

33. Retirement benefits

	GROUP June 2015 R000	GROUP June 2014 R000	COMPANY June 2015 R000	COMPANY June 2014 R000
All eligible employees are members of a pension fund which is administered by Evolution Group. The retirement funding and risk-related benefits are market-related. All benefits from the pension fund accrue to the members.				
The pension fund complies with all current legislation. The group and company have no commitments for post-retirement medical aid benefits.				
Contributions to the pension fund for group risk benefits are recognised as an expense	9 246	8 351	8 692	8 049

34. Business combinations and transactions with subsidiary

34.1 Subsidiary acquired

Hyprop acquired an 87% interest in African Land on 5 December 2013 for R768 million. Pre-acquisition dividend received amounted to R10 million. Effective 1 July 2014, Hyprop's interest in African Land increased to 100%. Refer to note 4.1.

The acquisition was in line with Hyprop's strategy to expand its investments in prime-quality shopping centres in sub-Saharan Africa (excluding SA).

	Principal activity	Date of acquisition	Proportion of voting equity interest acquired	June 2014 Consideration transferred
African Land	Acquiring income producing investment property in sub-Saharan Africa (excluding SA)	5 December 2013	87%	758 264

34.2 Assets acquired and liabilities recognised at the date of acquisition⁽ⁱ⁾

Non-current assets

Investment property (refer to note 2.2) 1 557 394

Building appurtenances and tenant installations (refer to note 3.4) 35 447

Current assets

Trade and other receivables 4 149

Cash and cash equivalents 12 012

Non-current liabilities

Long-term loans (601 008)

Current liabilities

Trade and other payables (18 295)

989 699

⁽ⁱ⁾ All amounts reflect 100% of acquisition values for African Land

Trade receivables acquired had a fair value and gross contractual amount of R8 million. The best estimate at acquisition date of the contractual cash flows not expected to be collected was R4 million, resulting in net trade receivables of R4 million.

34.3 Non-controlling interests

The non-controlling interest recognised at the acquisition date was measured by reference to the agreements concluded with minority shareholders and amounted to 13% 128 540

The non-controlling interest is recognised at its proportionate interest in the subsidiary acquired.

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for the year ended 30 June 2015

FINANCIAL STATEMENTS

34. Business combinations and transactions with subsidiary continued

June 2014
Consideration
transferred

34.4 Gain on bargain purchase

Consideration transferred	758 264
Less: Fair value of identifiable net assets acquired	(861 159)
Gain on bargain purchase	(102 895)

The gain on bargain purchase amounting to R102,9 million relates to Hyprop's acquisition of African Land and was calculated in terms of IFRS 3 *Business Combinations*. The gain represents the amount by which the fair value of net assets acquired exceeds the consideration paid and has no impact on distributable earnings. The initial accounting for the business combination at 31 December 2013 was based on provisional amounts which resulted in a reported gain on bargain purchase of R64,8 million. The gain on bargain purchase at 30 June 2014 was adjusted retrospectively in accordance with IFRS 3.45.

The gain on bargain purchase arose as a consequence of the effective purchase price for Manda Hill (Lusaka, Zambia) being lower than the most recent fair valuation of the property.

34.5 Impact of acquisition on results of the group for June 2014

Revenue for the 2014 year includes R78 million attributable to revenue from African Land.

Included in profit for the 2014 year is R62,3 million of profit from African Land.

Had the business combination been effected on 1 July 2013, the total Hyprop consolidated revenue would have been R2,6 billion and the total Hyprop consolidated profit would have been R1,9 billion.

34.6 Net cash outflow on acquisition of African Land

Consideration transferred	758 264
Cash	747 769
Hyprop units issued	10 495
Less: Cash and cash equivalents acquired	(12 012)
Less: Hyprop units issued	(10 495)
Net cash outflow	735 757