

G. EQUITY AND RESERVES

G1 SHARE CAPITAL AND TREASURY SHARES

G1.1 Accounting policy

Stated capital	Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity.
Treasury shares	<p>Company shares held by Hyprop Share Scheme that have not yet vested are classified as treasury shares on consolidation. These shares are carried at cost and deducted from equity.</p> <p>Any subsequent gain or loss on the sale or cancellation of the Company's own equity instruments is recognised directly in equity.</p> <p>Distributions and unrealised losses on own shares are eliminated from Group profit or loss for the year.</p>

G1.2 Carrying value

	Group		Company	
	June 2020 R'000	June 2019 R'000	June 2020 R'000	June 2019 R'000
Stated capital				
Ordinary shares	8 462 327	8 462 327	8 462 327	8 462 327
Balance at the beginning of the year	8 462 327	8 462 327	8 462 327	8 462 327
Issued during the year	-	-	-	-
Treasury shares	(75 296)	(54 932)	-	-
Balance at the beginning of the year	(54 932)	(43 423)	-	-
Purchase during the year ⁽¹⁾	(26 019)	(17 569)	-	-
Vested during the year	5 655	6 060	-	-
Balance at the end of the year	8 387 031	8 407 395	8 462 327	8 462 327

G1.3 Number of shares

	Group		Company	
	June 2020 # of shares	June 2019 # of shares	June 2020 # of shares	June 2019 # of shares
Authorised				
500 000 000 no par value ordinary shares (2019: 500 000 000)				
Issued and fully paid up shares				
Ordinary shares	255 894 516	255 894 516	255 894 516	255 894 516
Balance at the beginning of the year	255 894 516	255 894 516	255 894 516	255 894 516
Issued during the year	-	-	-	-
Treasury shares	(1 649 191)	(611 519)	-	-
Balance at the beginning of the year	(611 519)	(446 260)	-	-
Purchased during the year ⁽¹⁾	(1 100 400)	(252 000)	-	-
Vested during the year	62 728	86 741	-	-
Net number of shares in issue at the end of the year	254 245 325	255 282 997	255 894 516	255 894 516

⁽¹⁾ Purchased (at an average price of R23.58 per share (2019: R67.72)) during the year by Hyprop Share Scheme and held as treasury shares to hedge Hyprop's obligation to deliver Hyprop shares to employees under the CUP.

G. EQUITY AND RESERVES *continued***G2 RESERVES****G2.1 Accounting policy**

Non-distributable reserves	The non-distributable reserves relate to items that are not distributable to shareholders, such as fair value adjustments on the revaluation of investment property and derivatives, any impairment adjustments or accumulated expected credit losses, share-based payment transactions, profit or loss on sale of assets, the straight-line lease income adjustment, deferred taxation and reserves attributable to the non-controlling shareholders.
Currency translation reserve	<p>The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the Group's presentation currency (Rand) at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at the dates of the transactions (an average rate for the year is used).</p> <p>Foreign currency translation differences are recognised in other comprehensive income (OCI) and accumulated in the currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest (NCI).</p>

G2.2 Carrying value

The following table reflects the composition of non-distributable reserves:

	Group		Company	
	June 2020 R'000	June 2019 R'000	June 2020 R'000	June 2019 R'000
Revaluation reserves	11 908 436	16 322 939	11 984 199	16 025 588
Investment property	11 605 924	16 051 918	11 499 472	15 646 280
Listed property securities	616 759	616 759	616 759	616 759
Financial asset	153 207	(161 321)	153 207	(161 321)
Other investment	(57 877)	(12 705)	(57 877)	(12 705)
Loans receivable	(105 809)	(105 809)	-	-
Financial guarantees	(16 665)	-	54 497	-
Derivative instruments	(287 103)	(65 903)	(281 859)	(63 425)
Derecognition of financial guarantees ⁽¹⁾	197 670	197 670	492 899	492 899
Realised gains/(losses) on disposals	331 551	331 551	469 239	469 239
Investment property	171 209	171 209	171 209	171 209
Listed property securities	276 630	276 630	276 630	276 630
Subsidiaries	(131 010)	(131 010)	-	-
Associate	17 431	17 431	21 400	21 400
Shares	(2 709)	(2 709)	-	-
Non-distributable reserves of associate	125 344	125 344	121 374	121 374
Impairment of goodwill	(577 847)	(577 847)	25 400	25 400
Gain on bargain purchase (African Land)	191 235	191 235	-	-
Impairment of loans receivable	(1 832 521)	(1 542 545)	(1 556 724)	(1 512 106)
Impairment of other assets	(29 964)	(29 964)	(908 838)	(510 818)
Balance at the end of the year	10 313 904	15 018 383	10 627 549	15 111 577

⁽¹⁾ The derecognition of financial guarantees in prior years was accounted for through profit and loss. Subsequently the amounts in retained earnings were transferred to a non-distributable reserve. There have been no movements in the current year.