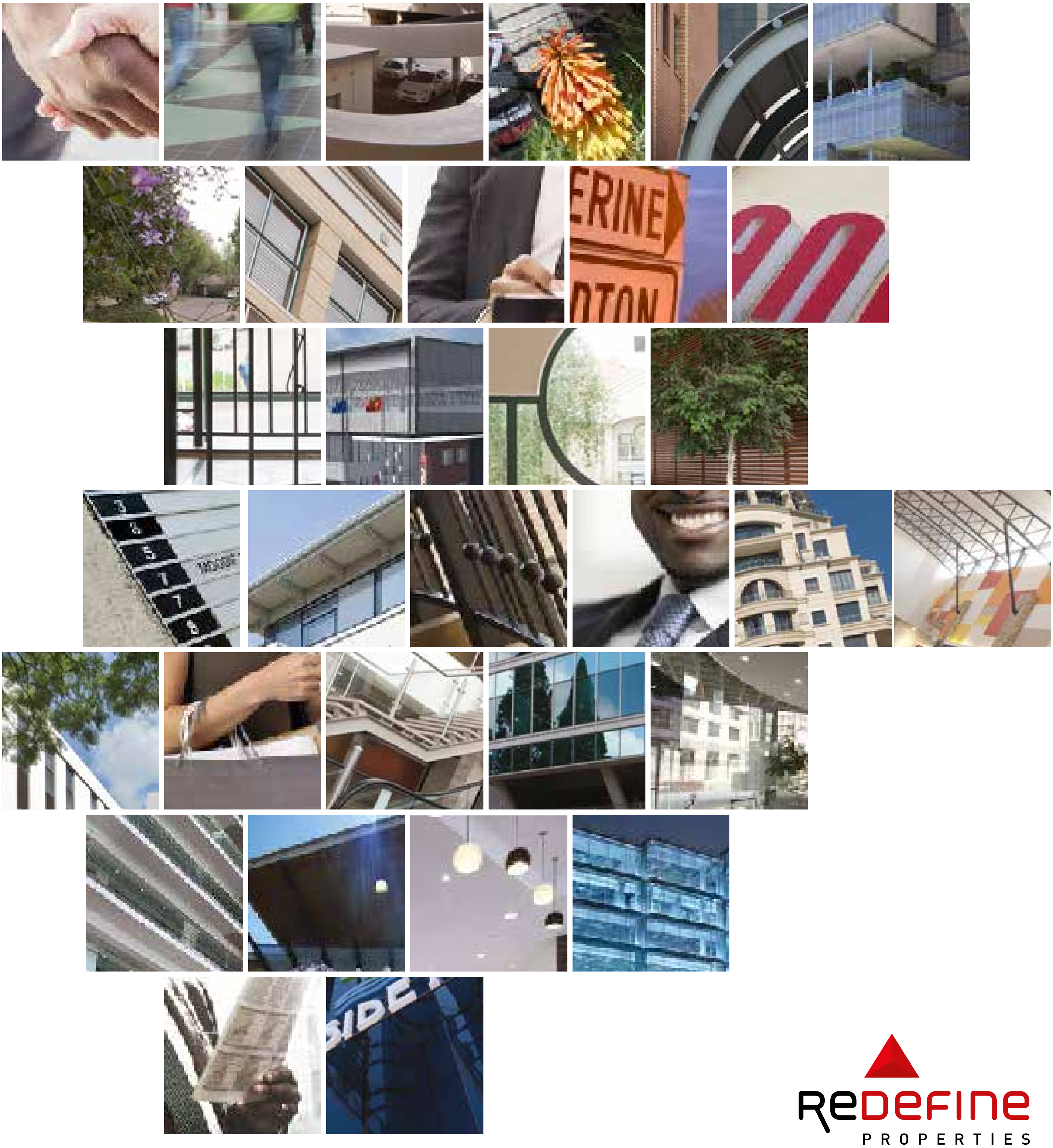
REDEFINE PROPERTIES LIMITED

GROUP ANNUAL FINANCIAL STATEMENTS 2014



REDEFINE PROPERTIES

We're not landlords. We're people.

REDEFINE'S ANNUAL REPORT 2014 CONSISTS OF TWO BOOKS:

INTEGRATED ANNUAL REPORT

Incorporating an overview of Redefine's organisation, key operational matters, strategic intent, performance reviews including reports from the chairman, chief executive officer and financial director, sector reviews, corporate responsibility and corporate governance and risk management.

ANNUAL FINANCIAL STATEMENTS

The statutory annual financial statements prepared in accordance with IFRS, JSE Listings Requirements and the requirements of the Companies Act 2008.

The integrated annual report should be read together with the annual financial statements which, combined, provide a complete overview of Redefine's performance and prospects.

The complete annual financial statements and integrated annual report of the company and group for the financial years ended 31 August 2014 and 2013 may be obtained:

- from the Transfer Secretaries, Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg 2001, or
- from the company's website at: **www.redefine.co.za**, or
- by request from the company.

DIRECTORS' RESPONSIBILITY AND APPROVAL

for the year ended 31 August 2014

The directors are responsible for the preparation and fair presentation of the company and group annual financial statements of Redefine Properties Limited, comprising the statement of financial position at 31 August 2014 and statements of comprehensive income, changes in equity and cash flows for the year then ended. To achieve the highest standards of financial reporting, these financial statements and group financial statements have been prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the requirements of the South African Companies Act, No 71 of 2008, as amended, and the Companies Regulations 2011.

The directors' responsibility includes the design, implementation and maintenance of internal controls that will ensure the preparation, integrity and fair presentation of the financial statements and other financial information included in this report, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have reviewed the appropriateness of the accounting policies and conclude that estimates and judgements are reasonable. They are of the opinion that the annual financial statements fairly present the financial position of the company and the group at 31 August 2014 and of its financial performance and cash flows for the year to 31 August 2014. The external auditors, who have unrestricted access to all records and information, as well as to the audit committee, concur with this statement. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate. The unqualified audit report of Grant Thornton (Jhb) Inc. is presented on page 3.

In addition, the directors have also reviewed the cash flow forecast for the year to 31 August 2015 and believe that the company and the group have adequate resources to continue in operation for the foreseeable future. Accordingly, the annual financial statements have been prepared on a going-concern basis. These financial statements support the viability of the company and of the group.

The annual financial statements were approved by the board of directors on 5 November 2014 and are signed on its behalf by:

Marc Wainer
Executive chairman

Andrew Konig
Chief executive officer

DECLARATION BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, as amended (the Companies Act), we declare that to the best of our knowledge, for the year ended 31 August 2014, Redefine Properties Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.

CIS Company Secretaries Proprietary Limited
Company secretary

5 November 2014

The activities of the audit and risk committee (the committee) are determined by its terms of reference, as approved by the board of directors. The committee considers that it has adequately performed its functions in terms of its mandate, the King Code of Governance Principles for South Africa 2009, and the Companies Act.

The committee carried out its duties by reviewing the following, on a quarterly basis:

- Internal audit reports
- Financial management reports
- Annual returns and tax status reports
- External audit reports, if any
- Information technology reports

The aforementioned information, together with the interactions with persons attending the meetings in an *ex officio* capacity, collectively enabled the committee to conclude that the systems of internal financial control had been designed effectively and were operating effectively during the financial period under review.

The committee is satisfied:

- with the independence of the external auditor, including the provision of non-audit services and compliance with the company policy in this regard. The external auditor attends all meetings of the committee by invitation
- with the terms, nature, scope and proposed fee of the external auditor for the year ended 31 August 2014
- with the annual financial statements and the accounting practices utilised in the preparation thereof
- with the company's continuing viability as a going concern
- that the financial director has the necessary expertise and experience to carry out his duties.

DA Nathan
Chairman
Audit and risk committee

5 November 2014

Rosebank

TO THE SHAREHOLDERS OF REDEFINE PROPERTIES LIMITED

We have audited the consolidated and separate financial statements of Redefine Properties Limited set out on pages 12 to 78, which comprise the statements of financial position as at 31 August 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Redefine Properties Limited as at 31 August 2014, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 August 2014, we have read the directors' report, audit and risk committee's report and certificate by company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Grant Thornton (Jhb) Inc

Grant Thornton (Jhb) Inc.
Chartered Accountants (SA)
Registered Auditors
Registration number: 1994/001166/21

GM Chaitowitz
Director
Chartered Accountant (SA)
Registered Auditor

5 November 2014

42 Wierda Road West
Wierda Valley
2196

for the year ended 31 August 2014

TO THE SHAREHOLDERS OF REDEFINE PROPERTIES LIMITED

We have pleasure in presenting the annual financial statements of Redefine Properties Limited for the year ended 31 August 2014.

CORPORATE OVERVIEW

Redefine is a listed Real Estate Investment Trust (REIT). It derives rental income from investments in office, retail and industrial properties, distributions from listed security investments, distributions from investment in associates and joint ventures and earns fee income from rendering property and asset management services.

NATURE OF THE BUSINESS

The nature of business and operations are commented on in detail in the company overview section of the integrated annual report.

FINANCIAL RESULTS

The annual financial results for the year ended 31 August 2014 are set out in detail on pages 12 to 78 of these annual financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The annual financial statements are prepared in terms of International Financial Reporting Standards (IFRS).

YEAR UNDER REVIEW

The year under review is covered fully in the chairman's, chief executive's and financial director's reviews of the integrated annual report.

STATED CAPITAL

The company's authorised stated capital consists of 6 500 000 000 ordinary shares of no par value. In the prior year each share was indivisibly linked to a debenture of 173,58 cents. This linkage meant that each share could only be traded as a linked unit together with the debenture with which it was linked.

Pursuant to the general authority granted at the annual general meeting (AGM) in January 2014, the following additional linked units were issued during the year:

- 135 400 000 linked units were issued at an issue price of R9,60 per unit on 3 December 2013
- 41 613 025 linked units were issued at an issue price of R9,66 per unit on 2 June 2014
- 136 625 506 linked units were issued at an issue price of R9,57 per unit on 23 June 2014
- 161 290 325 linked units were issued at an issue price of R9,30 per unit on 10 July 2014

As part of the REIT conversion, Redefine converted the linked unit capital structure to an all-equity capital structure on 29 August 2014, in order to align the capital structure with the capital structures of REITs. The linked units were delinked and the debenture capital was capitalised to stated capital.

At 31 August 2014 there were 3 410 507 125 shares in issue.

Subsequent to year-end, the following additional shares were issued:

- 86 904 498 shares were issued at an issue price of R9,66 per share on 29 September 2014
- 143 107 149 shares were issued at an issue price of R9,50 per share on 1 October 2014
- 3 260 000 shares were issued at an issue price of R9,50 per share on 2 October 2014
- 16 773 280 shares were issued at an issue price of R9,42 per share on 17 October 2014

As a result of the above share issues, 3 660 552 052 shares rank for the dividend declared on 5 November 2014.

DIVIDENDS AND INTEREST DISTRIBUTIONS

No dividend has been paid or declared during the year under review. The company distributed its income as interest on the debentures for the six months ended 28 February 2014.

Distribution number 50 of 36,40 cents was paid on 2 June 2014.

Subsequent to year end, on 6 November 2014 the board declared a final dividend of 38,14 cents per share for the six months ended 31 August 2014 which will be paid on 1 December 2014.

This dividend has been declared from distributable earnings and meets the requirement of a REIT 'qualifying distribution' for purposes of section 25BB of the Income Tax Act, No 58 of 1962 (as amended).

for the year ended 31 August 2014

DIRECTORATE

The directors of the company at the date of this report were:

- M Wainer* – Executive chairman
- AJ Konig* – Chief executive officer
- DH Rice*‡ – Chief operating officer
- LC Kok* – Financial director
- MJ Ruttell*∆ – Executive: development
- B Nackan – Lead independent non-executive
- GZ Steffens# – Independent non-executive
- DA Nathan – Independent non-executive
- HK Mehta – Non-executive
- MJ Watters – Non-executive

** Executive*
‡ British
 # German
∆ Irish

Details of each directors' CV can be found in the integrated annual report.

B Nackan and GZ Steffens retire at the forthcoming AGM and are eligible for re-election. The confirmation of appointment of DA Nathan, MJ Watters and LC Kok as directors of the company will also be voted on at the forthcoming AGM.

