

Notes to the consolidated and separate financial statements continued

for the year ended 30 June 2019

N. CASH FLOW INFORMATION NI CASH GENERATED FROM OPERATIONS

	GROUP		COMPANY	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	R000	R000	R000	R000
Total profit for the period/year attributable to shareholders of the company	164 922	2 529 466	320 362	2 243 150
Non-controlling interests share of profit after tax	(53 386)	(8 543)	—	—
Deferred and normal tax	(93 028)	39 486	1 730	11 838
Profit before taxation	18 508	2 560 409	322 092	2 254 988
Adjustments to profit before tax to cash generated from operations	2 187 695	(475 938)	1 726 325	(280 405)
Interest earned	(156 043)	(312 550)	(77 152)	(70 511)
Interest incurred	617 198	594 823	313 257	351 357
Change in fair value – investment property	337 238	(650 206)	158 832	(651 558)
Change in fair value – straight-line rental income accrual	87 887	3 847	81 399	4 696
Derecognition of financial guarantee	(185 686)	(11 984)	(218 779)	(77 269)
Change in fair value – investment in joint venture – sub-Saharan Africa	105 809	10 102	—	—
Change in fair value – financial asset	85 229	(87 761)	85 229	(87 761)
Change in fair value – derivatives	46 102	(29 085)	37 591	(14 760)
Profit/(loss) on disposal – investment property	(2 825)	(2 697)	(2 825)	(2 697)
Impairment of shareholder/intercompany loan	1 350 727	166 441	1 485 389	—
Impairment of subsidiary	—	—	16 294	464 958
Provision for costs to sell	29 964	—	—	—
Dividends received	(221 190)	(182 778)	(221 190)	(241 672)
Unrealised foreign exchange loss/gain	1 121	(8 860)	1 121	(340)
Movement in bad debts provision	47 052	(15 680)	23 712	—
Depreciation – BA	42 209	38 149	40 523	36 397
Share-based payment expense	2 496	10 877	2 496	10 877
Other non-cash items	407	1 424	428	(2 122)
Operating profit before working capital changes (Cash generated from operations)	2 206 203	2 084 471	2 048 417	1 974 583
Decrease in working capital	(56 271)	48 665	(14 393)	9 017
Decrease/(increase) in receivables	(49 433)	(616)	806	(33 503)
(Decrease)/increase in payables	(6 838)	49 281	(15 199)	42 520
Cash generated from operations	2 149 932	2 133 136	2 034 024	1 983 600

N2 OTHER CASH FLOW NOTES

	GROUP		COMPANY	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	R000	R000	R000	R000
N2.1 Taxation paid				
Taxation payable at the beginning of the year	(1 251)	—	—	—
Charge for the year in statement of profit or loss and other comprehensive income	(427)	(4 381)	—	—
Taxation (receivable)/payable at the end of the year	(2 530)	1 251	—	—
Taxation paid in cash	(4 208)	(3 130)	—	—
N2.2 Dividends received				
Dividend receivable at the beginning of the year	76 484	57 257	76 484	115 408
Dividend income	221 190	182 778	221 190	241 672
Dividends receivable at the end of year	(16 278)	(76 484)	(16 278)	(76 484)
Dividends received in cash	281 396	163 551	281 396	280 596

**O. ADDITIONAL INFORMATION (INCLUDED IN THE AUDITED FINANCIAL STATEMENTS)
01 GOING CONCERN**

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis takes into account that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

At 30 June 2019 the company's current liabilities exceeded its current assets by R240 million. The increase in current liabilities is due to loans maturing in less than one year. The company proposes to settle these short-term borrowings from existing cash balances and existing and new bank facilities.

In March 2019 the company raised R500 million by the issue of new bonds. R350 million of these proceeds (included in cash balances at 30 June 2019) are earmarked to settle R358 million of bonds which mature in July 2019.

At 30 June 2019 the company had undrawn revolving credit facilities of R500 million. Subsequent to 30 June 2019 term sheets have been signed with commercial banks for an additional R1,1 billion of bank facilities for between three and five-year terms.

Accordingly, the directors consider that the company and the group have adequate resources to continue operating for the ensuing 12 months and that it is appropriate to adopt the going concern basis in preparing the company and group financial statements.

O2 EVENTS AFTER THE REPORTING DATE**O2.1 Disposal of Manda Hill Shopping Centre – Zambia**

Subsequent to the year end, Hyprop and AttAfrica disposed of their interests in Manda Hill Shopping Centre in Zambia (the disposal).

The sale price is in line with Hyprop's valuation of the Manda Hill Shopping Centre at 30 June 2019. Hyprop's share of the disposal proceeds will be used to settle a portion of its US Dollar denominated debt.

O2.2 Declaration of dividend

On 4 September 2019 the board of directors declared a final dividend of 359,33956 cents per share in respect of the six months ended 30 June 2019.