben van der Ross		1 807 694		1 807 694		3 176 915		3 176 915
<b>Total</b>	<b>20 000</b>	<b>2 394 435</b>	<b>308 000</b>	<b>2 722 435</b>	<b>369 800</b>	<b>4 698 048</b>	<b>308 000</b>	<b>5 375 848</b>

\* Resigned with effect from 31 August 2015.

There has been no other change in the interests of directors in the stated capital of the Fund since the end of the financial year date of this report.

## 30. PROPERTY LISTING

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Office	1 Kikuyu Road <sup>^*</sup>	1 Kikuyu Road, Sunninghill, Sandton	Eskom	7 383	50 600 000	105,64	0,94	0,40
Office	100 on Armstrong <sup>#</sup>	100 Armstrong Avenue, Forest Park, La Lucia Ridge, Durban	Eris Property Group, SAP South Africa, Surgical Innovations, Galaxy Bingo Gateway, Assegai & Javelin	2 871	46 400 000	139,34	0,86	0,37
Office	1059 Francis Baard <sup>^</sup>	1059 Francis Baard Street, Hatfield, Pretoria	SABC Ltd, Media 24, United Nations Office for Drug Control and Crime Prevention, Channel Life	5 993	79 300 000	121,89	1,47	0,63
Office	12 Baker Street <sup>*</sup>	12 Baker Street, Rosebank, Johannesburg	Sasol Group Services (Pty) Ltd	4 636	33 700 000	105,64	0,62	0,27
Office	16 Jan Smuts Avenue <sup>^*</sup>	16 Jan Smuts Avenue, Parktown, Johannesburg	Venn and Milford Incorporated	2 328	24 200 000	105,64	0,45	0,19
Office	2 Frosterley Park <sup>*</sup>	2 Frosterley Crescent, La Lucia Ridge, Umhlanga Rocks, Durban	Telesure Group Services (Pty) Ltd	2 312	40 100 000	105,64	0,74	0,32
Office	2 Sturdee Avenue <sup>*</sup>	2 Sturdee Avenue, Rosebank, Johannesburg	Sasol Group Services (Pty) Ltd	5 603	46 300 000	105,64	0,86	0,37
Office	267 West <sup>#</sup>	267 West Avenue, Centurion, Pretoria	Minerp Holdings, Connectnet Broadband, Afiswitch, Strategic Simulation Solutions, UCS Technology	9 396	171 000 000	144,82	3,17	1,35
Office	4 Kikuyu Road <sup>^</sup>	4 Kikuyu Road, Sunninghill, Sandton, Johannesburg	Hardwood Kirsten Leigh-McCoy, Blackfuse Communications, Legal Exchange Corporation (Pty) Ltd	4 799	27 200 000	86,49	0,50	0,22
Office	5 The Boulevard <sup>#</sup>	5 The Boulevard, Westway Office Park, Westville, Durban	Naidu Consulting, Uniclox	1 256	20 700 000	150,98	0,38	0,16
Office	500 Smuts Drive <sup>^</sup>	500 Smuts Drive, Halfway House, Midrand	<Vacant>	5 201	28 000 000	-	0,52	0,22
Office	7 Naivasha Road <sup>*</sup>	7 Naivasha Road, Sunninghill, Sandton	Group M South Africa (Pty) Ltd	4 673	48 100 000	105,64	0,89	0,38

<sup>^</sup> Held-for-sale.