The following changes to the directorate took place during the year:

- MK Khumalo resigned on 11 November 2013 to avoid possible conflicts of interest which might arise as a result of her assuming an executive role within another organisation
- DJ Perton retired from the board with effect from 30 January 2014
- DA Nathan was appointed on 17 March 2014
- RW Rees passed away on 11 June 2014
- D Gihwala resigned on 26 June 2014 for personal reasons
- R Robinson resigned on 4 July 2014 to pursue other property projects and property investment opportunities, which may give rise to potential conflicts of interest in the future if he were to remain on the board
- MJ Watters was appointed on 1 August 2014
- LC Kok was appointed on 1 October 2014

DIRECTORS' INTERESTS

The interests of the directors in the shares of Redefine at 31 August 2014 were as follows:

	Beneficial			
	Direct	**Indirect**	**Associate**	**Total**
AJ Konig	2 416 849	–	–	2 416 849
B Nackan	9 339	–	–	9 339
DA Nathan	–	–	–	–
DH Rice	2 438 793	–		2 438 793
GZ Steffens	–	–	–	–
HK Mehta	107 345	31 434 972	67 689 153	99 231 470
M Wainer	7 956 728	13 055 661	248 984	21 261 373
MJ Ruttell	78 500	–	–	78 500
MJ Watters	–	–	–	–
	13 007 554	**44 490 633**	**67 938 137**	**125 436 324**

There have been no changes in these holdings between the year-end and the date of this report.

for the year ended 31 August 2014

At 31 August 2013, the interests of the directors in the linked units of Redefine were as follows:

	Beneficial			
	Direct	Indirect	Associate	Total
AJ Konig	2 139 142	–	–	2 139 142
B Nackan	9 000	–	–	9 000
D Gihwala	–	561 064	–	561 064
DJ Perton	22 008	–	–	22 008
DH Rice	2 134 367	–	–	2 134 367
HK Mehta	107 345	31 434 972	67 689 153	99 231 470
M Wainer	7 384 740	12 793 427	9 943	20 188 110
MK Khumalo	–	534 347	–	534 347
RW Rees	–	–	–	–
	11 796 602	45 323 810	67 699 096	124 819 508

FEES EARNED FOR SERVICES AS NON-EXECUTIVE DIRECTORS

	2014 R000	2013 R000
B Nackan	**550**	410
D Gihwala	**396**	440
DJ Perton	**123**	260
DA Nathan	**211**	–
GJ Heron	**–**	337
GZ Steffens	**309**	–
HK Mehta	**465**	285
MK Khumalo	**74**	260
MN Flax	**–**	84
MJ Watters	**25**	–
R Robinson	**197**	–
RW Rees	**430**	365
	2 780	2 441

EXECUTIVE DIRECTORS' REMUNERATION

	Salary and allowances R000	Bonuses and performance-related payments R000	Other benefits and payments R000	Retirement benefits R000	Total R000
2014					
AJ Konig	**2 854**	**5 968**	**80**	**326**	**9 228**
DH Rice	**2 645**	**6 141**	**122**	**240**	**9 148**
M Wainer	**3 615**	**7 993**	**139**	**–**	**11 747**
MJ Ruttell	**1 400**	**1 260**	**–**	**–**	**2 660**
	10 514	**21 362**	**341**	**566**	**32 783**
2013					
AJ Konig	2 696	3 319	75	306	6 396
DH Rice	2 537	3 146	107	226	6 016
M Wainer	3 410	4 414	160	–	7 984
	8 643	10 879	342	532	20 396

for the year ended 31 August 2014

EXECUTIVE DIRECTORS' TOTAL REMUNERATION IN TERMS OF IFRS

The table below provides an indication of the total cost to company in relation to executive directors' remuneration. Total cash payments and benefits reflect the information disclosed in the tables on the previous page. The IFRS accounting charge reflects the cost that has been expensed by the company in profit or loss in the relevant year in relation to long-term incentive awards that have been granted to executives.

	Salary, bonuses and other benefits R000	Accounting IFRS charge in respect of staff incentive scheme awards^ R000	Total IFRS remuneration R000
2014			
AJ Konig	**9 228**	**3 123**	**12 351**
DH Rice	**9 148**	**3 852**	**13 000**
M Wainer	**11 747**	**5 124**	**16 871**
MJ Ruttell	**2 660**	**11**	**2 671**
	32 783	**12 110**	**44 893**
2013			
AJ Konig	6 396	1 486	7 882
DH Rice	6 016	1 858	7 874
M Wainer	7 984	2 477	10 461
	20 396	5 821	26 217

^ *The IFRS charge is a calculation based on the present value of total awards made to executives that will vest in future years, compared to the amount calculated in the prior year, arriving at the expense accounted for in profit or loss. It should be noted that the amount estimated here will differ significantly from the actual expense in the current and future years, which is based on the number of shares that vested, calculated at the price at which they vested.*

PRESCRIBED OFFICERS' REMUNERATION

	Salary and allowances R000	Bonuses and performance-related payments R000	Other benefits and payments R000	Retirement benefits R000	Total R000
2014					
Prescribed officer	**1 092**	**1 017**	**77**	**130**	**2 316**
Prescribed officer	**841**	**806**	**107**	**91**	**1 845**
	1 933	**1 823**	**184**	**221**	**4 161**
2013					
Prescribed officer	1 732	425	175	210	2 542
Prescribed officer	1 358	1 023	–	–	2 381
Prescribed officer	1 072	973	53	120	2 218
Prescribed officer	786	696	97	96	1 675
	4 948	3 117	325	426	8 816

for the year ended 31 August 2014

DETAILS OF SHARE APPRECIATION RIGHTS AWARDED TO THE EXECUTIVE DIRECTORS

	Opening		Awarded		Forfeited		Vested		Closing	
	Strike price (Rand)	Number of units	Strike price (Rand)	Number of units	Strike price (Rand)	Number of units	VWAP* (Rand)	Number of units	Strike price (Rand)	Number of units
2014										
AJ Konig	**6,50**	**1 200 000**	**–**	**–**	**–**	**–**	**9,12**	**(400 000)**	**6,50**	**800 000**
	7,00	**750 000**	**–**	**–**	**–**	**–**	**9,12**	**(250 000)**	**7,00**	**500 000**
DH Rice	**6,50**	**1 200 000**	**–**	**–**	**–**	**–**	**9,12**	**(400 000)**	**6,50**	**800 000**
	7,00	**750 000**	**–**	**–**	**–**	**–**	**9,12**	**(250 000)**	**7,00**	**500 000**
M Wainer	**6,50**	**1 950 000**	**–**	**–**	**–**	**–**	**9,12**	**(650 000)**	**6,50**	**1 300 000**
	7,00	**600 000**	**–**	**–**	**–**	**–**	**9,12**	**(200 000)**	**7,00**	**400 000**
MJ Ruttell	**6,50**	**562 500**	**–**	**–**	**–**	**–**	**9,12**	**(187 500)**	**6,50**	**375 000**
	7,00	**97 500**	**–**	**–**	**–**	**–**	**9,12**	**(32 500)**	**7,00**	**65 000**
		7 110 000	**–**	**–**	**–**	**–**	**–**	**2 370 000**		**4 740 000**
2013										
AJ Konig	6,50	1 600 000	–	–	–	–	9,29	(400 000)	6,50	1 200 000
	7,00	750 000	–	–	–	–	–	–	7,00	750 000
DH Rice	6,50	1 600 000	–	–	–	–	9,29	(400 000)	6,50	1 200 000
	7,00	750 000	–	–	–	–	–	–	7,00	750 000
M Wainer	6,50	2 600 000	–	–	–	–	9,29	(650 000)	6,50	1 950 000
	7,00	600 000	–	–	–	–	–	–	7,00	600 000
		7 900 000		–	–	–	–	(1 450 000)		6 450 000

The R6,50 appreciation rights vest in equal tranches of 25% on the following dates:
- 3 September 2012
- 4 September 2013
- 3 September 2014
- 1 September 2015

The R7,00 appreciation rights vest in equal tranches of 33,33% on the following dates:
- 4 September 2013
- 3 September 2014
- 1 September 2015

On 3 September 2012, the first 25% tranche vested. The 10-day VWAP for the share price was R9,29.

On 4 September 2013, the second 25% tranche and first 33,33% tranche vested. The 10-day VWAP for the share price was R9,12.

On 3 September 2014, the third 25% tranche and second 33,33% tranche vested. The 10-day VWAP for the share price was R9,66.

DETAILS OF THE EXECUTIVE DIRECTORS' RESTRICTED SHARE SCHEME

The first grant of the restricted share scheme took place during the previous financial year.

	Balance at 31 August 2013	Forfeited	Vested	Balance at 31 August 2014
AJ Konig	720 000	(15 120)	(164 880)	**540 000**
DH Rice	900 000	(18 900)	(206 100)	**675 000**
M Wainer	1 200 000	(25 200)	(274 800)	**900 000**
	2 820 000	(59 220)	(645 780)	**2 115 000**

In terms of this scheme the directors have a conditional right to a share, which is awarded subject to performance and vesting conditions. Refer to note 21, share-based payments in the annual financial statements.

for the year ended 31 August 2014

DETAILS OF THE EXECUTIVE DIRECTORS' MATCHING SHARES SCHEME

The first grant of the matching shares scheme took place during the current financial year.

In terms of this scheme the directors are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine shares. Directors holding these shares at the third anniversary of the date of award will be awarded additional Redefine shares free of consideration based on a multiple of the original shares linked to the group and individual's performance. Refer to note 21, share-based payments, in the annual financial statements.

	Matching shares 2014
AJ Konig	**318 600**
DH Rice	**293 829**
M Wainer	**367 167**
MJ Ruttell	**21 165**
	1 000 761

FEES EARNED FOR SERVICES AS EXECUTIVE DIRECTORS OF FOUNTAINHEAD PROPERTY TRUST MANAGEMENT LIMITED (A SUBSIDIARY COMPANY)

Director	Fees (Rand)
AJ Konig (remitted to Redefine Properties Limited)	**242 500**
DH Rice (remitted to Redefine Properties Limited)	**242 500**
M Wainer (remitted to Redefine Properties Limited)	**242 500**
B Nackan	**205 000**

SERVICE CONTRACTS

Executive directors retire from their positions and from the board (as executive directors) at the age of 65. Though normal retirement age is 65 for executive directors, the company's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to one calendar month's written notice under their existing employment contracts. With effect from 1 September 2014, the executive directors' written notice changed to 12 weeks.

GOING CONCERN

The directors consider that the group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the group financial statements. The company has reasonably satisfied the liquidity and solvency test as required by the Companies Act and the directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

MAJOR SHAREHOLDERS

Beneficial shareholders holding in excess of 2% of the shares in issue are detailed in the integrated annual report.

for the year ended 31 August 2014

INTEREST IN SUBSIDIARIES

Details of Redefine's interest in subsidiaries at 31 August 2014 are as follows:

Name of subsidiary	Country of incorporation	% held	Net profit/(loss) R000	Issued share capital R000	Indebtedness R000	Shares at cost R000	31 August 2014 Total R000	31 August 2013 Total R000
Madison Property Fund Managers Holdings Limited and subsidiaries	South Africa	100	522 152	–	1 360 603	80 399	**1 441 002**	394 188
Redefine Retail Proprietary Limited	South Africa	100	739 150	4	8 320 103	1 429 001	**9 749 104**	6 815 576
Redefine Pacific Proprietary Limited	Mauritius	100	(27 132)	45	506 596	45	**506 641**	111 760
Fountainhead Property Administration Proprietary Limited	South Africa	100	7 678	–	290 146	235 029	**525 176**	531 497
Fountainhead Property Trust Management Limited	South Africa	100	7 776	1 000	–	128 080	**128 080**	128 080
Redefine Global Proprietary Limited	South Africa	100	118 377	2 184 000	–	2 184 000	**2 184 000**	–
Annuity Properties Limited	South Africa	100	56 637	2 396	2 234	1 307 507	**1 309 740**	–
Annuity Asset Managers Proprietary Limited	South Africa	100	1 423	10	5 552	80 648	**86 200**	–
Annuity Property Managers Proprietary Limited	South Africa	100	(176)	10	–	16 900	**16 900**	–
Total			1 425 885	2 187 465	10 485 234	5 461 609	**15 946 843**	7 981 101

Details of Redefine's indirect interest in material subsidiaries at 31 August 2014 are as follows:

Name of subsidiary	Country of incorporation	% held	Net profit/(loss) R000	Issued share capital R000	Indebtedness R000	Shares at cost R000	31 August 2014 Total R000	31 August 2013 Total R000
Fountainhead Property Trust^	South Africa	65,9	1 270 105	2 874 030	–	6 400 675	**6 400 675**	4 955 809
Redefine Properties Australia Proprietary Limited#	Australia	100	141 687	777 765	438 912	777 765	**1 216 677**	–
Total			1 411 792	3 651 795	438 912	7 178 440	**7 617 352**	4 955 809

^ *Investment held in Redefine Retail Proprietary Limited.*
# *Investment held in Redefine Global Proprietary Limited.*

SUBSEQUENT EVENTS

DIVIDEND DECLARATION AFTER REPORTING DATE

In line with IAS 10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements. In the prior periods, the distribution consisted of debenture interest which accrued on a daily basis.

