Notes to the financial statements continued

for the year ended 30 June 2014

18. Interest-bearing borrowings continued

	Facility (drawn down) R000	Secured by investment property at fair value	Capital repayment date	Interest rate	GROUP June 2014 R000	GROUP June 2013 R000	COMPANY June 2014 R000	COMPANY June 2013 R000
Debt capital market funding								
Corporate bonds								
Six-year bond – fixed until October 2018 at 9,34%			November 2019	Base rate + 1,54%	450 000		450 000	
Five-year bond – fixed for the full term at 7,3%			September 2017	JIBAR + 1,50%	300 000	300 000	300 000	300 000
Five-year bond – fixed at an average rate of 7,7% and an average maturity of 3,1 years			May 2018	JIBAR + 1,45%	450 000	450 000	450 000	450 000
Three-year bond[1]			July 2015	JIBAR + 1,34%	400 000	400 000	400 000	400 000
Commercial paper								
Three-month commercial paper[1]			July 2014	JIBAR + 0,22%	499 000#	300 000#	499 000#	300 000#
Three-month commercial paper			August 2014	JIBAR + 0,21%	198 000#	198 000#	198 000#	198 000#
Total interest-bearing borrowings					7 198 853	5 384 486	5 805 597	5 051 914
Reconciliation to the statements of financial position								
Long term					5 185 822	4 436 486	3 792 566	4 103 914
Short term					2 013 031#	948 000#	2 013 031#	948 000#
Total interest-bearing borrowings					7 198 853	5 384 486	5 805 597	5 051 914

[1] *The three-year bond and R300 million of the commercial paper are fixed at an average rate of 9,1% and have an average maturity of 4,1 years*

At year-end, interest rates were fixed in respect of 71,4% (June 2013: 87%) of borrowings, at a weighted average rate of 7,5% (June 2013: 8,1%).

The gearing ratio at year-end was 28,4% (June 2013: 22,9%).

19. Derivative instruments

Derivative instruments comprise interest rate swaps.

		GROUP June 2014 R000	GROUP June 2013 R000	COMPANY June 2014 R000	COMPANY June 2013 R000
Opening balance as at 1 July/1 January		(13 127)	(237 464)	(13 127)	(237 464)
Fair value adjustment		4 276	224 337	6 294	224 337
Closing balance 30 June		(8 851)	(13 127)	(6 833)	(13 127)
The Standard Bank of South Africa Limited					
Assets					
Long term	Interest rate swap	8 080	15 988	8 080	15 988
Liabilities					
Long term	Interest rate swap	(22 041)	(16 973)	(22 041)	(16 973)
Rand Merchant Bank					
Assets					
Long term	Interest rate swap	23 561	23 869	23 561	23 869
Liabilities					
Long term	Interest rate swap	(5 492)	(1 771)	(3 474)	(1 771)
Nedbank Limited					
Assets					
Long term	Interest rate swap	1 337		1 337	
Liabilities					
Long term	Interest rate swap	(14 296)	(34 240)	(14 296)	(34 240)
		(8 851)	(13 127)	(6 833)	(13 127)
Reconciliation to the statements of financial position					
Non-current assets		32 978	39 857	32 978	39 857
Non-current liabilities		(41 829)	(52 984)	(39 811)	(52 984)
		(8 851)	(13 127)	(6 833)	(13 127)

19. Derivative instruments continued

Valuation of the derivative instruments was determined by discounting the future cash flows using the JIBAR or LIBOR swap curve.

Financial institution	Nominal amount	Fixed rate	Expiry date	Rate
RMB	R200 million	8,14%	1/02/2016	JIBAR-linked
RMB	R450 million	5,87%	18/04/2018	JIBAR-linked
RMB	R300 million	5,83%	13/09/2017	JIBAR-linked
RMB	R200 million	7,73%	18/09/2019	JIBAR-linked
RMB	USD7 682 773	4,26%	6/05/2018	LIBOR-linked
RMB	USD1 783 500	1,67%	17/05/2018	LIBOR-linked
RMB	USD1 647 000	1,27%	17/05/2018	LIBOR-linked
RMB	USD4 987 500	2,10%	18/05/2020	LIBOR-linked
Standard Bank	R450 million	7,80%	31/10/2018	JIBAR-linked
Standard Bank	R300 million	8,33%	31/10/2016	JIBAR-linked
Standard Bank	R100 million	8,04%	9/11/2019	JIBAR-linked
Standard Bank	R100 million	7,98%	25/05/2017	JIBAR-linked
Standard Bank	R100 million	8,02%	13/08/2018	JIBAR-linked
Standard Bank	R100 million	8,50%	3/02/2020	JIBAR-linked
Nedbank	R500 million	8,93%	3/09/2018	JIBAR-linked
Nedbank	R500 million	8,80%	3/01/2017	JIBAR-linked
Nedbank	R500 million	8,59%	4/01/2016	JIBAR-linked
Nedbank	R500 million	8,82%	2/10/2017	JIBAR-linked
Nedbank	R250 million	8,29%	1/02/2016	JIBAR-linked
Nedbank	R250 million	8,54%	2/01/2020	JIBAR-linked
Nedbank	R250 million	8,29%	2/01/2020	JIBAR-linked

The designation of the interest rate swaps is further disclosed in note 37.

20. Deferred taxation

	GROUP June 2014 R000	GROUP June 2013 R000	COMPANY June 2014 R000	COMPANY June 2013 R000
Arising on:				
Building appurtenances and tenant installations	**124 284**	110 113	**124 284**	110 113
Taxation loss	**(78 122)**	(76 134)	**(78 122)**	(76 134)
Income received in advance	**(16)**	(10 964)		(10 964)
Other temporary differences	**(399)**	6 995		7 250
	45 747	30 010	**46 162**	30 265
Reconciliation of the movement in the deferred taxation liability				
Opening balance – 1 July/1 January	**30 010**	2 270 945	**30 265**	2 271 159
Change in fair value of: Investment property[1]		(2 021 082)		(2 021 082)
Listed property securities[1]		(126 854)		(126 854)
Building appurtenances and tenant installations	**14 171**	(6 611)	**14 171**	(6 611)
Prior year deferred tax adjustment	**(1 988)**	(5 424)	**(1 988)**	(5 424)
Straight-line rental income accrual		(81 986)		(81 986)
Income received in advance	**10 948**	5 518	**10 964**	5 518
Other temporary differences	**(7 394)**	(4 496)	**(7 250)**	(4 455)
Closing balance	**45 747**	30 010	**46 162**	30 265

[1] *Hyprop converted to a REIT from 1 July 2013. South African REITs are not subject to capital gains taxation. Therefore, 100% of deferred capital gains taxation was eliminated through the statement of comprehensive income on 30 June 2013. Deferred taxation on other timing differences was calculated at 28% (June 2013: 28%)*