<sup>#</sup> Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in office sector – R127,91/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Office	80 Strand Street (50% owned)	80 Strand Street, Cape Town	De Vries Shields Chiat Inc, EZT Travel, Eris Property Group, Miller Du Toit Cloet Inc., Real Automobile Finance and Insurance Consulting, Unitrans Automotive	6 396	70 600 000	101,97	1,31	0,56
Office	9 Long Street (Wesbank House)	21 Riebeeck Street, Cape Town	Department Of Public Works, National Debt Advisors, Government of RSA Film and Publication Board, Tower Group	9 320	106 500 000	92,42	1,98	0,84
Office	Albury Park	Magalieszicht Avenue, Dunkeld West, Sandton	Aegis Media Central Services, Northam Platinum Ltd, Harlequin Duck Properties 231, Charl Cilliers Inc, Bouwers Inc	8 218	118 700 000	126,55	2,20	0,94
Office	Boundary Terraces	1 Mariendahl Lane, Newlands, Cape Town	World Wide Fund for Nature SA, Professional Provident Society Investments, Savings and Investment Association SA, Momentum Investments Shared Services, Arcadia Management, Resafrica, Retail Africa Cape Town (Pty) Ltd	8 254	172 500 000	140,24	3,20	1,37
Office	Bradenham Hall <sup>#</sup>	Mellis Avenue, Rivonia, Sandton	Millward Brown SA (Pty) Ltd, Stemtech Africa (Pty) Ltd, Stratus Office Consumables, KEC International Ltd, Acetotone (Pty) Ltd, Madison Square Holdings cc, Bramel Business Solutions	4 761	51 300 000	95,44	0,95	0,41
Office	Brooklyn Forum	337 Veale Street, New Muckleneuk, Pretoria	Bild Architects, Newtons Incorporated, Finbond	7 382	97 700 000	138,48	1,81	0,77
Office	Brooklyn Gardens Auditor General <sup>^</sup>	300 Middel Street, Pretoria	The Auditor-General, Integri-T Property Fund Ltd	3 200	87 500 000	216,55	1,62	0,69
Office	Brooklyn Office Park <sup>#</sup>	105 Nicolson Street, Brooklyn, Pretoria	KMG and Associates Inc, Rede Engineering and Management Solutions, Molo Africa Speech Technologies, Point 3 Financial Solutions, Shapiro and Haasbroek	5 171	54 800 000	115,21	1,02	0,43
Office	Chiappini House	26 Chiappini Street, Cape Town	Diamond's Discount Liquor, De Waterkant Health, None Such Films, Stile Milano (Pty) Ltd, Isivumelwano Organisational & HR Development	1 024	14 700 000	124,67	0,27	0,12
Office	Convention House <sup>^#</sup>	125 Florence Nzama Street, Durban	Danie Hollenbach Motors, All Life, TQA Consultants Africa, Forever Living Products SA, Tshwane University of Technology, Metropolitan Health Corporate	6 249	45 000 000	93,84	0,83	0,36
Office	Corobay Corner <sup>#</sup>	Cnr Aramist and Corobay Avenue, Menlyn, Pretoria	Old Mutual, King Price, Eris Property Group	13 865	263 000 000	179,13	4,88	2,08
Office	Corporate Park 66 <sup>#</sup>	Cnr Von Willich Avenue and Lenchen Street, Centurion, Pretoria	PSG Wealth Financial Planning, Professional Medical Scheme Administrator, Nanoteq, Fidelity Security Services, Department of Public Works	13 449	206 400 000	97,22	3,83	1,63
Office	Derby Downs <sup>#</sup>	9 Derby Place and 4 Sookhai Place, Derby Downs, Westville, Durban	SA Biomedical, Tradebridge, People Solutions, Arrow Altech Distribution, Enterprise Foods	2 139	24 300 000	92,88	0,45	0,19

<sup>^</sup> Held-for-sale.

<sup>#</sup> Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in office sector – R127,91/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Office	Discovery Health PTA *	Oak Road, Centurion, Pretoria	Discovery Health	3 863	50 000 000	105,64	0,93	0,40
Office	East Coast Radio House #	314/7 Umhlanga Rocks Drive, Umhlanga Rocks, Durban	East Coast Radio, Dimension Data, Bravo Group Lounge Durban, ABSA Bank	4 752	104 000 000	170,26	1,93	0,82
Office	East Rand Junction ^#	Cnr Pond and Frank Streets, Boksburg	Hammond Pole Majola Inc, Wesbank, Metropolitan Life, Standard Bank, Harvest Chartered Accountants	6 466	47 900 000	77,02	0,89	0,38
Office	Epsom Downs Office Park #	13 Sloane Street, Bryanston, Sandton	Angor Property Specialists, Coloplast, Hemocue, Strategic Real Estate Managers, Underline Advertising, Kunene Health Care	9 496	98 300 000	99,48	1,82	0,78
Office	Gateview	3 Sugar Close, Umhlanga, Durban	Altron TMT, Enza Construction, Bargaining Council for the Civil Engineering, Strategic Investment Advisors	2 799	33 000 000	114,99	0,61	0,26
Office	Hamilton House #	30 Chiappini Street, Cape Town	Gloo Digital Design, Onnet, Finishing Touch, H&M Hennes and Mauritz	3 247	40 900 000	116,04	0,76	0,32
Office	Harbour Place	7 Martin Hammerschlag Way, Cape Town	Hyundai Automotive SA, Megafreight Services Cape, Mastermax Productions, SA Inshore Fishing Industry Association	5 015	51 900 000	93,39	0,96	0,41
Office	Highgrove Office Park	Highgrove Office Park, Oak Road, Centurion, Pretoria	S and F Management Services, Concilium Technologies (Pty) Ltd	7 915	94 500 000	145,14	1,75	0,75
Office	Hyde Park Lane	Cnr Jan Smuts Avenue and William Nicol Drive, Hyde Park, Sandton	Standard Bank, Tag Travel, Property Marketers, DTH Services, The Prestige Cosmetics Group, Graca Machel Trust, Argen Actuarial Solutions	15 541	225 800 000	126,29	4,19	1,79
Office	Iustitia Building ^	Cnr St Andrews and Aliwal Streets, Bloemfontein	Society of Advocates, Mutual & Federal, Guarantee Trust Corporate Support Services, Solomon Mpheto Oupa Seobe, Mphafi Khang Inc.	5 360	34 500 000	130,14	0,64	0,27
Office	Knightsbridge Manor	33 Sloane Street, Bryanston Ext 4	Managed Healthcare Systems, Norilsk Nickel Africa, TLC Engineering Solutions, Tedcor, The Johannesburg Wellness Centre, Extraordinary Resorts Management SA	6 356	54 800 000	97,92	0,70	0,30
Office	Lake Buena Vista 1 ^	Gordon Hood Avenue, Centurion, Pretoria	Services Seta, Railway Safety Regulator	6 196	70 000 000	118,58	1,30	0,55
Office	Lincoln Wood Office Park #	6 & 8 Woodlands Drive, Woodmead	Altech Radio Holdings, Spur Group, Water & Sanitation Services SA, Geberit Southern Africa, Novozymes SA, Degremont	10 569	113 000 000	86,73	2,10	0,89
Office	Lone Creek #	21 Mac Mac Road and Howick Close, Waterfall Park, Midrand	The Concrete Institute, End User Finance, Regional Tourism Organisation of SA, Tyremart Tyres & Accessories, Batseta Council of Retirement Fund for South Africa, MV Tronics, Net-Flow IT Solutions, SA Council for the Quantity Surveying Profession	5 387	55 000 000	93,51	1,02	0,44