SHARES ISSUED

The following shares were issued after the end of the reporting period:
- 143 107 149 shares were issued at an issue price of R9,50 per share on 1 October 2014

The above share issue was in terms of an accelerated bookbuild to raise R1 billion through the issue of new shares to fund part of the acquisition of the Macsteel property portfolio. The balance is to be funded by way of debt.
- 86 904 498 shares were issued at an issue price of R9,66 per share on 29 September 2014
- 3 260 000 shares were issued at an issue price of R9,50 per share on 2 October 2014
- 16 773 280 shares were issued at an issue price of R9,42 per share on 17 October 2014

The above share issues were in exchange for Emira Property Fund participatory interests.

for the year ended 31 August 2014

SUBSEQUENT EVENTS continued

EMIRA PROPERTY FUND

Subsequent to year-end, Redefine issued 106 937 778 shares in exchange for 69,56 million Emira Property Fund participatory interests (13,7% of the issued participatory interest holders' capital of Emira Property Fund).

MACSTEEL PROPERTY PORTFOLIO

Redefine has concluded an agreement with Macsteel Coreprop Proprietary Limited, Macsteel Genprop Proprietary Limited and Macsteel Service Centres SA Proprietary Limited (collectively known as the sellers) for the acquisition of the Macsteel property portfolio of the sellers.

In terms of the portfolio sale agreement, Redefine will purchase the Macsteel property portfolio from the sellers for a purchase consideration of R2,7 billion. The purchase consideration was paid in cash to the sellers on 31 October 2014.

SECRETARY

CIS Company Secretaries Proprietary Limited (previously known as Probity Business Services Proprietary Limited) will continue to render company secretarial services to the company.

SPECIAL RESOLUTIONS

The following special resolutions were registered for Redefine Properties Limited and its subsidiaries, having been passed by the shareholders to the date of this report:

Company	Nature of special resolution	Date passed	Date registered
REDEFINE PROPERTIES LIMITED			
SHAREHOLDER SPECIAL RESOLUTIONS	Approval of financial assistance to participants (including directors, future directors, prescribed officers and future prescribed officers) in the Redefine Executive Incentive Scheme, in terms of section 44 and 45 of the Companies Act, subject to the board being satisfied that the terms of the financial assistance are fair and reasonable to the company, and immediately after providing the financial assistance, the company would satisfy the solvency and liquidity requirements contemplated in the Act	30 January 2014	Not required to be registered
	Approval of financial assistance to a related or inter-related company to Redefine, as required by section 45 of the Companies Act, subject to the board being satisfied that the terms of the financial assistance are fair and reasonable to the company, and immediately after providing the financial assistance, the company would satisfy the solvency and liquidity requirements contemplated in the Act to endure until the AGM of the company to be held in 2014	30 January 2014	Not required to be registered
	Repurchase of linked units – allowing the company or any of its subsidiaries, by way of a general approval, to acquire the linked units by the company, in terms of JSE Limited and sections 46 and 48 of the Companies Act	30 January 2014	Not required to be registered
	Amendment of memorandum of incorporation (MoI) to enable delinking of units	18 June 2014	22 July 2014
	Authority for delinking units	18 June 2014	Not required to be registered
	Various amendments to the MoI	18 June 2014	7 August 2014
FOUNTAINHEAD PROPERTY ADMINISTRATION PROPRIETARY LIMITED	Change of name	18 September 2013	28 October 2013
REDEFINE GLOBAL PROPRIETARY LIMITED	Change of name	17 December 2013	17 February 2014

as at 31 August 2014

	Note	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
ASSETS					
NON-CURRENT ASSETS		**55 007 339**	42 796 057	**43 352 797**	33 014 197
Investment property		**40 906 077**	32 812 494	**25 190 902**	20 296 800
– Fair value of investment property for accounting purposes	2	**37 710 045**	30 687 910	**23 177 055**	18 715 845
– Straight-line rental income accrual	3	**1 213 985**	1 089 942	**762 016**	731 280
– Properties under development	4	**1 982 047**	1 034 642	**1 251 831**	849 675
Listed securities	5	**2 750 900**	2 050 203	**621 845**	2 050 203
Goodwill	6	**3 769 570**	3 647 251	**–**	–
Intangible assets	7	**1 559 106**	1 616 871	**275 416**	270 325
Interest in associates and joint ventures	8	**4 173 173**	1 654 067	**–**	1 526 098
Loans receivable	9	**1 727 212**	837 742	**1 222 299**	791 360
Other financial assets	10	**23 510**	78 236	**–**	–
Guarantee fees receivable	11	**50 000**	50 000	**50 000**	50 000
Property, plant and equipment	12	**47 791**	49 193	**45 492**	47 871
Interest in subsidiaries	13	**–**	–	**15 946 843**	7 981 540
CURRENT ASSETS		**992 697**	997 895	**565 672**	514 563
Properties held-for-trading	14	**21 349**	23 949	**21 349**	23 949
Trade and other receivables	15	**580 021**	453 483	**498 776**	334 101
Loans receivable	9	**2 050**	113 504	**2 050**	113 504
Listed security income receivable		**38 671**	48 051	**–**	24 240
Cash and cash equivalents	16	**350 606**	358 908	**43 497**	18 769
NON-CURRENT ASSETS HELD-FOR-SALE	17	**1 490 128**	5 087 645	**501 060**	3 038 003
TOTAL ASSETS		**57 490 164**	48 881 597	**44 419 529**	36 566 763
EQUITY AND LIABILITIES					
SHAREHOLDERS' INTEREST		**32 720 342**	19 833 320	**28 970 671**	16 804 279
Stated capital	18	**22 558 039**	12 979 046	**22 572 383**	12 983 189
Reserves		**10 162 303**	6 854 274	**6 398 288**	3 821 090
Non-current liabilities – debenture capital	19	**–**	5 085 419	**–**	5 095 620
SHAREHOLDERS'/LINKED UNITHOLDERS' INTEREST		**32 720 342**	24 918 739	**28 970 671**	21 899 899
Non-controlling interests (NCI)	20	**3 015 595**	4 240 603	**–**	–
TOTAL SHAREHOLDERS'/UNITHOLDERS' INTEREST		**35 735 937**	29 159 342	**28 970 671**	21 899 899
OTHER NON-CURRENT LIABILITIES		**14 997 245**	13 525 562	**10 489 888**	10 362 794
Interest-bearing borrowings	22	**14 355 324**	12 873 367	**10 238 603**	10 077 632
Derivatives	23	**95 192**	10 430	**98 771**	10 430
Other financial liabilities	24	**36 731**	52 241	**36 731**	52 241
Deferred taxation	26	**509 998**	589 524	**115 783**	222 491
CURRENT LIABILITIES		**6 756 982**	4 149 445	**4 958 970**	2 548 281
Trade and other payables	27	**1 294 307**	948 055	**727 311**	596 850
Interest-bearing borrowings	22	**5 401 205**	2 142 000	**4 201 666**	890 000
Derivatives	23	**926**	16 165	**926**	16 165
Other financial liabilities	24	**12 872**	11 439	**12 872**	11 439
Taxation payable		**47 672**	6 390	**16 195**	6 374
Linked unitholders for distribution	36	**–**	1 025 396	**–**	1 027 453
NON-CURRENT LIABILITIES HELD-FOR-SALE	17	**–**	2 047 248	**–**	1 755 789
TOTAL EQUITY AND LIABILITIES		**57 490 164**	48 881 597	**44 419 529**	36 566 763
Number of shares/linked units in issue		**3 404 630***	2 929 702*	**3 410 507**	2 935 578
Net asset value per share/linked unit (excluding deferred tax and NCI) (cents)		**976,03**	870,68	**852,85**	753,60
Net tangible asset value per share/linked unit (excluding deferred tax and NCI) (cents)		**819,52**	691,00	**844,77**	744,39

** Net of 5 876 766 treasury shares.*

for the year ended 31 August 2014

	Note	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
REVENUE					
Property portfolio		**5 372 149**	3 791 621	**3 605 105**	3 156 551
– Contractual rental income		**5 310 428**	3 723 977#	**3 574 369**	3 076 494#
– Straight-line rental income accrual		**61 721**	67 644	**30 736**	80 057
Listed security income		**185 742**	311 046	**23 282**	202 061
Fee income		**35 204**	88 886	**35 637**	62 860
Dividends received		**–**	–	**731 584**	–
Trading income		**1 032**	3 807	**1 032**	3 807
TOTAL REVENUE		**5 594 127**	4 195 360	**4 396 640**	3 425 279
Operating costs		**(1 907 524)**	(1 204 846)#	**(1 294 923)**	(979 053)#
Administration costs		**(202 031)**	(149 968)	**(140 179)**	(129 780)
NET OPERATING INCOME	28	**3 484 572**	2 840 546	**2 961 538**	2 316 446
Changes in fair values of properties, listed securities and financial instruments	29	**2 051 245**	1 369 451	**1 496 812**	1 308 632
Amortisation of intangibles		**(62 856)**	(62 856)	**–**	–
Equity-accounted profit	8.2	**439 766**	329 656	**–**	–
INCOME FROM OPERATIONS		**5 912 727**	4 476 797	**4 458 350**	3 625 078
Net interest		**(1 297 768)**	(850 716)	**(832 326)**	(36 138)
– Interest paid	30	**(1 457 159)**	(989 407)	**(1 157 741)**	(866 665)
– Interest received	31	**159 391**	138 691	**325 415**	830 527
Foreign exchange loss	32	**(13 638)**	(81 279)	**(34 200)**	(87 944)
INCOME BEFORE DEBENTURE INTEREST		**4 601 321**	3 544 802	**3 591 824**	3 500 996
Debenture interest	36	**(1 115 697)**	(2 012 705)	**(1 117 836)**	(2 016 742)
PROFIT BEFORE TAXATION		**3 485 624**	1 532 097	**2 473 988**	1 484 254
Taxation	33	**31 303**	1 389 657	**95 331**	1 465 914
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**3 516 927**	2 921 754	**2 569 319**	2 950 168
Profit from discontinued operations	17	**369 458**	935 272	**–**	–
PROFIT FOR THE YEAR		**3 886 385**	3 857 026	**2 569 319**	2 950 168
REDEFINE SHAREHOLDERS/UNITHOLDERS		**3 407 818**	3 619 654	**2 569 319**	2 950 168
– Continuing operations		**3 042 122**	2 693 667	**–**	–
– Discontinued operations		**365 696**	925 987	**–**	–
NON-CONTROLLING INTERESTS		**478 567**	237 372	**–**	–
– Continuing operations		**474 805**	228 087	**–**	–
– Discontinued operations		**3 762**	9 285	**–**	–
OTHER COMPREHENSIVE LOSS		**(40 817)**	(297 087)	**–**	–
Those items that may be reclassified to profit or loss					
Exchange differences on translation of foreign discontinued operations – subsidiaries		**93 230**	93 449	**–**	–
Exchange differences on translation of foreign continuing operations – associates		**(25 140)**	(17 820)	**–**	–
Recycling of exchange differences on translation of deemed disposal of foreign subsidiary and associate		**(108 907)**	(372 716)	**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3 845 568**	3 559 939	**2 569 319**	2 950 168
REDEFINE SHAREHOLDERS/UNITHOLDERS		**3 363 439**	3 314 344	**2 569 319**	2 950 168
– Continuing operations		**3 016 983**	2 675 847		
– Discontinued operations		**346 456**	638 497		
NON-CONTROLLING INTERESTS		**482 129**	245 595	**–**	–
– Continuing operations		**474 805**	228 087		
– Discontinued operations		**7 324**	17 508		
– Actual number of shares/linked units in issue (000)		**3 404 631***	2 929 702*	**3 410 507**	2 935 578
– Weighted number of shares/linked units in issue		**3 090 599**	2 824 980	**3 096 476**	2 830 857
BASIC EARNINGS PER SHARE/LINKED UNIT (CENTS)		**146,36**	199,38		
– Continuing operations per share/linked units (cents)		**134,53**	166,60		
– Discontinued operations per share/linked units (cents)		**11,83**	32,78		
DILUTED EARNINGS PER SHARE/LINKED UNIT (CENTS)^		**123,78**	–		
– Continuing operations per share/linked units (cents)		**113,77**	–		
– Discontinued operations per share/linked units (cents)		**10,01**	–		
DISTRIBUTION PER SHARE/LINKED UNITS (CENTS)		**74,54**	68,70		

 # Re-presented (note 48).
** Net of 5 876 766 treasury shares.*
^ In the prior period there were no dilutionary linked units in issue.

