

38. Fair value hierarchy and financial instruments by category

Accounting policies have been applied to financial instruments as indicated below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels are explained as follows:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities that the company can access at the measurement date. These quoted prices are unadjusted.

Level 2 – inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 – inputs are unobservable inputs for the asset or liability.

The table below categorises financial instruments and analyses those measured at fair value by the level into which the fair value measurement is categorised.

Group

	Recurring fair value measurements				
	Loans and receivables at amortised cost R000	Assets designated at fair value through profit and loss R000	Level 1 R000	Level 2 R000	Level 3 R000
Assets					
30 June 2015					
Derivative instruments ⁽¹⁾		53 132		53 132	
Loans receivable	2 311 882				
Receivables	87 152				
Cash and cash equivalents	83 841				
30 June 2014					
Derivative instruments ⁽¹⁾		32 978		32 978	
Loans receivable	859 945				
Receivables	103 686				
Cash and cash equivalents	77 353				

⁽¹⁾ Refer to note 19 for revaluation techniques and key inputs

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38. Fair value hierarchy and financial instruments by category continuedGroup continued

	Liabilities measured at amortised cost R000	Liabilities designated at fair value through profit and loss R000	Recurring fair value measurements		
			Level 1 R000	Level 2 R000	Level 3 R000
Liabilities					
30 June 2015					
Loans – non-current	5 919 909				
– current	772 000				
Derivative instruments ⁽ⁱ⁾		42 752		42 752	
Payables	377 917				
30 June 2014					
Debentures and debenture premium	5 719 119				
Loans – non-current	5 185 822				
– current	2 013 031				
Derivative instruments ⁽ⁱ⁾		41 829		41 829	
Payables	367 686				
Company					
	Loans and receivables at amortised cost R000	Assets designated at fair value through profit and loss R000	Recurring fair value measurements		
			Level 1 R000	Level 2 R000	Level 3 R000
Assets					
30 June 2015					
Derivative instruments ⁽ⁱ⁾		53 132		53 132	
Loans receivable	67 450				
Receivables	78 311				
Cash and cash equivalents	62 970				
30 June 2014					
Derivative instruments ⁽ⁱ⁾		32 978		32 978	
Loans receivable	47 674				
Receivables	102 629				
Cash and cash equivalents	61 257				

⁽ⁱ⁾ Refer to note 19 for revaluation techniques and key inputs

38. Fair value hierarchy and financial instruments by category continued

Company continued

Liabilities	Liabilities measured at amortised cost R000	Liabilities designated at fair value through profit and loss R000	Recurring fair value measurements		
			Level 1 R000	Level 2 R000	Level 3 R000
30 June 2015					
Loans – non-current	3 726 838				
– current	1 533 128				
Derivative instruments ⁽¹⁾		24 320		24 320	
Payables	359 831				
30 June 2014					
Debentures and debenture premium	5 730 187				
Loans – non-current	3 792 566				
– current	2 013 031				
Derivative instruments ⁽¹⁾		39 811		39 811	
Payables	335 626				

⁽¹⁾ Refer to note 19 for revaluation techniques and key inputs

The directors consider that the carrying amounts of financial assets and liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values. There have been no changes in valuation methodologies during the year.

There have been no significant transfers between level 1, level 2 and level 3 during the year.

The fair value gain (in respect of investment property and all other financial assets) included in profit and loss is R2,4 billion (2014: R1,5 billion) for the group and R2,4 billion (2014: R1,5 billion) for the company.