^ Held-for-sale.

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in office sector – R127,91/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Office	Menlyn Corporate Park	Cnr Corobay Avenue and Garsfontein Road, Menlyn, Pretoria	CTI Educational Group, King Price Insurance Company, Feenstra Group, MVB Registered Accountants & Auditors, Santam Ltd, BVI Consulting Engineers Gauteng, South African Local Government Association	26 688	618 500 000	232,33	11,47	4,89
Office	Menlyn Square Office Park	116 Lois Avenue, Menlyn, Pretoria	ABSA Bank, Standard Bank, Cell C, Firstrand Bank, Momentum Consult, Ditiro IT Resource Services	9 852	140 800 000	148,31	2,58	1,09
Office	Menlyn Woods Office Park ^	291 Sprite Avenue, Faerie Glen, Pretoria	SRK Consulting, Smart Publishing, Nothemba Properties, Attooh Financial Wellness, Momentum Group, Butterfield Holdings	9 852	150 300 000	121,68	2,79	1,19
Office	Newlands Terraces	8 Boundary Road, Newlands, Cape Town	UCS Technology Services, Western Province Rugby Football Union, Taquanta Asset Managers, UCS Solutions, Fairtree Capital	4 531	94 800 000	133,58	1,76	0,75
Office	Omni Centrum ^	73 Aliwal Street, Bloemfontein	Surveyor General, Free State Dept of Education, National Dept of Public Works, Agriculture – Dept of Public Works	5 447	30 000 000	81,02	0,56	0,24
Office	Podium at Menlyn	43 Ingersol Road, Lynnwood Glen, Pretoria	Safcol, Hatch Goba, Simeka Consultants and Actuaries, The Rand Mutual Assurance Company, Old Mutual Life Assurance Company (SA), RENNIES Travel	9 090	213 800 000	163,15	3,97	1,69
Office	Rigel Office Park #	446 Rigel Avenue, Erasmusrand, Pretoria	University Research Co, Black Real Estate, MSPH South Africa, Mazars Support Services	4 417	80 400 000	157,88	1,49	0,64
Office	Riverworld Park	42 Homestead Road, Edenburg, Sandton	The Jupiter Drawing Room, 5th Dimension Marketing, South African Suppliers Diversity Council	5 079	30 900 000	96,95	0,57	0,24
Office	Southern Life Plaza ^	41 Maitland Street, Bloemfontein	Free State Legislature, Firstrand Bank, Legal Aid South Africa, Eris Property Group, Road Accident Fund	10 697	101 200 000	111,30	1,88	0,80
Office	Strathmore Park #	305 Musgrave Road, Musgrave, Durban	Vox Telecommunications, Chedza International Loss Adjusters, Oxfam Australia, Positive Packaging, Production Management Institution of SA	3 835	51 300 000	131,17	0,95	0,41
Office	Sturdee House ^	9 Sturdee Avenue, Rosebank, Johannesburg	Netcare Rosebank Hospital, Uhy Hellmann (SA)	1 620	29 800 000	144,36	0,55	0,24
Office	Summit Place Buildings A and C	Cnr Garsfontein Road and N1 Freeway, Menlyn Pretoria	SizweNtsalubaGobodo, Grant Thornton	3 060	84 700 000	187,10	1,55	0,65
Office	The Avenues North ^	6 Mellis Road, Edenburg, Sandton	Mtiya Dynamics, Hero Strategic Marketing, Benguela Global Fund Managers, Ndala Consulting Services, Star Air Cargo	3 511	21 300 000	90,07	0,40	0,17
Office	The Gables ^#	320 Duncan Street, Hatfield, Pretoria	I-Com Services, Tshwane Rapid Transit, Pegasys Strategy and Development	2 851	39 500 000	127,28	0,73	0,31

^ Held-for-sale.