The reconciliation between basic earnings, headline earnings and distributable earnings is disclosed in note 34.

for the year ended 31 August 2014

	Stated capital R000	Share premium R000	Non-distributable reserve R000	Accumulated profit R000	Non-controlling interests R000	Total R000
GROUP						
BALANCE AS 31 AUGUST 2012	2 761	11 658 175	396 089	3 193 574	1 301 316	16 551 915
Issue of ordinary shares	1 318 110	–	–	–	–	1 318 110
Deemed disposal of a subsidiary	–	–	–	–	(1 177 188)	(1 177 188)
Transfer to stated capital	11 658 175	(11 658 175)	–	–	–	–
Change in ownership interests of subsidiary	–	–	–	(55 555)	(376 413)	(431 968)
Profit for the year	–	–	–	3 619 654	237 372	3 857 026
Foreign currency translation reserve	–	–	61 590	–	14 039	75 629
Share-based payment expense	–	–	5 822	–	–	5 822
Recycling of exchange differences on translation of deemed disposal of a foreign subsidiary	–	–	(366 900)	–	(5 815)	(372 715)
Dividends paid to non-controlling interests	–	–	–	–	(153 783)	(153 783)
Non-controlling interests on acquisition of subsidiaries	–	–	–	–	4 401 075	4 401 075
BALANCE AS AT 31 AUGUST 2013	**12 979 046**	**–**	**96 601**	**6 757 673**	**4 240 603**	**24 073 923**
Issue of ordinary shares	**3 663 579**	**–**	**–**	**–**	**–**	**3 663 579**
Changes in ownership interests of subsidiary	**–**	**–**	**–**	**(231 283)**	**147 279**	**(84 004)**
Profit for the year	**–**	**–**	**–**	**3 407 818**	**478 567**	**3 886 385**
Conversion of debentures to stated capital	**5 915 414**	**–**	**–**	**–**	**–**	**5 915 414**
Foreign currency translation reserve	**–**	**–**	**64 528**	**–**	**3 562**	**68 090**
Share-based payment expense	**–**	**–**	**7 880**	**–**	**–**	**7 880**
Recycling of exchange differences on translation of deemed disposal of a foreign subsidiary	**–**	**–**	**(108 907)**	**–**	**–**	**(108 907)**
Transactions with non-controlling interests	**–**	**–**	**–**	**167 993**	**(1 612 703)**	**(1 444 710)**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**(241 713)**	**(241 713)**
BALANCE AS AT 31 AUGUST 2014	**22 558 039**	**–**	**60 102**	**10 102 201**	**3 015 595**	**35 735 937**

The non-distributable reserve consists of the share-based payment reserve of R13,7 million (2013: R5,8 million) and R46,4 million (2013: R90,8 million) for the foreign currency translation reserve.

for the year ended 31 August 2014

	Stated capital R000	Share premium R000	Non-distributable reserve R000	Accumulated profit R000	Non-controlling interests R000	Total R000
COMPANY						
BALANCE AS AT 31 AUGUST 2012	2 766	11 662 313	–	865 100	–	12 530 179
Issue of ordinary shares	1 318 110	–	–	–	–	1 318 110
Transfer to stated capital	11 662 313	(11 662 313)	–	–	–	–
Profit for the year	–	–	–	2 950 168	–	2 950 168
Share-based payment expense	–	–	5 822	–	–	5 822
BALANCE AS AT 31 AUGUST 2013	**12 983 189**	**–**	**5 822**	**3 815 268**	**–**	**16 804 279**
Issue of ordinary shares	**3 663 579**	**–**	**–**	**–**	**–**	**3 663 579**
Profit for the year	**–**	**–**	**–**	**2 569 318**	**–**	**2 569 318**
Conversion of debentures to stated capital	**5 925 615**	**–**	**–**	**–**	**–**	**5 925 615**
Share-based payment expense	**–**	**–**	**7 880**	**–**	**–**	**7 880**
BALANCE AS AT 31 AUGUST 2014	**22 572 383**	**–**	**13 702**	**6 384 586**	**–**	**28 970 671**

The non-distributable reserve consists of the share-based payment reserve of R13,7 million (2013: R5,8 million).

for the year ended 31 August 2014

	Note	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	35	**3 622 025**	2 853 684	**2 955 579**	2 564 620
Interest paid	30	**(1 457 159)**	(989 407)	**(1 157 741)**	(866 665)
Interest received		**159 391**	65 997	**325 415**	757 833
Distributions paid	36	**(2 141 093)**	(1 884 471)	**(2 145 289)**	(1 888 361)
Distributions paid to non-controlling interests		**(168 460)**	(303 582)	**–**	–
Taxation paid	37	**(9 692)**	(62 923)	**(1 557)**	(49 799)
Net cash generated in operating activities – discontinued operations		**180 979**	14 523	**–**	–
NET CASH GENERATED/(UTILISED) IN OPERATING ACTIVITIES		**185 991**	(306 179)	**(23 593)**	517 628
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition and development of investment properties		**(4 474 744)**	(2 230 890)	**(2 797 487)**	(887 883)
Acquisition of listed securities		**(2 749 391)**	(4 097 903)	**(896 634)**	(1 501 602)
Acquisition of property, plant and equipment		**(16 208)**	(15 647)	**(12 869)**	(14 244)
Acquisition of additional interests in subsidiaries		**(1 444 866)**	(779 816)	**(2 183 560)**	(1 836 970)
Acquisition of subsidiaries in terms of a business combination	38	**(88 491)**	(159 343)	**(103 100)**	–
Net loans advanced to subsidiaries		**–**	–	**(4 371 137)**	(2 890 309)
Proceeds on disposal of investment properties		**206 879**	314 376	**165 316**	274 464
Proceeds on disposal of listed securities		**4 089 471**	3 125 141	**3 152 631**	2 931 153
Loans advanced		**(700 464)**	(838 700)	**(319 484)**	(724 304)
Dividends from associates and joint ventures	8	**155 169**	142 849	**–**	–
Investment in associates		**(1 391 808)**	–	**2 516 820**	–
Cash balances disposed of on sale of subsidiary		**(327)**	–	**–**	–
Acquisition of electricity recovery business	38	**(5 091)**	(270 325)	**(5 091)**	(270 325)
Net cash utilised in investing activities – discontinued operations		**548 553**	(399 365)	**–**	–
NET CASH UTILISED IN INVESTING ACTIVITIES		**(5 871 318)**	(5 209 623)	**(4 854 595)**	(4 920 020)
CASH FLOWS FROM FINANCING ACTIVITIES					
Shares/linked units issued		**3 186 068**	757 386	**3 186 068**	757 386
Increase in interest-bearing borrowings		**2 373 566**	4 742 644	**1 716 848**	3 627 912
Net cash generated from financing activities – discontinued operations		**(856)**	4 551	**–**	–
NET CASH GENERATED FROM FINANCING ACTIVITIES		**5 558 778**	5 504 581	**4 902 916**	4 385 298
Net (decrease)/increase in cash and cash equivalents		**(126 549)**	(11 221)	**24 728**	(17 094)
Cash and cash equivalents at beginning of year		**358 908**	351 333	**18 769**	35 863
Effect of foreign exchange fluctuations on acquisition		**118 247**	18 796	**–**	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	**350 606**	358 908	**43 497**	18 769

1. ACCOUNTING POLICIES

Redefine Properties Limited was incorporated on 26 August 1999 under the laws of the Republic of South Africa. The consolidated financial statements for the year ended 31 August 2014 comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint arrangements. The preparation of the financial statements were supervised by LC Kok CA(SA), the group's financial director and AJ Konig CA(SA), the group's chief executive officer.

The financial statements and group financial statements have been prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the requirements of the South African Companies Act, No 71 of 2008 (as amended) and the Companies Regulations 2011, and incorporate the principal accounting policies set out below.

Except for the new standards adopted as set out below and the change in accounting policy for property portfolio revenue (notes 1.15.1 and 48), all accounting policies applied by the group in the preparation of these consolidated annual financial statements are consistent with those applied by the group in its consolidated annual financial statements as at and for the year ended 31 August 2013. The group has adopted the following new standards:

- Amendment to IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*
- Amendments to IAS 16 *Property, Plant and Equipment*
- Revised IAS 27 and 28 *Investments in Associates and Joint Ventures*
- Amendments to IAS 32 *Financial Instrument Presentation*

There was no material impact on the financial statements identified based on management's assessment of these standards. The prior period's statements of profit or loss and other comprehensive income and segmental analysis have been represented to reflect the treatment of revenue in terms of IAS 18 *Revenue*.

The financial statements are prepared on the historical cost basis except for investment properties, listed securities, non-current assets held-for-sale and certain financial instruments which are carried at fair value.

Fair value adjustments do not affect the calculation of distributable earnings; however, they do affect the net asset value per share to the extent that the adjustments are made to the carrying value of the assets and liabilities.

The consolidated financial statements are presented in South African rand, which is the company's functional currency. All financial information presented in rand has been presented to the nearest thousand.

1.1 BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are entities over which the company has control. The group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those through its power over the entity.

In the separate financial statements of the company, investments in subsidiaries are accounted for at cost and adjusted for impairment if applicable.

The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the group and all entities controlled by the group. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit or loss from the date of acquisition or up to the date of disposal. Intercompany transactions, balances and unrealised profits or losses between group companies are eliminated on consolidation.

Business combinations which occurred before 1 September 2009 were accounted for using the purchase method of accounting. The assets and liabilities acquired were assessed and included in the statement of financial position at their estimated fair values to the group at acquisition date.

All business combinations which occurred on or after 1 September 2009 were accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The group measures goodwill at the acquisition date as follows:

- the fair value of the consideration transferred plus
- the recognised amount of the non-controlling interests in the acquiree plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed

for the year ended 31 August 2014

1. **ACCOUNTING POLICIES** continued

1.1 **BASIS OF CONSOLIDATION** continued

(a) **Subsidiaries** continued

Where the excess is negative this is immediately recognised in profit or loss as a gain on a bargain purchase.

A 'business' is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants.

A 'business combination' is defined as a transaction or other event in which an acquirer obtains control of one or more businesses.

If a business combination results in the termination of pre-existing relationships between the group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Costs associated with the issue of debt or equity securities are recorded directly in the statement of changes in equity.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transactions with non-controlling interest holders

Transactions with non-controlling interest holders are treated as transactions with equity holders of the group. Disposals to non-controlling interest holders that do not result in the loss of control, result in gains and losses for the group that are recorded directly in the statement of changes in equity. The difference between any consideration paid and the relevant share of the net asset value acquired from non-controlling interests is recorded directly in the statement of changes in equity.

(b) **Associates and joint ventures**

Associates are companies over which the group has significant influence but not control.

Joint ventures are those entities over which the group exercises joint control in terms of a contractual agreement and whose activities require unanimous consent for strategic, financial and operating decisions.

In the separate financial statements of the company, investments in associates and joint ventures are accounted for at cost and adjusted for impairment if applicable.

In the consolidated financial statements, associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The group's share of post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Where the group acquires an additional shareholding or where it obtains significant influence such that an investment which was previously accounted for as an investment under IAS 39 is now deemed to be an associate undertaking, the group's previously held interest is remeasured to fair value through profit or loss for the period. The cost of the associate is determined as the fair value of the original investment plus the fair value of any additional consideration given to achieve significant influence.

Goodwill arising on acquisition is included in the carrying amount of the investment and is treated in accordance with the group's accounting policy for goodwill.

Dividends from associates and joint ventures are deducted from the carrying value of the investment. Where the group's share of losses of associates and joint ventures exceeds the carrying amount of the group's net investment in the associate and joint venture the investment is carried at nil.

Additional losses are only recognised to the extent that the group has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the group's interest in these enterprises. Unrealised losses are eliminated in the same way except that they are only eliminated to the extent that there is no evidence of impairment.

(c) **Jointly controlled operations**

In respect of its interest in jointly controlled operations, the group recognises in its financial statements:

- its share of the jointly controlled assets, classified according to the nature of the assets
- any liabilities that it has incurred
- its share of any liabilities incurred jointly with the other ventures in relation to the jointly controlled asset

1. ACCOUNTING POLICIES continued

1.1 BASIS OF CONSOLIDATION continued

(c) Jointly controlled operations continued

- any income from the sale or use of its share of the output of the jointly controlled asset, together with its share of any expenses incurred by the jointly controlled asset
- any expenses that it has incurred in respect of its interest in the jointly controlled asset

1.2 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the statement of financial position when the group becomes party to the contractual provisions of the instrument. Any gains or losses on these instruments do not affect distributable earnings.

The group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability. Regular way purchases and sales of financial assets are accounted for at trade date, ie the date that the group commits itself to purchase or sell the asset.

