## 9. Goodwill

| | GROUP June 2014 R000 | GROUP June 2013 R000 | COMPANY June 2014 R000 | COMPANY June 2013 R000 |
|---|---|---|---|---|
| **Goodwill arising on acquisition** | | | | |
| Word4Word Marketing (Proprietary) Limited | **12 059** | 12 059 | | |
| Impairment – current year | **(7 779)** | | | |
| **Balance** | **4 280** | 12 059 | | |

The group tests goodwill annually for impairments.

The valuation of Word4Word Marketing (Proprietary) Limited was determined using the discounted cash flow method over five years and was based on the following key inputs and assumptions:

- Budgets and forecasts prepared by management of Word4Word
- Income and expenses were increased by an average rate of 5% per annum (2013: 7%)
- Future cash flows were discounted at 18% (2013: 18%) which is a comparable rate for companies of this nature.

The determination of the recoverable amount of goodwill was based on its value in use. Refer to note 5.

## 10. Loan receivable

| | GROUP June 2014 R000 | GROUP June 2013 R000 | COMPANY June 2014 R000 | COMPANY June 2013 R000 |
|---|---|---|---|---|
| **Atterbury Africa Limited – rand equivalent of US dollar loan** | **812 459** | 336 909 | | |
| The loan repayment date is 30 June 2020 and represents Hyprop's shareholder loan funding to Atterbury Africa. | | | | |
| The loan is secured and bears interest at an initial rate of 8%, escalating at 4% per annum. | | | | |
| Hyprop Investments (Mauritius) Limited has a 37,5% equity interest in Atterbury Africa. | | | | |
| **Portion 113 Weltevreden (Proprietary) Limited, a company associated with Abland (Proprietary) Limited (Abland)** | **47 145** | 47 398 | **47 145** | 47 398 |
| The above loan is repayable on 23 September 2014, bears interest at a rate linked to the three-month JIBAR rate, interest is payable monthly in arrears. | | | | |
| The loan was advanced to Abland in 2008 to facilitate the acquisition by Abland of its 10% interest in Stoneridge. | | | | |
| **Mantrablox (Proprietary) Limited** | | | | 117 600 |
| In December 2013, Attacq exercised its option to acquire Hyprop's 20% interest in Mantrablox (Proprietary) Limited, which owns Garden Route Mall. The shares and loan account in Mantrablox were accordingly sold in December 2013. | | | | |
| **Hyprop Investments (Mauritius) Limited – wholly owned subsidiary of Hyprop** | | | **188** | 188 |
| The loan is unsecured, bears no interest and is repayable on demand. | | | | |
| **Attacq loan** | **341** | | **341** | |
| The loan relates to Attacq's portion of a claim relating to the African Land acquisition. The loan bears interest at 8,3% per annum and is repayable when the claim is settled, which is anticipated to be within the next 12 months. | | | | |
| | **859 945** | 384 307 | **47 674** | 165 186 |
| **Reconciliation to the statements of financial position** | | | | |
| Long-term loan receivable | **812 459** | 384 307 | | 47 586 |
| Short-term loan receivable | **47 486** | | **47 674** | 117 600 |
| **Total** | **859 945** | 384 307 | **47 674** | 165 186 |