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in office sector – R127,91/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Office	The Pinnacle	2 Burg Street, Cape Town	Small Enterprise Development Agency (SEDA), PayU Payment Solutions, Credit Matters, Consumer Guardian Services, Cape Town Tourism, Kelly Group, Spoomaker & Partners, Talani Quantity Surveyors, Manpower SA	11 867	125 500 000	109,53	2,33	0,99
Office	The View – Tygervalley Health	43 Old Oak Road, Bellville, Cape Town	The Clicks Organisation, Intercare, Integri-T Property Fund, MMI Group	6 710	152 400 000	182,91	2,83	1,21
Office	Tuinhof	265 West Avenue, Centurion, Pretoria	Trans Caledon Tonnelowerheid, National Tooling Initiative Programs, TymeTechnical Solutions, DEKRA Industrial, Quality Business Consultants, Tim du Toit & Co Incorporated	8 816	147 000 000	140,70	2,73	1,16
Office	Turnberry Office Park	Turnberry Office Park, 48 Grosvenor Road, Bryanston, Sandton	BLT Elskie Trust (IT517/08) & Amadeus Global Travel Distributors SA, Rentworks Africa (Pty) Ltd, Coffey Projects (Africa), Intuate Group	5 670	100 200 000	136,89	1,86	0,79
Office	Waterkloof House ^#*	Cnr Fehrsen Street and Waterkloof Road, Brooklyn, Pretoria	South African Revenue Services	4 000	72 800 000	105,64	1,35	0,58
Office	Waterside Place 1 & 2#	Waterside Place, South Gate Tyger Waterfront, Carl Cronje Drive, Bellville, Cape Town	Aecom SA, Mobile Telephone Networks, Omnicron Financial Services, Southern Canned Products	4 954	91 800 000	142,18	1,70	0,73
Office	Westway	17 The Boulevard, Westway Office Park, Westville, Durban	Huawei Technologies Africa, Environmental Resources Management SA, Warwick Services and Operations	2 313	38 000 000	131,89	0,70	0,30
Office	Woodmead Office Park (50% owned)	140 and 145 Western Services Road, Woodmead	SIMPROSS (Mine Health & Safety Council), Hisense SA Sales Holdings, South African Custodial Management, Process Plant Technology, Leading Edge Business Solutions, Nobel Biocare SA, Globus Medical South Africa, Cape Union Mart International	8 162	50 000 000	95,08	0,93	0,40
<b>Subtotal Office</b>				<b>391 863</b>	<b>5 467 200 000</b>		<b>100,00</b>	<b>42,17</b>

^ Held-for-sale.

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in office sector – R127,91/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Retail	Ben Fleur Shopping Centre	Da Vinci Street, Emalahleni	Shoprite Checkers, Spur, Woolworths, Clicks, Liquor City, Crazy Plastics, KFC	10 780	143 600 000	133,48	2,67	1,14
Retail	Bizana Shopping Centre	Main Road, Bizana	Boxer Superstore, JDG Trading, Pep, Otto Brothers Distributors, KFC, City Express, Edgars Active, Odini Trading	4 710	8 650 000	99,24	0,16	0,07
Retail	Boskruin Shopping Centre <sup>#</sup>	Cnr President Fouche and Hawken Avenues, Bromhof, Johannesburg	Woolworths, Clicks, Luigi's Pizzeria, Image Lab, Yum Restaurants International, Kalumba 114, Lonehill Café Culture, Engnet, Four Paws Pet Shop, Ariyan Group, The Green Bean Shop	6 939	118 400 000	163,35	2,20	0,94
Retail	Central Square Idutywa	Cnr Bell Street and Kiddell, King and Richards Roads, Idutywa	U-Save (Shoprite Checkers), Pep, Mr Price Group, Ackermans, Power Stores, Dunns, Lewis Stores, ABSA Bank, Atlas Finance	5 161	48 350 000	112,55	0,90	0,38
Retail	Cofimvaba Shopping Centre	Main Road, Cofimvaba	Boxer Superstore, Pep, Power Factory Shop, Lewis Stores, JDG Trading, Dreamteam Trading, Mattam Trading	5 346	44 500 000	99,34	0,83	0,35
Retail	Cresta Corner <sup>#</sup>	Cnr Beyers Naude Drive and Pendoring Street, Cresta	Audi Centre Northcliff, Virgin Active, LUVIES Bakery, Corporate and Industrial Mobile Solution, VMG Consultants	9 719	122 700 000	123,15	2,28	0,97
Retail	Makro Selby <sup>*</sup>	15 Hanover Street, Selby, Johannesburg	Makro	19 705	385 350 000	125,02	7,17	3,05
Retail	Dundee Boulevard	Karel Landsman Street, Dundee	Pick n Pay, Edgars, Woolworths, Truworths, Clicks, Mr Price, CBH Trust, Nedbank	7 107	62 200 000	103,44	1,16	0,49
Retail	Epsom Downs Shopping Centre	13 Sloane Street, Bryanston, Sandton	Pick n Pay, Country Meats, Pandora, KFC, Nandos, CNA, 4x4 Megaworld, Mexican Fresh	6 847	77 500 000	141,65	1,44	0,61
Retail	Flagstaff Shopping Centre	Main Road, Flagstaff	Engen, Boxer Build, Standard Bank, Mr Price, Shoprite Checkers	4 723	27 000 000	68,27	0,50	0,21
Retail	Gateway <sup>#</sup>	1319 Pretoria Street, Hatfield, Pretoria	McDonalds, KFC, Hatfield Liquor, Fish & Chips Co.	1 793	25 200 000	171,30	0,47	0,20
Retail	Granada Square <sup>#</sup>	16 Chartwell Drive, Umhlanga Rocks, Durban	Woolworths, Capsicum Culinary Studio, ABSA Bank, Europa Umhlanga, Microsoft South Africa, Ferrucci Bakery	7 167	127 000 000	155,11	2,36	1,01
Retail	Greytown Centre <sup>#</sup>	Bell Street, Greytown	Pep, Dunn's, KFC, Capitec Bank	2 315	16 700 000	119,13	0,31	0,13
Retail	Ingwavuma Shopping Centre	Main Road, Ingwavuma	Spar Supatrade, JDG Trading, Pep, Ithala Bank, New Dunns, Department of Public Works	4 886	39 500 000	90,44	0,73	0,31
Retail	Kokstad Main	Main Road, Kokstad	Devland Cash & Carry	2 062	8 100 000	57,83	0,15	0,06
Retail	Kokstad Shopping Centre	Main Road, Kokstad	Rhino Cash & Carry, Jet, Ackermans, Price & Pride, Pep, Bannetts, Bradlows, Joshua Doore, Jumbo, Rhino Liquors, Cash Crusaders	10 164	73 750 000	102,32	1,37	0,58
Retail	Kramerville Corner <sup>#</sup>	16 Desmond Street, Eastgate, Kramerville, Sandton	Griffiths & Griffiths, Four Moons Trading, Jaycor International, First Quantum Minerals, St Leger & Viney, Consumer Motivation, U&G Fabrics	19 373	220 200 000	63,86	4,10	1,74