The group derecognises a financial liability when the group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are initially measured at fair value including transaction costs (other than financial instruments classified as fair value through profit or loss where the transaction costs incurred are immediately expensed in profit or loss). Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

- Listed securities are measured at fair value through profit or loss, less the accrual for distributions receivable which is included in current assets.
- Listed security income receivables are measured at amortised cost using the effective interest rate method less accumulated impairments.
- Loans receivable are measured at amortised cost using the effective interest rate method less any accumulated impairments.
- Other financial assets are measured at fair value through profit or loss.
- Trade and other receivables are stated at amortised cost using the effective interest rate method less any accumulated impairments.
- Cash and cash equivalents are measured at amortised cost using the effective interest rate method.
- Guarantee fees receivable are measured at amortised cost using the effective interest rate method less any accumulated impairments.

Financial liabilities

- Debenture capital was considered as a financial liability and was recognised at amortised cost using the effective interest rate method (see linked units below).
- Interest-bearing borrowings are recognised at amortised cost using the effective interest rate method.
- Interest rate swaps are held-for-trading financial instruments measured at fair value through profit or loss.
- Financial guarantee contracts are measured at the higher of fair value or the amount initially recognised less accumulated amounts recorded as income to date.
- Trade and other payables are stated at amortised cost using the effective interest rate method.
- Linked unitholders for distribution were measured at amortised cost using the effective interest rate method.

For all financial instruments carried at amortised cost using the effective interest rate method, where the effects of discounting are not considered to be material, these instruments are not discounted as their carrying values approximate their amortised cost values.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The group assesses all receivables held at amortised cost for impairment at each financial year-end. An impairment loss is calculated as the difference between the asset's carrying value and the present value of the estimated future cash inflows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

for the year ended 31 August 2014

1. ACCOUNTING POLICIES continued

1.2 FINANCIAL INSTRUMENTS continued

Linked units

Prior to the conversion to an all-equity structure, each and every ordinary share issued was irrevocably linked to a debenture. The debentures were redeemable at the option of the holder and accrued interest half-yearly. As a result of this contractual obligation to deliver cash, the group classified the debentures issued as a liability, and the interest that accrued as an interest expense through profit or loss. The debentures issued were initially recognised at fair value. As mentioned above, debenture capital was subsequently carried at amortised cost using the effective interest rate method.

1.3 INVESTMENT PROPERTIES

Investment properties, both freehold and leasehold, are properties held for the purpose of earning rental income and for capital appreciation. Investment properties are initially recorded at cost and include transaction costs arising on acquisition. Subsequent expenditure to add to or to replace a part of the property is capitalised at cost. The carrying amount of any replaced part is written off to profit or loss when replaced.

Leasehold properties that are leased out to tenants under operating leases are classified as investment properties as appropriate, and included in the statement of financial position at fair value. Land interests held under an operating lease are classified and accounted for as investment property on a property-by-property basis when they are held to earn rentals or for capital appreciation on both the land and the property. Any such property interest under an operating lease classified as investment property is carried at fair value.

Tenant installations and lease commissions are carried at cost less accumulated amortisation. Amortisation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

Investment properties are valued annually and adjusted to fair value at the reporting date.

The portfolio is valued annually. For the purposes of the independent valuation at 31 August 2014, all properties above R20 million were valued. Independent valuations were also obtained for a portion of the properties under R20 million.

Properties under R20 million are valued externally on a three-year rotational basis.

Any gain or loss arising from a change in the fair value of the investment property is included in profit or loss for the period to which it relates. Changes in fair value are excluded from the calculation of distributable earnings.

Gains and losses on the disposal of investment properties are recognised in profit or loss and are calculated as the difference between the sale price and the carrying value of the property.

1.4 PROPERTIES UNDER DEVELOPMENT

Properties under development comprise the cost of the land and development and are stated at fair value. If the fair value cannot be reasonably determined it is stated at cost and is not depreciated. Investment property that requires development is transferred from investment properties to properties under development when development commences. On completion of the development these properties become part of investment property.

1.5 GOODWILL

Goodwill arises on the acquisition of a business and represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Negative goodwill is recognised immediately in profit or loss.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.6 INTANGIBLE ASSETS

Intangible assets with an indefinite useful life are stated at cost less accumulated impairment losses. These intangible assets are tested for impairment annually by comparing the recoverable amount with its carrying amount. Useful life is reviewed at each year-end to determine whether events and circumstances continue to support an indefinite useful life assessment. If they do not, the change in useful life assessment from indefinite to finite is accounted for as a change in estimate.

Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the assets. Assets are amortised to their residual values. The amortisation methods, residual values, as well as useful lives, are reviewed at each period end and adjusted if necessary.

The estimated useful lives of the right to manage property assets are 15 years.

1.7 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are shown at fair value based on periodic valuations less subsequent depreciation. Any gain or loss arising from a change in fair value is accounted for directly in other comprehensive income.

All other plant and equipment are recorded at cost less depreciation and impairment.

1. ACCOUNTING POLICIES continued

1.7 PROPERTY, PLANT AND EQUIPMENT continued

Property, plant and equipment are depreciated on a straight-line basis over the current useful lives of the assets. The estimated useful lives of the assets are:

Computer hardware	5 – 6 years
Computer software	3 years
Furniture, fittings and office equipment	3 years
Motor vehicles	5 years

Land is not depreciated as it is deemed to have an indefinite life.

The useful lives, depreciation methods and residual values are assessed at each financial period end and adjusted accordingly.

Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the group and its cost can be reliably measured. All other expenditure is recognised as an expense in the period in which it is incurred.

Gains and losses on the disposal of property, plant and equipment are recognised in profit or loss and are calculated as the difference between the sales price and the carrying value of the item of property, plant and equipment sold.

1.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying value of assets is reviewed for impairment at each reporting date. Assets are impaired when events or changes in circumstances indicate that the carrying values may not be recoverable.

If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Recoverable amount is determined as the higher of fair value less costs to sell or value-in-use. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing the value-in-use, the estimated cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, goodwill is allocated to the cash-generating unit expected to benefit from the synergies of the business combination.

Impairment losses and the reversal of impairment losses are recognised in profit or loss other than those relating to revalued assets, in which case the impairment or reversal of impairment is accounted for as a revaluation decrease or increase respectively. In the case of a cash-generating unit, an impairment is first allocated to goodwill and then to the other assets in the cash-generating unit on a *pro rata* basis. Impairments to goodwill are not subsequently reversed. An impairment loss is only reversed if there is an indication that the impairment loss no longer exists and the recoverable amount increases as a result of a change in estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years.

1.9 PROPERTIES HELD-FOR-TRADING

Properties held-for-trading comprise properties acquired, as well as properties developed with the intention of disposing for a profit, and are recorded at the lower of cost and net realisable value.

Costs include all costs of purchase, transaction costs, costs of conversion and other costs incurred in bringing the properties to their present condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of selling.

1.10 NON-CURRENT ASSETS HELD-FOR-SALE AND DISPOSAL GROUPS

A non-current asset or a disposal group comprising assets and liabilities is classified as held-for-sale if it is expected that its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and the sale is highly probable to occur within one year. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset or disposal group.

Where the group is committed to a sale plan involving the loss of control of a subsidiary it classifies all the assets and liabilities of that subsidiary as held-for-sale when the criteria set out above and detailed in IFRS 5 *Non-current Assets Held-for-Sale and Discontinued Operations* are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

On initial classification as held-for-sale, generally, non-current assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset). The same applies to gains and losses on subsequent remeasurement. However, certain items, such as financial assets within the scope of IAS 39 and investment property within the scope of IAS 40, continue to be measured in accordance with those standards.

for the year ended 31 August 2014

1. ACCOUNTING POLICIES continued

1.10 NON-CURRENT ASSETS HELD-FOR-SALE AND DISPOSAL GROUPS continued

Impairment losses subsequent to classification of assets as held-for-sale are recognised in profit or loss. Increases in fair value less costs to sell assets that have been classified as held-for-sale are recognised in profit or loss to the extent that the increase is not in excess of any cumulative impairment loss previously recognised in respect of the asset. Assets classified as held-for-sale are not depreciated.

Gains and losses on remeasurement and impairment losses subsequent to classification as disposal groups and non-current assets held-for-sale are shown within continuing operations in profit or loss, unless they qualify as discontinued operations.

Disposal groups and non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

1.11 STATED CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction from equity.

1.12 TREASURY SHARES

Where a subsidiary company holds shares in the holding company, the consideration paid to acquire these shares is deducted from stated capital as treasury shares but disclosed separately in the statement of changes in equity. When these shares are sold or reissued, any consideration received is included in stated capital.

1.13 DIVIDENDS

Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity on the date of declaration.

1.14 PROVISIONS

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The rate applied is a market-related rate adjusted for the risks associated with the obligation. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in profit or loss within interest costs. Provisions are not recognised for future operating losses; however, provisions are recognised for onerous contracts where a contract is expected to be loss-making (and not merely less profitable than expected).

1.15 REVENUE RECOGNITION

1.15.1 Property portfolio revenue

Property portfolio revenue comprises gross rental income and operating cost recoveries from the letting of investment properties. Rental income is recognised in profit and loss on a straight-line basis over the term of the lease.

Recoveries of costs from lessees, where the entity merely acts as an agent and makes payment of these costs on behalf of lessees, are offset against the relevant costs.

Contingent rents (turnover rentals) are included in revenue when the amounts can be reliably measured. Premiums to terminate leases are recognised in profit or loss as they arise.

1.15.2 Listed security income

Distributions from non-REIT-listed securities are recognised on a time apportionment basis over the effective holding period. Dividends from REIT-listed securities are recognised in profit and loss when declared by the respective REIT.

1.15.3 Trading income

Trading income represents income from development units sold and is recognised once:

- the risks and rewards of ownership have transferred
- the group no longer has managerial involvement
- the amount of revenue and costs can be measured reliably
- it is probable that the economic benefits from the sale will flow

1.15.4 Interest received

Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest rate method. Where the group previously issued linked units at a market price that included accrued interest, the accrued interest portion of the price was included in interest received as an antecedent divestiture of distribution. As confirmed by the guidance letter: Application of IFRS for antecedent interest on linked units, issued by the JSE on 9 October 2014, antecedent interest was no longer recognised as interest received but capitalised to the issue cost of previously issued linked units.

1.15.5 Fee income

Fee income is recognised on an accrual basis in accordance with the substance of the relevant agreements and measured at fair value of the consideration receivable.

1. ACCOUNTING POLICIES continued

1.16 EMPLOYEE BENEFITS

1.16.1 Short-term benefits

The cost of short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

1.16.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.16.3 Share appreciation scheme

The group operates a cash-settled share appreciation scheme which is recognised at fair value in the statement of financial position over the vesting period up to and including settlement date with a corresponding charge to profit or loss. The liability is remeasured at each reporting date, using the Black Scholes model to reflect the revised fair value adjusted for changes in assumptions. Changes in the fair value are recognised in profit or loss.

1.16.4 Share-based payments

Restricted share scheme

In terms of the restricted share scheme, a conditional right to shares is awarded to employees subject to performance and vesting conditions. The scheme is accounted for as an equity-settled, share-based payment. The fair value of services received in return for the restricted shares has been determined as follows: the number of shares expected to vest multiplied by the share price at the date of award less discounted future anticipated distributions.

Matching share scheme

In terms of the matching share scheme, participants are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine shares. Participants holding shares at the third anniversary of the date of award will be awarded Redefine shares free of consideration based on a multiple of the original shares linked to the group and individual's performance. The scheme is accounted for as an equity-settled, share-based payment. The fair value of services received in return for the matching shares has been determined as follows: the number of shares expected to vest multiplied by the share price at the date of award less discounted future anticipated distributions.

The costs of the schemes are recognised over the vesting period and the cost is adjusted for changes in management's estimate of the number of shares expected to vest. The cost is recognised in profit or loss and a corresponding adjustment in equity.

1.17 BORROWING COSTS

Borrowing costs that are directly attributable to the development or acquisition of qualifying assets are capitalised to the cost of that asset until such time as it is substantially ready for its intended use.

The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes; or with regard to that part of the development cost financed out of general funds, to the average rate.

All other borrowing costs are expensed in the period in which they are incurred.

1.18 FOREIGN CURRENCY

1.18.1 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling on the dates that the values are determined.

1.18.2 Foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve (FCTR). They are released into profit or loss upon disposal. On consolidation, the statement of financial position of foreign subsidiaries is translated at the closing rate and the statement of comprehensive income is translated at the average rate for the period. Differences arising are taken to the FCTR.

The movement in the FCTR during the reporting period is accounted for in other comprehensive income.

