

NOTES TO THE FINANCIAL STATEMENTS continued

for the year ended 30 June 2015

FINANCIAL STATEMENTS

4. Subsidiaries

4.1 Investment in subsidiaries

Details of the group's subsidiaries at the end of the year are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the group	
			30 June 2015	30 June 2014
Hyprop Investments (Mauritius) Limited (Hyprop Mauritius)	Acquiring indirect development or income producing property investments in sub-Saharan Africa (excluding SA)	Mauritius	100%	100%
African Land Investments Limited (African Land)	Currently dormant. In 2014 the principal activity was acquiring income producing investment property in sub-Saharan Africa (excluding SA)	South Africa	100%	87%
Word4Word Marketing Proprietary Limited (Word4Word)	Marketing services	South Africa	100%	100%
Hyprop Investments Employee Incentive Scheme Proprietary Limited (Hyprop Investments Employee Incentive Scheme)	To hedge the obligation of the company to deliver Hyprop shares to employees, arising from allocations to employees in terms of the Hyprop Employee Incentive Scheme	South Africa	100%	100%
Hyprop Foundation NPC (Hyprop Foundation)	Company formed to further sustainability, enterprise development, socio-economic development and the corporate social initiatives of Hyprop	South Africa	100%	100%

Notes	GROUP June 2015 R000	GROUP June 2014 R000	COMPANY June 2015 R000	COMPANY June 2014 R000
Hyprop Mauritius			*	*
The company acquired 100% of the issued capital in Hyprop Mauritius for USD1. Hyprop Mauritius holds a 37,5% interest in AttAfrica. Refer to note 6.				
African Land				
The company acquired 87% of African Land on 5 December 2013. Until its restructure, African Land indirectly held a 100% interest in Manda Hill Centre. Refer to note 34. Following the restructure of African Land, Hyprop became its sole shareholder.				
Cost				758 264
Reallocate to investment in subsidiaries/ (2014: transfer to assets held for sale)	13		758 264	(758 264)
Balance at end of year			758 264	
Word4Word				
Cost allocated to Word4Word			29 566	29 566
Impairment			(29 566)	(25 286)
Balance after impairment	9			4 280
Hyprop Investments Employee Incentive Scheme				
Cost			11 068	11 068
The company was incorporated on 19 September 2013.				
Hyprop Foundation				
The company was incorporated on 17 September 2013.				
Total investment in subsidiaries			769 332	15 348

* Amounts less than R1 000

4. Subsidiaries continued

4.1 Investment in subsidiaries continued

Subsidiaries and transactions with non-controlling interests

Set out below is summarised financial information for African Land, in which Hyprop had an 87% share as at 30 June 2014. African Land became a wholly owned subsidiary of Hyprop effective 1 July 2014. The amounts disclosed are based on those included in the consolidated financial statements, before the elimination of intercompany balances.

	African Land			
	GROUP June 2015 R000	GROUP June 2014 R000	COMPANY June 2015 R000	COMPANY June 2014 R000
Summarised statement of financial position				
Current assets	13 252	7 393		
Current liabilities	(10 807)	(22 404)		
	2 445	(15 011)		
Non-current assets	771 230	1 644 235		
Non-current liabilities		(603 259)		
	771 230	1 040 976		
Net assets	773 675	1 025 965		
Non-controlling interest	nil	133 237		
Summarised statement of comprehensive income				
Revenue	nil	77 953		
Net (loss)/profit	(118 830)	62 393		
Total comprehensive (loss)/income	(118 830)	62 393		
Profit allocated to non-controlling interest	nil	8 103		
Dividends paid to non-controlling interest	495	4 539		
Summarised cash flows				
Cash flows from operating activities	(24 369)	(695 086)		
Cash flows from investing activities	768 761	(818 440)		
Cash flows from financing activities	728 140	1 501 920		
Significant restrictions				
None				
4.2 Dividends received from subsidiaries				
African Land			14 941	30 308
Hyprop Mauritius			27 678	4 770
Word4Word			1 500	1 500
Hyprop Investments Employee Incentive Scheme			753	365
Total dividends received			44 872	36 943

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4. Subsidiaries continued

4.3 Disposal of subsidiary

During the financial year, pursuant to its restructure arrangements, African Land disposed of its subsidiary companies, Manda Hill Centre Limited and African Land Investments Ireland Limited. The effective date of the African Land restructure was 1 July 2014. The restructure entailed the following:

- African Land disposed of its investments in Manda Hill Centre and African Land Investments Ireland to MHPC Limited, which is 100% owned by Manda Hill Mauritius Limited
- African Land bought back its shares, from the non-controlling parties and Hyprop became the sole shareholder of African Land
- African Land advanced a loan to Hyprop.

The values of the assets and liabilities disposed of were as follows:

	GROUP June 2015 R000
Building appurtenances and tenant installations	25 552
Investment property	1 618 506
Trade receivables (including income in advance)	(1 988)
Cash and cash equivalents	8 518
Payables	(11 815)
Total net assets disposed of	1 638 773
Loss on disposal of subsidiary	(118 351)*
Proceeds on disposal of subsidiary	1 520 422
Cash and cash equivalents disposed of	(8 518)
Total cash received	1 511 904
Reconciliation of loss on disposal of subsidiary to the loss on disposal of subsidiary in the statement of comprehensive income	
Loss on disposal of subsidiary	(118 351)
Equity-accounted gain on bargain purchase	88 340
Loss on disposal of subsidiary in the statement of comprehensive income	(30 011)
African Land bought back shares held by its non-controlling interest on 1 July 2014. This resulted in an increase of 12.99% of the group's ownership in African Land. Cash consideration of R118 million was paid to the non-controlling shareholders.	
Cash consideration paid to non-controlling shareholders	(118 024)
Carrying value of the additional interest in African Land	115 315
Loss recognised in statement of changes in equity	(2 709)