<sup>^</sup> Held-for-sale.

<sup>#</sup> Independently valued at 30 June 2016.

<sup>\*</sup> Single tenant – weighted average for all single tenant buildings in retail sector – R125,02/m<sup>2</sup>.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Retail	Linksfeld Road #	110 Linksfeld Drive, Linksfeld, Edenvale	Woolworths, Regal Palace Chinese Restaurant, KEG Beagle, Sportzlink, Linksfeld Pharmacy, ER Buco Restaurant, Sabor Restaurant	4 634	40 500 000	103,99	0,75	0,32
Retail	Market Square #	Beacon Way, Plettenberg Bay	Woolworths, Pick n Pay, Edgars, Clicks, Mr Price Clothing, Mr Price Home, Cape Union Mart, Mugg & Bean, Pep, Ackermans, Plett Sports, Pick n Pay Bottle Store, KFC	14 639	215 000 000	118,36	4,00	1,70
Retail	Matatiele Centre	Station Road, Matatiele	Rhino Cash & Carry, Power Stores, Pep, Edgars Active, Ideals, Natal Fashion Wear, Capitec Bank, Choice Meat Market, Dunns	7 823	65 600 000	112,89	1,22	0,52
Retail	Midrand Motor City	1081 Main Road, Midrand	Midrand Action Sport, Dekra Automotive, Midrand Speedy Tyre & Exhaust, PG Glass, Afrox, Sandwich Baron	7 646	27 700 000	59,91	0,52	0,22
Retail	Mitchells Plain (50% owned)	Town Centre Mitchells Plain	Shoprite, Jet, Pep, Standard Bank, Absa, Jumbo, Nedbank	9 006	87 750 000	103,92	1,63	0,69
Retail	Nongoma Centre	Sizwe Road, Nongoma	Asia Town, Spar (Castlehill), Tops, Jet, Ideals, Pep, ABSA Bank, Edgars Active, Fashion World, Joshua Doore	9 146	59 600 000	99,45	1,11	0,47
Retail	Nqutu	Cnr Manzolwandle and Hlube Roads, Nqutu	Boxer Superstore, Ackermans, Pep, Power Stores, KFC, Wan ke Long Traders, Nqutu Furnishers	4 046	28 600 000	92,70	0,53	0,23
Retail	Old Acre Plaza	Cnr Victoria and Wilson Streets, Dundee	OK Value, Jet, Ackermans, Pep, Webbers-Saville Row, G-Bets, Dunns, Jose's Restaurant & Bar, Fashion World	4 991	42 800 000	110,24	0,80	0,34
Retail	One Highveld #	5 Bellingham Street, Centurion, Pretoria	Elain's Birding and Wildlife Products, Moputso Investments 76, Cross Border Link, Franchising To Africa, Motorrad Executive Rentals, RA Signage, Khan and Thema Sales	6 124	38 300 000	62,18	0,71	0,30
Retail	Park Boulevard	11 Brownsdrift Road, Riverside, Durban North	Spar, Tops Spar, Connoisseur Electronics, On Tap, Caffè Italia Express, Spar Pharmacy	5 410	55 750 000	98,56	1,04	0,44
Retail	Parklands Health Care	11 Village Walk, Cnr Link and Park Roads, Table View, Cape Town	Intercare Health Centre, Hiit Fitness, Salon Le Blonde	2 742	42 400 000	231,07	0,79	0,34
Retail	Quagga Centre #	Cnr Court and Quagga Streets, Pretoria West	Shoprite Checkers, Pick n Pay, Woolworths, First National Bank, Edgars, Standard Bank, Mr Price, Nedbank, Foschini, ABSA Bank, Capitec Bank, Clicks, Cash Crusaders, Pep	29 412	448 000 000	126,26	8,33	3,55
Retail	Randridge Mall	Cnr John Vorster Drive and Kayburne Road, Randpark Ridge	Pick n Pay, Woolworths, Dischem, First National Bank, Foschini, Mr Price, Health Worx, Ackermans, Kingsmead Shoes, Pep, Truworths, Nedbank, Standard Bank, Absa, Liquor City	22 444	312 500 000	136,03	5,81	2,47
Retail	Southern Sentrum #	Benade Drive, Fichardt Park, Bloemfontein	Pick n Pay, Shell SA, Cash Crusaders, Clicks Pharmacy, ABSA Bank, The Crazy Store, Pep, Standard Bank, Wimpy, Pozzo	21 266	213 000 000	104,67	3,96	1,69

^ Held-for-sale.