1.19 TAXATION

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed and any tax payable in respect of previous years. It is calculated using rates that have been enacted or substantially enacted by the reporting date.

for the year ended 31 August 2014

1. ACCOUNTING POLICIES continued

1.19 TAXATION continued

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises:

- from the initial recognition of goodwill in a business combination; or
- from the initial recognition of other assets and liabilities in a transaction which is not a business combination and affects neither accounting profit nor taxable income; or
- from differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Deferred tax adjustments are recognised in profit or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income tax levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

1.20 OPERATING SEGMENTS

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the group's executive committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

1.21 LEASES

1.21.1 Group as a lessee

Where the group leases property and has substantially all the risks and rewards of ownership, the leases are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The properties acquired under finance leases are recognised at fair value in terms of IAS 40 and are not depreciated.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

1.21.2 Group as a lessor

Properties leased to third parties under operating leases are included in investment property in the statement of financial position. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. This does not affect distributable earnings.

1.22 EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS PER SHARE

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to shareholders. Headline earnings per share are calculated in terms of the requirements set out in Circular 2/2013 issued by SAICA.

1.23 KEY ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they were revised and in any future periods affected. Information on key estimates and assumptions which have the most significant effect on the financial statements are set out in the following notes in the financial statements:

- **Fair value of financial instruments** – All financial instruments, regardless of their IAS 39 categorisation, are initially recorded at fair value (adjusted for transaction costs for all those financial instruments other than those classified as at fair value through profit or loss). The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration paid or received. Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for the assets. When quoted prices are not available, fair values are determined by using valuation techniques that refer as far as possible to observable market data. These include comparison with similar instruments where market observable prices exist. The carrying values of all financial instruments approximate their fair values. In the case of short-term and trade receivables, the impact of discounting is not material and the carrying amount therefore approximates fair value. The judgement as to whether a market is active may

1. ACCOUNTING POLICIES continued

1.23 KEY ESTIMATES AND ASSUMPTIONS continued

include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process. The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs. In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's-length transaction is likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable inputs may be attributable to observable inputs. For more information refer to notes 2 and 42.4.

- **Goodwill** – Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the group to estimate the future cash flows expected to arise from the cash-generating unit at a suitable discount rate in order to calculate the present value – refer to note 6 for further information.
- **Investment properties** – The portfolio is valued annually. For the purposes of the independent valuation at 31 August 2014, all properties above R20 million were valued. Independent valuations were also obtained for a portion of the properties under R20 million. Properties under R20 million are valued externally on a three-year rotational basis. By obtaining external valuations from accredited valuators for the majority of the portfolio, management is of the opinion that the risk relating to estimation uncertainty has been mitigated. Refer to notes 1.3 and 2 for further information.
- **Property, plant and equipment** – The determination of the useful life and residual values of property, plant and equipment is subject to management estimation. The group regularly reviews all of its depreciation rates and residual values to take account of any changes in circumstances, and any changes that could affect prospective depreciation charges and asset carrying values. Refer to note 12 for more information.
- **Trade and other receivables** – Allowance for doubtful debts – The group assesses its doubtful debt allowance at each reporting date. Key assumptions applied are the estimated recovery rates and future market conditions that could affect recovery. For more detail on the allowance please see note 42.1, credit risk.
- **Deferred taxation** – Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate. Refer to note 26 for more detail on deferred taxation.
- **Taxation** – Note 33 – The group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made.
- **Business combinations** – On the acquisition of a company or a business, a determination of the fair value and useful life of intangible assets acquired is performed, which requires the application of management judgement. Future events could cause the assumptions used by the group to change which would have a significant impact on the results and net position of the group. Refer to note 7 for more detail on intangible assets.
- **Business combination versus asset acquisition** – The directors have assessed the properties acquired and have concluded that in their view these acquisitions are property acquisitions in terms of IAS 40 and are therefore accounted for in terms of that standard. In the opinion of the directors these properties did not constitute a business as defined in terms of IFRS 3, as there were no adequate processes identified within these properties to warrant classification as businesses.

1.24 STANDARDS AND INTERPRETATIONS APPLICABLE, NOT YET EFFECTIVE

There are new or revised accounting standards and Interpretations in issue that are not yet effective. These include the following standards and interpretations that are material to the business of the group and may have an impact on future financial statements, or those for which the impact has not as yet been assessed:

IAS 32 Financial Instruments – Presentation (amendments)

IAS 32 (amended) will be adopted by the group for the first time for its financial reporting period ending 31 August 2015. The amendment will be applied retrospectively.

for the year ended 31 August 2014

1. ACCOUNTING POLICIES continued

1.24 STANDARDS AND INTERPRETATIONS APPLICABLE, NOT YET EFFECTIVE continued

IAS 32 Financial Instruments – Presentation (amendments) continued

The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is not contingent on a future event, and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties. The amendments further clarify that gross settlement is equivalent to net settlement if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and process receivables and payables in a single settlement process or cycle.

The impact on the financial statements for the group has not yet been determined.

IAS 36 Impairment of Assets (amendments)

IAS 36 (amended) will be adopted by the group for the first time for its financial reporting period ending 31 August 2015. The amendment will be applied retrospectively.

The amendment reverses the unintended requirement in IFRS 13 *Fair Value Measurement* to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-life intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The impact on the financial statements for the group has not yet been determined.

IFRS 9 Financial Instruments

IFRS 9 will be adopted by the group for the first time for its financial reporting period ending 31 August 2019. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the following and will replace the relevant sections of IAS 39:

- The classification and measurement of financial assets
- The derecognition of financial assets and liabilities
- The classification and measurement of financial liabilities

Under IFRS 9 there are two options in respect of the classification of financial assets, namely financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

IFRS 9 has retained in general the requirements of IAS 39 for financial liabilities, except for the following two aspects:

- Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability, will be presented in other comprehensive income. The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed
- Derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value

IFRS 9 incorporates the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 *Reassessment of Embedded Derivatives*.

The impact on the financial statements for the group has not yet been determined as the standard is not yet finalised.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 will be adopted by the group for the first time for its financial reporting period ending 31 August 2018. The amendment will be applied retrospectively.

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC 31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted under IFRS. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based, five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The impact on the financial statements for the group has not yet been determined.

for the year ended 31 August 2014

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
2.	**INVESTMENT PROPERTY**				
2.1	**NET CARRYING VALUE**				
	Cost	**28 330 555**	22 546 519	**14 599 749**	10 691 468
	Fair value surplus	**9 379 490**	8 141 391	**8 577 306**	8 024 377
	Balance at end of year	**37 710 045**	30 687 910	**23 177 055**	18 715 845
2.2	**MOVEMENT FOR THE YEAR**				
	Investment properties at beginning of year	**30 687 910**	28 754 581	**18 715 845**	20 304 440
	Arising on business combination (note 38.1)	**1 894 586**	10 587 590	**–**	–
	Additions at cost	**3 254 835**	1 667 058	**2 135 530**	516 170
	Deemed disposal of a subsidiary	**–**	(8 326 838)	**–**	–
	Disposals at fair value	**(256 176)**	(244 382)	**(135 580)**	(214 650)
	Change in fair value	**1 238 099**	895 052	**552 930**	793 581
	Tenant installations and lease commissions	**17 615**	3 955	**15 101**	(1 904)
	– Capitalised	**80 372**	66 653	**73 504**	59 506
	– Amortised	**(62 757)**	(62 698)	**(58 403)**	(61 410)
	Transferred from/(to) property under development (note 4)	**220 029**	(335 400)	**220 029**	(335 400)
	Transfer from non-current assets held-for-sale (note 17)	**2 180 383**	1 299	**2 180 383**	1 299
	Transfer to non-current assets held-for-sale (note 17)	**(1 465 515)**	(2 267 634)	**(476 447)**	(2 267 634)
	Straight-line rental income adjustment (note 3)	**(61 721)**	(47 371)	**(30 736)**	(80 057)
	BALANCE AT END OF YEAR	**37 710 045**	30 687 910	**23 177 055**	18 715 845
2.3	**RECONCILIATION TO INDEPENDENT VALUATIONS**				
	Investment properties at valuation at end of year	**37 710 045**	30 687 910	**23 177 055**	18 715 845
	Straight-line rental income accrual (note 3)	**1 213 985**	1 089 942	**762 016**	731 280
	INDEPENDENT VALUATIONS AT 31 AUGUST	**38 924 030**	31 777 852	**23 939 071**	19 447 125

Full details of freehold and leasehold investment properties owned by the company are contained in a register of investment properties which is open for inspection by the shareholders at the registered office of the company or is available on the website.

In terms of the accounting policy, the portfolio is valued annually. For the purposes of the independent valuation at 31 August 2014, all properties above R20 million were valued. Independent valuations were also obtained for a portion of the properties under R20 million. Properties under R20 million are valued externally on a three-year rotational basis.

for the year ended 31 August 2014

2. INVESTMENT PROPERTY continued

2.3 RECONCILIATION TO INDEPENDENT VALUATIONS continued

South African valuations were obtained from the following valuers who are all registered valuers in terms of section 19 of the Property Valuers Professional Act, No 47 of 2000:

- Asset Valuation Services
- CBRE – Broll
- JHI Excellerate
- JLL
- African Corporate Real Estate Solutions (Acres)
- Mills Fitchet Gauteng
- Mills Fitchet KZN
- Mills Fitchet Magnus Penny
- Eris Property Group
- Old Mutual Properties
- Glenross
- Alternative Real Estate

The remainder of the portfolio was valued by the directors. The majority of valuations were performed using the discounted cash flow (DCF) methodology and the remaining properties were valued using the capitalisation method. Both methods used are based on an open market basis with consideration given to the future earnings potential and applying an appropriate capitalisation rate and discount rate to a property.

First mortgage bonds have been registered over South African investment property (which includes investment property reclassified as held-for-sale), with a fair value of R30,6 billion (2013: R24,4 billion) as security for secured interest-bearing liabilities of R13,5 billion (2013: R14 billion).

The independent valuers applied current market-related assumptions to the risks in rental streams of properties. Discount rates in the respective sectors ranged as follows:

	2014	2013
At the reporting date, the key assumptions used by the group in determining fair value were in the following ranges for the group's portfolio of properties:		
RETAIL SECTOR		
Discount rate	**10,0% – 18,5%**	10,0% – 18,5%
Exit capitalisation rate	**7,5% – 13,0%**	8,0% – 15,7%
OFFICE SECTOR		
Discount rate	**10,5% – 18,0%**	10,0% – 18,5%
Exit capitalisation rate	**8,0% – 12,5%**	8,5% – 12,5%
INDUSTRIAL SECTOR		
Discount rate	**10,5% – 16,5%**	10,5% – 18,5%
Exit capitalisation rate	**9,0% – 12,5%**	9,0% – 13,5%

Valuation methodology

All external valuations were completed using the DCF method of valuation. The valuation model generates a net present value for each property by discounting forecasted future cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated by capitalising the net income forecasted for the 12-month period immediately following the final year of the cash flow at the exit/reversionary capitalisation rate.

The discount rate applied by each valuator is determined by adding a growth rate per property, based on forecasted market-related rental increases, to the determined capitalisation rate per property. The discount rate is then tested for reasonableness by benchmarking the rate against recent comparable sales and surveys prepared by IPD/SAPOA. The capitalisation rate is dependent on a number of factors, such as location, the condition of the improvements, current market conditions, the lease covenants and the risk inherent in the property and is also tested for reasonableness by benchmarking against comparable recent comparable sales and surveys prepared by IPD/SAPOA.

2. INVESTMENT PROPERTY continued

2.3 RECONCILIATION TO INDEPENDENT VALUATIONS continued

Commentary on discount rates

The discount rate applied by each valuator is determined by adding a growth rate per property, based on forecasted market-related rental increases, to the determined capitalisation rate per property. The discount rate is then tested for reasonableness by benchmarking the rate against recent comparable sales and surveys prepared by IPD/SAPOA.

Commentary on capitalisation rates

Although investor appetite for prime assets remains strong, average capitalisation rates in the listed property sector have increased over the past financial year as a result of increased costs of funding for both debt and equity. The capitalisation rate is dependent on a number of factors, such as location, the condition of the improvements, current market conditions, the lease covenants and the risk inherent in the property.

Measurement of fair value

Fair value hierarchy

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
All external valuations were completed using the DCF method of valuation. The valuation model generates a net present value for each property by discounting forecasted future cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated by capitalising the net income forecasted for the 12-month period immediately following the final year of the cash flow at the exit/reversionary capitalisation rate. The discount rate applied by each valuator is determined by adding a growth rate per property, based on forecasted market-related rental increases, to the determined capitalisation rate per property. The discount rate is then tested for reasonableness by benchmarking the rate against recent comparable sales and surveys prepared by IPD/SAPOA. The capitalisation rate is dependent on a number of factors, such as location, the condition of the improvements, current market conditions, the lease covenants and the risk inherent in the property and is also tested for reasonableness by benchmarking against comparable recent comparable sales and surveys prepared by IPD/SAPOA.	• Expected market rental growth (4% to 9%) • Expected expense growth estimated (7% to 10%) • Vacant periods (zero to 12 months) • Occupancy rate (average 92,61%) • Rent-free periods (zero to three months) • Discount rates (10% to 18%) • Reversionary capitalisation rate (7,5% to 13%) • Capitalisation rate (7,5% to 13%)	The estimated fair value would increase/(decrease) if: • expected market rental growth was higher/(lower) • expected expense growth was lower/(higher) • vacant periods were shorter/(longer) • the occupancy rate was higher/(lower) • rent-free periods were shorter/(longer) • discount rate was lower/(higher) • reversionary capitalisation rate was lower/(higher) • capitalisation rate was lower/(higher).