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in retail sector – R125,02/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Retail	Springfield Retail Centre	2 Ilala Avenue, Springfield Park, Durban	The Hub, Food Lovers Market, Hi Fi Corp, Outdoor Warehouse, Ted's Home Store, Tekkie Town, Baby City, Dial-A-Bed, Standard Bank	17 346	177 600 000	125,82	3,30	1,41
Retail	The Colony Centre	345 Jan Smuts Avenue, Craighall Park	Baby City, Red Chilli Spice, JDI Research, Worldwide Sports Marketing, Colony Arms, Sing Fei Chinese Restaurant, Video Spot, Colony Pharmacy, Pronto, Steers	7 141	106 500 000	154,74	1,98	0,84
Retail	The Tramshed	288 Van der Walt Street, Pretoria	Pick n Pay, Virgin Active, The Government of RSA, Edgars Active, SA Post Office, Capitec Bank, Avon Justine, Fashion Fusion	12 096	117 800 000	117,37	2,19	0,93
Retail	Tin Roof	Cnr Madeira and Callaway Streets, Umtata	U-Save (Shoprite), Shoprite Liquor, Hungry Lion	2 108	13 800 000	82,15	0,26	0,11
Retail	Tokai Shopping Centre ^#	20 Malibongwe Drive, Ferndale, Randburg	Dros Restaurant, KFC, Luvland, Chesa Nyama, Scooters, Randpark Tailors	2 603	16 200 000	112,45	0,30	0,13
Retail	Umzimkulu Centre	Cnr National and Franklin Roads, Umzimkulu	Rhino Cash & Carry, Lewis Store, Pep, Golden Sun Gaming, KFC, Honchos, Rhino Liquors, Addis's Fashion	5 410	37 400 000	98,56	1,04	0,44
Retail	Wonderpark	Cnr Old Brits Road and Heinrich Avenue, Karenpark, Pretoria	Pick n Pay Hypermarket, Game, Checkers, Builders Express, Virgin Active, Caltex, Dis-Chem, Mr Price, Edgars, Cashbuild, Woolworths, Ster Kinekor, Foschini, The Hub, Clicks	90 413	1 663 000 000	146,80	30,93	13,16
<b>Subtotal Retail</b>				<b>415 242</b>	<b>5 358 500 000</b>		<b>100,00</b>	<b>41,33</b>

^ Held-for-sale.

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in retail sector – R125,02/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Industrial	14-16 Boston Circle (Lithotec)	14-16 Boston Circle, Airport Industria, Cape Town	Bidvest Data	7 533	38 200 000	44,45	2,05	0,30
Industrial	Admiral House	151 Lechwe Street, Corporate Park South, Randjiespark Ext 7, Midrand	The Automobile Association of SA, Storage Cube, Bakali Foodstuffs	4 460	33 200 000	56,50	1,78	0,26
Industrial	Aeroport (34-36 Director Road)	34-36 Director Road, Aeroport, Spartan, Kempton Park	Thembalihle Holdings and Projects, Bearing Man Group	1 715	9 100 000	52,87	0,49	0,07
Industrial	Aeroport (98 Loper Road)**	98 Loper Avenue, Spartan Ext 2, Kempton Park	Amalgamated Power Solutions	1 672	10 100 000	50,88	0,54	0,08
Industrial	Aeroport (96 Loper Road)*	96 Loper Avenue, Spartan Ext 2, Kempton Park	Bateman Projects	3 966	24 000 000	50,88	0,54	0,08
Industrial	Aeroport (12-14 Winnipeg Avenue)	12-14 Winnipeg Avenue, Aeroport, Kempton Park	LUD Logistics, Bright Idea Projects, AMS Bearing Industrial and Engineering Supplies, Knorr-Bremse, M and T Distributors	1 640	7 800 000	53,62	0,42	0,06
Industrial	Arjo Wiggins – Mahogany Ridge*	1 Monte Carlo Road, Mahogany Ridge, Pinetown	Antalis SA	6 907	60 500 000	50,88	3,24	0,48
Industrial	Assegaai Place – Kraaifontein*	7 Assegaai Road, Kraaifontein Industria, Cape Town	Roelcor Vleis	2 877	20 900 000	50,88	1,12	0,17
Industrial	Cambridge Park#	22 Witkoppen Road, Paulshof	Itec Shared Services, Netflorist, Puma SA, Biomet SA	12 094	90 000 000	68,51	4,82	0,71
Industrial	CEVA Midrand*	Cnr 16th and Douglas Roads, Randjiespark, Midrand	CEVA Animal Health	2 781	18 900 000	50,88	1,01	0,15
Industrial	Cochrane Avenue**	14 Cochrane Avenue, Epping, Cape Town	Giant Sweets & Chocolates	5 870	23 200 000	50,88	1,24	0,18
Industrial	Corporate Park (82 Lechwe)#	82 Lechwe Street, Sage Corporate Park, Randjiespark Ext 70, Midrand	Serrol Ingredients Inc in NSW Australia, Maxxis Tyres SA, Pikitup Johannesburg, Voltex	6 523	36 300 000	55,06	1,94	0,29
Industrial	Defy Appliances*	Cnr Mimetes Road and Kruger Street, Denver, Johannesburg	Defy Appliances	10 100	37 900 000	50,88	2,03	0,30
Industrial	Epping Warehouse (WGA)#	3A Bofors Circle, Epping, Cape Town	Auction Operation, Disaki Cores & Tubes, Autozone Retail Distributors, Starways Trading	23 912	90 600 000	34,71	4,85	0,72
Industrial	Evapco**	Cnr Quality and Barlow Streets, Isando, Johannesburg	Evapco SA	5 715	32 800 000	50,88	1,76	0,26
Industrial	Fosa Park**	570 Inanda Road, Durban	Co-Lab Industries	4 200	18 300 000	50,88	0,98	0,14
Industrial	Freeway Park	Cnr Berkley and Upper Camp Roads, Ndabeni, Maitland, Cape Town	Torga Optical, Tubestone, Advanced Materials Technology, Meteor Lighting, Hestico, The Broadband Warehouse, Shine The Way	7 764	53 700 000	70,74	2,88	0,42

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in industrial sector – R51,14/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Industrial	Gateway Landing	70 Banghoek Crescent, N4 Gateway Industrial Park, Pretoria	Professional Sourcing & Procurement Assist, Tidy Tiles, Bakery Incubation Centre of SA, JVT Vibrating Equipment, The Cartridge Man	9 371	53 000 000	51,59	2,84	0,42
Industrial	Greenfields	1451 Chris Hani Road, Redhill, Durban	Roadswift Logistics, Woolwick Investments, Greenwest Investments, Reit River Machanical, Purelux Trading, Nyakatho Plumbing & Hardware Suppliers, Total Auctioneering Services and Sales	9 398	54 000 000	59,77	2,89	0,43
Industrial	HBP Commercial unit *	36 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	Spero Sensors and Instruments	2 428	18 400 000	50,88	0,99	0,15
Industrial	HBP Industrial units	95 Park Avenue North, Rooihuiskraal, Centurion, Pretoria	DT Designs, Ceramic World, Productive Systems, Cinimark One	7 569	46 900 000	61,46	2,51	0,37
Industrial	Industrial Village Jet Park #	Cnr Kelly and Estee Ackerman Roads, Jet Park	Rene Turck & Associates, Humulani Marketing, Liper Electronics Trading, ASP Suspension SA, Coetz Technologies	11 613	53 300 000	46,99	2,85	0,42
Industrial	Industrial Village Kya Sands	Cnr Elsecar and Barnie Streets, Kya Sands Ext 2	Redline Logistics Project Management, Hair Leader, South African Breweries, Labelit Packaging, Nepean Conveyors, SA Post Office, Diemaster Industries, L.G.B. Distributions, Rascasse	16 659	57 800 000	39,17	3,10	0,46
Industrial	Industrial Village Rustivia	6 Rover Street, Elandsfontein, Germiston	Bambalela Bolts, Phoenix Gifts, Stanley Bassons, Turbofluid Projects, Level Productions, Tough Workwear and Agencies	9 854	38 500 000	41,41	2,06	0,30
Industrial	Isando (20 Anvil Road) *	20 Anvil Road, Isando, Kempton Park	Little Green Beverages	12 250	41 200 000	50,88	2,21	0,33
Industrial	Johnson & Johnson *	1 Medical Road, Randjiespark Ext 41, Midrand	Johnson & Johnson Medical	3 472	19 900 000	50,88	1,07	0,16
Industrial	Kyalami Business Park (RS Components)	20 Indianapolis Crescent, Kyalami Park, Midrand	RS Components, Vavasati Brand Logistics	3 856	20 900 000	51,63	1,12	0,17
Industrial	Midline Business Park	Cnr Richards Drive and Le Roux Roads, Midrand	Oil Centre GN, Coated Fabrics, Lounge Around, Jost Trading, Altius Trading, Alutech Aluminium, Ocean Basket Wholesale, Flintgroup SA, Energy Analytics, Smith's Mattress Warehouse	12 026	49 250 000	46,66	2,64	0,39
Industrial	Midrand (918 Morkels Close) (Xpanda)	918 Morkels Close, Halfway House, Midrand	TCS John Huxley Africa, TCB Clothing Redistribution non profit company	2 384	15 800 000	68,32	0,85	0,13
Industrial	Midrand (Cnr Douglas and Old Pretoria Roads) *	Cnr Douglas Road and Old Pretoria Roads, Randjiespark, Midrand	Vtech	2 532	14 400 000	50,88	0,77	0,11
Industrial	Mitek South Africa #**	754 16th Road, Randjiespark, Midrand	Mitek South Africa	6 604	35 000 000	50,88	1,87	0,28
Industrial	Morgan Creek #**	38 Mahogany Road, Mahogany Ridge, Pinetown	Simba	4 644	31 500 000	50,88	1,69	0,25