The fair value measurement for investment property of R40 906 million (group) and R25 190 million (company) (2013: R32 812 million (group) and R20 297 (company)) has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique used. Refer to note 42.4. for the level 3 reconciliation.

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
3.	**STRAIGHT-LINE RENTAL INCOME ACCRUAL**				
	Balance at beginning of year	**1 089 942**	651 223	**731 280**	651 223
	Arising on business combination	**62 322**	371 075	**–**	–
	Arising during the year (note 2)	**61 721**	67 644	**30 736**	80 057
	Balance at end of year	**1 213 985**	1 089 942	**762 016**	731 280
4.	**PROPERTIES UNDER DEVELOPMENT**				
	At cost				
	At beginning of year	**1 034 642**	329 972	**849 675**	202 068
	Development costs including capitalised borrowing costs	**1 133 702**	497 174	**588 453**	312 207
	Change in fair value	**33 732**	–	**33 732**	–
	Transferred from investment property (note 2)	**39 681**	335 400	**39 681**	335 400
	Completed developments transferred to investment properties (note 2)	**(259 710)**	–	**(259 710)**	–
	Deemed disposal of a subsidiary	**–**	(127 904)	**–**	–
	BALANCE AT END OF YEAR	**1 982 047**	1 034 642	**1 251 831**	849 675
	Borrowing costs of R131,8 million (2013: R48,2 million) were capitalised to properties under development using the average weighted cost of debt.				
5.	**LISTED SECURITIES**				
5.1	**AT FAIR VALUE**				
	Arrowhead Properties Limited – A units	**–**	9 490	**–**	9 490
	Arrowhead Properties Limited – B units	**–**	9 309	**–**	9 309
	Redefine International PLC	**–**	–	**621 845**	–
	Cromwell Property Group	**2 750 900**	2 031 404	**–**	2 031 404
	BALANCE AT END OF YEAR	**2 750 900**	2 050 203	**621 845**	2 050 203
5.2	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**2 050 203**	5 341 485	**2 050 203**	3 810 174
	Additions	**2 739 378**	4 097 903	**886 621**	1 501 602
	Disposals	**(1 826 776)**	(4 461 809)	**(2 093 327)**	(1 211 619)
	Transfer from investment in associates (note 8)	**–**	266 603	**–**	–
	Changes in fair values	**(211 905)**	(1 281 412)	**(221 652)**	(1 279 585)
	Transfer to non-current assets held-for-sale (note 17)	**–**	(1 912 567)	**–**	(770 369)
	BALANCE AT END OF YEAR	**2 750 900**	2 050 203	**621 845**	2 050 203

for the year ended 31 August 2014

		Stock exchange	% held	Number of units held 2014	2013
5.	**LISTED SECURITIES PORTFOLIO** continued				
5.3	**DETAILS OF LISTED SECURITIES**				
	Cromwell Property Group	ASX	15,90	**275 038 850**	212 336 234

During the period, Redefine received South African Reserve Bank approval to hold its interest in Cromwell directly. As a result, the investment in Cromwell, previously held through an asset swap agreement with Investec, was increased by 0,4% to 12,8% and transferred to Redefine Properties Australia Proprietary Limited, a wholly owned subsidiary incorporated in Australia.

Redefine Global Proprietary Limited, a wholly owned subsidiary incorporated in South Africa, acquired a further 3,1% holding in Cromwell shortly before year-end, increasing the group's holding in Cromwell to 15,9%.

Redefine International PLC (RI PLC) is accounted for as a listed security at a company level and an associate at group level.

In the prior year, the group made an offer for the purchase of an additional 250 million Fountainhead units in return for 110 Hyprop units for every 1 000 Fountainhead units acquired. As a result of this offer, the remaining shareholding of 11,4% (27,8 million shares) in Hyprop with a value of R1,9 billion had been transferred to non-current asset held-for-sale at 31 August 2013. In line with the group's stated objective, Redefine disposed of its entire remaining shareholding during the period by swapping Hyprop shares for Fountainhead shares and selling the remaining balance in a single trade for cash.

Consistent with the group's strategy to exit non-core listed security investments, Redefine disposed of its remaining holding in Arrowhead Properties Limited.

The fair value of the investment in Cromwell is based on the closing price on the ASX and rand/Australian dollar exchange rate at 31 August 2014, less an accrual for distributions, included separately on the statement of financial position as listed security income receivable.

Listed securities to the value of R2,8 billion have been encumbered as set out in note 22.

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
6.	**GOODWILL**				
	RECONCILIATION OF GOODWILL				
	Balance at beginning of year	**3 647 251**	2 753 971	**–**	–
	Acquired through business combination	**122 319**	893 280	**–**	–
	BALANCE AT END OF YEAR	**3 769 570**	3 647 251	**–**	–

For the purpose of impairment testing, goodwill acquired has been allocated to the group as a whole, as management believes that the group as a whole will benefit from the synergies of the business combinations undertaken.

Discounted cash flow valuations, used for the purpose of impairment testing, are based on the cash flow forecasts in respect of the continuing use of the cash-generating unit for a period of five years, discounted at the 30-day yield of 8,94% (2013: 7,0%).

The following key assumptions were used in calculating the cash flow forecasts used in the impairment test:

- All profits will be distributed and thus no normal tax is payable
- Growth rate of between 6% and 7,0% which is in line with industry expectations
- A yield of 8,94%

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
7.	**INTANGIBLES**				
7.1	**CARRYING AMOUNT**				
	The right to manage property – Redefine	**628 557**	691 413	**–**	–
	– Cost	**942 835**	942 835	**–**	–
	– Amortisation	**(314 278)**	(251 422)	**–**	–
	The right to manage property – Fountainhead	**655 133**	655 133	**–**	–
	Electricity recovery business	**275 416**	270 325	**275 416**	270 325
	BALANCE AT END OF YEAR	**1 559 106**	1 616 871	**275 416**	270 325
7.2	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**1 616 871**	1 905 363	**270 325**	–
	Electricity recovery business	**5 091**	–	**5 091**	–
	Amortisation	**(62 856)**	(62 856)	**–**	–
	Arising on business combination	**–**	270 325	**–**	270 325
	Amortisation included in discontinued operations	**–**	(42 869)	**–**	–
	Transferred to non-current assets held-for-sale (note 17)	**–**	(617 162)	**–**	–
	Translation differences	**–**	164 070	**–**	–
	BALANCE AT END OF YEAR	**1 559 106**	1 616 871	**275 416**	270 325

The group tests intangibles with an indefinite useful life annually for impairments.

"The right to manage property – Redefine" arose on the business combination of ApexHi, Ambit and Madison on 1 July 2009. The remaining amortisation period is 118 months (2013: 130 months).

"The right to manage property – Fountainhead" arose on the business combination of Fountainhead Manco and Evening Star on 1 August 2012. In terms of the Fountainhead Property Trust debenture trust deed, this results in a perpetual right to manage the Fountainhead property portfolio and as such this has not been amortised.

The following key assumptions were used in calculating the value-in-use of "the right to manage property – Fountainhead":
- Asset management fees will increase by an average annual amount of 4% based on Fountainhead Property Trust enterprise value
- Operating expenses will increase by 6%
- A discount rate of 12% applies
- All profits will be distributed and thus no normal tax is payable
- The value-in-use was calculated over a period of five years

The electricity recovery business was acquired in terms of the business combination on 14 April 2013 (refer to note 38).

The following key assumptions were used in calculating the value-in-use of the electricity recovery business:
- Electricity recovered from tenants will increase by 6%
- Operating expenses will increase by 6%
- All profits will be distributed and thus no normal tax is payable
- A discount rate of 14% applies
- The value-in-use was calculated over a period of five years

In the prior year, the intangible asset of R617 million, relating to the RI PLC management contract was transferred to non-current assets held-for-sale (refer to note 17).

for the year ended 31 August 2014

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
8.	**INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**				
8.1	**CARRYING AMOUNT**				
	ASSOCIATE – REDEFINE INTERNATIONAL PLC (NOTE 8.4)	**3 501 379**	–	**–**	–
	– Gross consideration	**3 174 764**	–	**–**	–
	– Dividend received	**(112 074)**	–	**–**	–
	– Share of equity-accounted results	**438 689**	–	**–**	–
	ASSOCIATE – REDEFINE PROPERTIES INTERNATIONAL LIMITED (NOTE 8.5)	**–**	1 654 067	**–**	1 526 098
	– Gross consideration	**–**	1 485 080	**–**	1 526 098
	– Dividend received	**–**	(142 849)	**–**	–
	– Share of equity-accounted results	**–**	311 836	**–**	–
	JOINT VENTURE – CROMWELL PARTNERS TRUST (NOTE 8.6)	**671 793**	–	**–**	–
	– Gross consideration	**733 864**	–	**–**	–
	– Dividend received	**(43 096)**	–	**–**	–
	– Share of equity-accounted results	**(18 975)**	–	**–**	–
	BALANCE AT END OF YEAR	**4 173 172**	1 654 067	**–**	1 526 098
8.2	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**1 654 067**	1 963 050	**1 526 098**	–
	Deemed disposal of a subsidiary	**–**	(1 696 447)	**–**	–
	Transferred to listed securities (note 5)	**–**	(266 603)	**–**	–
	Acquisitions	**3 908 628**	–	**–**	–
	Equity-accounted results for the year	**414 612**	311 836	**–**	–
	Equity-accounted results for the year per statement of comprehensive income	**439 766**	329 656	**–**	–
	Share of distributable profit	**155 169**	142 849	**–**	–
	Fair value adjustments (net of deferred tax)	**284 597**	186 807	**–**	–
	Other comprehensive income	**(25 154)**	(17 820)	**–**	–
	Disposal	**(1 648 965)**	–	**(1 526 098)**	–
	Deemed acquisition of an associate	**–**	1 485 080	**–**	1 526 098
	Dividend received	**(155 170)**	(142 849)	**–**	–
	BALANCE AT END OF YEAR	**4 173 172**	1 654 067	**–**	1 526 098
8.3	**GROUP'S SHARE OF POST-ACQUISITION RESERVES**				
	FAIR VALUATION RESERVES				
	Share of reserves at beginning of year	**186 807**	(75 396)		
	Share of profit for the year	**346 667**	186 807		
	Deemed disposal of an associate	**(185 180)**	75 396		
	Share of reserves at end of year	**348 294**	186 807		
	ACCUMULATED PROFITS				
	Share of reserves at beginning of year	**125 029**	163 513		
	Share of profit and other comprehensive income for the year	**67 945**	125 029		
	Deemed disposal of an associate	**(121 554)**	(163 513)		
	Share of reserves at end of year	**71 420**	125 029		
	TOTAL POST-ACQUISITION RESERVES	**419 714**	311 836		

for the year ended 31 August 2014

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

8.4 REDEFINE INTERNATIONAL PLC (RI PLC)

Redefine's indirect holding in RI PLC through RIN transferred to a direct holding as a result of the inward listing of RI PLC on the JSE (refer to note 8.5). This resulted in the deemed disposal of RIN and deemed acquisition of RI PLC.

RI PLC is a UK REIT listed on the London Stock Exchange (LSE) and inwardly listed on the JSE Securities Exchange (JSE). Redefine held 389 525 639 (388 498 851 on the JSE and 1 026 788 on the LSE) (30,05%) of the issued share capital at 31 August 2014. The closing share price of RI PLC on 31 August 2014 was R9,28 on the JSE and 51,8 pence (R9,14) on the LSE.

An impairment test was performed using the fair value as quoted on the JSE and LSE (less the distribution receivable). The fair value exceeds the carrying value and no impairment was considered necessary. There are no restrictions on the ability of RI PLC to transfer funds to its shareholders in the form of cash and dividends.