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in industrial sector – R51,14/m<sup>2</sup>.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2016  
continued

## 30. PROPERTY LISTING CONTINUED

Type	Property	Location	Major tenants (GLA)	GLA (m <sup>2</sup> )	June 16 valuation	Weighted avg. gross rent/m <sup>2</sup> (incl. parking)	% of sector	% of portfolio
Industrial	RTT Acsa Park *	Cnr Springbok and Jones Streets, Bardene, Jet Park	RTT Group	46 673	274 800 000	50,88	14,72	2,17
Industrial	RTT Continental *	Cnr Springbok and Jones Streets, Bardene, Jet Park	RTT Group	12 921	53 300 000	50,88	2,85	0,42
Industrial	Steelpark	Symphony Park, Modderdam Road, Bellville-South, Cape Town	Easylife Kitchens Manufacturing, Just Sofas, Macsteel Service Centre SA, Turnkey Telecoms	9 362	37 650 000	34,27	2,02	0,30
Industrial	Steiner Services *	Loper Road, Aeroport, Kempton Park	Steiner Hygiene (Pty) Ltd	4 804	27 800 000	50,88	1,49	0,22
Industrial	Taylor Blinds *	10 Hoist Street, Montague Gardens, Cape Town	Taylor Blinds CT Odyssey House (Pty) Ltd	7 794	50 900 000	50,88	2,73	0,40
Industrial	Technohub #	Roan Crescent, Corporate Park North, Midrand	Powertech Management Services, Vodacom, Flavourome	15 171	102 200 000	118,95	5,47	0,81
Industrial	The Studios Atlas Gardens	Atlas Gardens, Potsmandam Road, Durbanville, Cape Town	Cipla, ZaPrint, Media Film Service, Full Facing	9 300	54 000 000	56,66	2,89	0,43
Industrial	The Wolds A: 82 Intersite TNT	82 Intersite Avenue, Umgeni Business Park, Umgeni	Premier Motor Group, TNT Express Worldwide SA, Woman On Fire	1 770	6 950 000	70,96	0,37	0,06
Industrial	The Wolds B – 56-58 Intersite Heidelberg #	56 Intersite Avenue, Umgeni Business Park, Umgeni	Camicode, HI Technology (KZN)	830	3 130 000	68,19	0,17	0,02
Industrial	Umgeni Road A – 98-102 Intersite Ubunye *	98-102 Intersite Avenue, Umgeni Business Park, Umgeni	Ubunye Uniforms	1 886	7 400 000	50,88	0,40	0,06
Industrial	Umgeni Road B – 23 Intersite Pharmaceutical WH	19-23 Intersite Avenue, Umgeni Business Park, Umgeni	Sinclair's Panelbeaters, Tecsa, Jetton Trading, Jeevan's Sarrie Centre	6 021	21 750 000	66,05	1,17	0,17
Industrial	Universal Industrial Park	72 Stanhope Place, Briardene, Durban North	ZPC Joinery, Liquid Ink Screen Printers, Blue Bullet Trading, Traderplus	12 361	44 900 000	28,16	2,41	0,36
Industrial	Wadeville Industrial Village	6 Crocker Road, Wadeville, Germiston	Multisurge, Zippel Filing and Storage Systems, Latex Collection, Four Rivers Trading, Helmut Franz Lehle, Mister Sweet, Unitrade, Dontgothirsty, Plan It Safety	13 384	40 700 000	35,73	2,18	0,32
<b>Subtotal Industrial</b>				<b>366 666</b>	<b>1 880 830 000</b>		<b>100,00</b>	<b>14,51</b>
Vacant land	1 West	West Street, Centurion	-	-	18 242 585	-	7,09	0,14
Vacant land	Discovery	Oak Road, Centurion, Pretoria	-	-	2 672 508	-	1,04	0,02
Vacant land	Quagga Centre	Cnr Court and Quagga Streets, Pretoria West	-	-	12 311 748	-	4,78	0,10
Development	Knightsbridge Office Park	33 Sloane Street, Bryanston Ext 4	-	-	37 749 479	-	14,66	0,29
Development	Summit Place D, E and G1	Cnr Garsfontein Road and NI Freeway, Menlyn Pretoria	-	12 218	186 507 502	-	72,43	1,44
<b>Subtotal vacant land and developments</b>				<b>12 218</b>	<b>257 483 822</b>		<b>100,00</b>	<b>1,99</b>
<b>Total investment properties</b>				<b>1 185 989</b>	<b>12 964 013 822</b>		<b>100,00</b>	<b>100,00</b>

# Independently valued at 30 June 2016.

\* Single tenant – weighted average for all single tenant buildings in industrial sector – R51,14/m<sup>2</sup>.