	GROUP	
	2014 R000	2013 R000
SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	1 268 576	–
Operating expenses	(69 329)	–
Admin expenses	(131 246)	–
Fair value adjustments	939 338	
Equity-accounted profit	72 610	–
Interest received	42 052	–
Interest paid	(439 207)	–
Foreign exchange loss	(2 584)	–
Profit before taxation	1 680 210	–
Taxation	(24 315)	–
Profit after taxation	1 655 895	–
Non-controlling interest	(61 700)	–
Distributable earnings attributable to equity holders	1 594 195	–
OTHER COMPREHENSIVE INCOME:		
Foreign currency translation	(75 071)	–
TOTAL EQUITY-ACCOUNTED COMPREHENSIVE INCOME	1 519 124	–
REDEFINE'S 30,05% SHARE IN EQUITY-ACCOUNTED RESULTS	438 689	–
SUMMARISED STATEMENT OF FINANCIAL POSITION		
NON-CURRENT ASSETS	18 905 734	–
Investment property	16 660 470	–
Other financial assets	1 767 064	–
Investment in associates and joint ventures	408 022	–
Other non-current assets	70 178	–
CURRENT ASSETS	1 968 180	–
Trade and other receivables	373 539	–
Cash and cash equivalents	1 594 641	–
TOTAL ASSETS	20 873 914	–
NON-CURRENT LIABILITIES	11 381 663	–
Interest-bearing borrowings	11 276 412	–
Derivatives	92 879	–
Deferred taxation	12 372	–
CURRENT LIABILITIES	501 744	–
Trade and other payables	501 744	–
TOTAL LIABILITIES	11 883 407	–
NET ASSETS	8 990 507	–
RI PLC CARRYING AMOUNT	3 501 379	–
Redefine's 30,05% share in equity	2 701 648	–
Goodwill	799 731	–

for the year ended 31 August 2014

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

8.5 REDEFINE PROPERTIES INTERNATIONAL LIMITED (RIN)

2014

RIN's unitholders approved the distribution of the RI PLC shares held by RIN at a general meeting on 18 October 2013. Following the inward listing on the JSE on 28 October 2013 of RI PLC, RIN unbundled all of the RI PLC shares it held, resulting in the deemed disposal of RIN.

Redefine's equity-accounted profit from RIN until its date of delisting was R1,6 million.

2013

The successful capital raising by RI PLC through a firm placing and open offer, in October 2012, realised gross proceeds of £127,5 million and resulted in RIN's holding in RI PLC decreasing from 71,7% to 65,7%. In order for RIN to follow its rights in the RI PLC offer above, RIN undertook a R1 billion capital raise which was oversubscribed. To broaden the RIN unitholder base, Redefine made available a portion of its new RIN units for placement with third parties. This resulted in Redefine's beneficial interest in RIN decreasing by 4,6% to 49,3%, resulting in RIN being equity accounted for the period. Redefine's effective interest in RI PLC similarly declined from 38,7% to 32,4%.

8.6 CROMWELL PARTNERS TRUST (CPT)

The trust was formed to acquire and hold units in Northpoint Trust, which itself was constituted to acquire the Northpoint Tower (Northpoint) in the North Sydney CBD. The Northpoint property, located at 100 Miller Street, North Sydney, New South Wales, was acquired by NPT on 19 December 2013. The Cromwell Property Group and Redefine Global Proprietary Limited each own 50% of the issued units of the trust.

Redefine invested AU$80 million in CPT, equating to an investment in CPT of R734 million.

CPT has a 30 June financial year-end and as such all results to 30 June 2014 and for the two months July and August 2014 have been equity accounted.

An impairment test was performed using the net asset value (NAV) of CPT. Redefine's 50% share of the NAV exceeds the carrying value and no impairment was considered necessary. There are no restrictions on the ability of CPT to transfer funds to its shareholders in the form of cash and dividends.

for the year ended 31 August 2014

		GROUP 2014 R000	GROUP 2013 R000
8.	**INVESTMENTS IN ASSOCIATES AND JOINT VENTURES** continued		
8.6	**CROMWELL PARTNERS TRUST (CPT)** continued		
	SUMMARISED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
	Revenue	187 660	–
	Operating expenses	(27 910)	–
	Admin expenses	(423)	–
	Fair value adjustments	(159 383)	
	Interest received	1 930	–
	Interest paid	(39 824)	–
	Profit before taxation	(37 950)	–
	Taxation	–	–
	Profit after taxation	(37 950)	–
	TOTAL EQUITY-ACCOUNTED COMPREHENSIVE INCOME	(37 950)	–
	REDEFINE'S 50% SHARE IN EQUITY-ACCOUNTED RESULTS	(18 975)	–
	SUMMARISED STATEMENT OF FINANCIAL POSITION		
	NON-CURRENT ASSETS	2 771 195	–
	Investment property	2 771 195	–
	CURRENT ASSETS	104 053	–
	Trade and other receivables	846	–
	Cash and cash equivalents	100 001	
	Other current assets	3 206	–
	TOTAL ASSETS	2 875 248	–
	NON-CURRENT LIABILITIES	1 379 204	–
	Interest-bearing borrowings	1 379 204	–
	CURRENT LIABILITIES	77 087	–
	Trade and other payables	50 421	–
	Other current liabilities	26 666	–
	TOTAL LIABILITIES	1 456 291	–
	NET ASSETS	1 418 957	–
	CPT carrying amount	671 793	–
	Redefine's 50% share in equity	709 479	–
	Goodwill	(37 686)	–

for the year ended 31 August 2014

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
9. LOANS RECEIVABLE				
MILESTONE PROPERTY GROUP	**10 000**	–	**10 000**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the rate of 9,5% per annum.				
The loan is repayable in full 48 months after loan advance, being June 2018, with the first 12 months being interest only and thereafter interest and capital over the remaining 36 months.				
CORNERSTONE INVESTMENTS	**4 950**	–	**4 950**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the rate of 0% per annum.				
The loan is repayable in full 42 months after loan advance, being June 2017, by means of an instalment of equal consideration.				
RJP MAPONYA PROPERTY INVESTMENT TRUST	**460 000**	–	**460 000**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the rate of 9,5% per annum.				
Interest is to be settled monthly.				
Repayment of the loan is 27 March 2019.				
RJP MAPONYA PROPERTY INVESTMENT TRUST	**17 473**	–	**17 473**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the rate of 5% per annum, compounded monthly.				
Repayment of the loan and interest is 27 March 2019.				
RJP MAPONYA PROPERTY INVESTMENT TRUST	**2 630**	–	**2 630**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the rate of 13% per annum, compounded monthly.				
The loan is provided as a bridging facility to cater for any advance that exceeds the initial authorised facilities.				
Repayment of the loan is 27 March 2019.				
SWISH PROPERTY SIXTEEN PROPRIETARY LIMITED	**–**	13 504	**–**	13 504
The loan bore interest at 1,5% below prime per annum up to 24 May 2013 and thereafter at 3% above prime.				
The loan was repaid on 27 May 2014.				
Secured by a second mortgage bond over investment property.				
ARROWCREEK INVESTMENTS 227 PROPRIETARY LIMITED	**–**	100 000	**–**	100 000
The loan bore interest at prime rate plus 1,25% per annum.				
The loan was repaid on 12 August 2014.				
Secured by a second mortgage bond over investment properties and by a first mortgage bond over the Double Tree by Hilton Hotel.				
MA AFRIKA TIKKUN ENDOWMENT TRUST	**549 455**	536 044	**549 455**	536 044
The loan bears interest at 1% above prime per annum.				
The loan is repayable on 22 February 2018.				
Secured by 47 520 131 Redefine shares.				

for the year ended 31 August 2014

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
9. LOANS RECEIVABLE continued				
BONDI BEACHSIDE, BONDI BEACHSIDE HOLDINGS AND BONDI BEACHSIDE REBEL PROPRIETARY LIMITED	**504 913**	111 678	**–**	–
The interest returned on the loan is calculated based on achieving an IRR of 16% per annum at the end of the project with a share of the total profits capped at a total return of 26% per annum.				
Repayment of the loan is anticipated on completion of the project, anticipated for September 2015 but not later than the termination date.				
Secured by a second ranking security over the underlying assets including a fixed and floating charge over the borrowers.				
REDEFINE SHARE PURCHASE SCHEME	**179 841**	190 020	**179 841**	190 020
The loan bears interest at the three-month JIBAR + 2% per annum.				
The loan is repayable on the earlier of termination of employment or 14 May 2023.				
Secured by 16,7 million Redefine shares.				
FREEDOM SQUARE PROPRIETARY LIMITED	**–**	–	**–**	65 296
The loan was unsecured and bore interest at the Namibian prime rate (then 9,75%) per annum.				
The loan was repaid on the sale of Freedom Square on 19 December 2013.				
Total loans receivable	**1 729 262**	951 246	**1 224 349**	904 864
Current portion	**2 050**	113 504	**2 050**	113 504
Non-current portion	**1 727 212**	837 742	**1 222 299**	791 360

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
10. OTHER FINANCIAL ASSETS				
Consist of:				
Derivative financial assets (interest rate swaps)	**23 510**	78 236	**–**	–
	23 510	78 236	**–**	–

Interest rate swap agreements	Nominal value R000	Maturity	Rate	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
	500 000 000	22 May 2018	5,87%	**18 636**	32 548	**–**	–
	350 000 000	22 May 2018	6,47%	**6 693**	15 847	**–**	–
	500 000 000	22 May 2020	7,06%	**9 841**	29 841	**–**	–
	300 000 000	19 September 2016	6,58%	**(112)**	–	**–**	–
	300 000 000	17 October 2016	6,27%	**2 132**	–	**–**	–
	300 000 000	9 April 2019	7,79%	**(13 680)**	–	**–**	–

The interest rate swap agreements above have not been included in note 23 as they relate to Fountainhead and there is no right of set-off against Redefine interest rate swap agreements.

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
11.	**GUARANTEE FEE RECEIVABLE**				
	Receivable from BEE participants	**50 000**	50 000	**50 000**	50 000
	NON-CURRENT ASSET PORTION	**50 000**	50 000	**50 000**	50 000
	Present value of financial guarantee contract liability (note 24)	**(27 507)**	(37 507)	**(27 507)**	(37 507)
		22 493	12 493	**22 493**	12 493
	The guarantee fees are payable by BEE participants on 31 May 2017 as a result of the group's undertaking to guarantee repayment of their loans to banks for the funding of Redefine and Dipula B-linked units acquired by BEE participants.				
12.	**PROPERTY, PLANT AND EQUIPMENT**				
	Computer equipment	**44 926**	47 027	**42 997**	45 716
	– Cost	**91 427**	77 723	**87 366**	75 254
	– Accumulated depreciation	**(46 501)**	(30 696)	**(44 369)**	(29 538)
	Furniture and fittings	**942**	435	**572**	425
	– Cost	**6 266**	5 587	**5 461**	5 196
	– Accumulated depreciation	**(5 324)**	(5 152)	**(4 889)**	(4 771)
	Motor vehicles	**–**	49	**–**	48
	– Cost	**648**	648	**521**	520
	– Accumulated depreciation	**(648)**	(599)	**(521)**	(472)
	Buildings	**1 554**	1 554	**1 554**	1 554
	Office equipment	**369**	128	**369**	128
	– Cost	**414**	130	**414**	130
	– Accumulated depreciation	**(45)**	(2)	**(45)**	(2)
	BALANCE AT END OF YEAR	**47 791**	49 193	**45 492**	47 871
12.1	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**49 193**	94 081	**47 871**	48 145
	Subsidiaries acquired	**19**	–	**–**	–
	– Computer equipment	**19**	–	**–**	–
	Transfer to non-current assets held-for-sale (note 17)	**–**	(67 401)	**–**	–
	– Computer equipment	**–**	(348)	**–**	–
	– Furniture and fittings	**–**	(67 053)	**–**	–
	Acquisitions	**14 857**	38 333	**12 870**	14 244
	– Computer equipment	**13 803**	15 194	**12 230**	13 791
	– Furniture and fittings	**712**	23 067	**298**	381
	– Office equipment	**342**	72	**342**	72
	Depreciation	**(16 278)**	(23 770)	**(15 249)**	(14 518)
	– Computer equipment	**(15 804)**	(14 266)	**(14 831)**	(13 479)
	– Furniture and fittings	**(381)**	(9 442)	**(326)**	(977)
	– Motor vehicles	**(49)**	(60)	**(49)**	(60)
	– Office equipment	**(44)**	(2)	**(43)**	(2)
	Translation differences	**–**	7 950	**–**	–
	BALANCE AT END OF YEAR	**47 791**	49 193	**45 492**	47 871

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	2014 R000	2013 R000
13.	INTEREST IN SUBSIDIARIES				
	Shares at cost (note 13.1)			5 461 609	1 872 995
	Costs incurred less impairment			5 475 582	1 886 968
	Less: Pre-acquisition dividends			(13 973)	(13 973)
	Loans to subsidiaries			10 485 234	6 108 545
				15 946 843	7 981 540
13.1	MOVEMENT IN SHARES AT COST NET OF IMPAIRMENT				
	Opening balance			1 872 995	1 562 123
	Acquisitions net of pre-acquisition dividends (note 13.2)			3 589 054	1 972 220
	Disposals			(440)	(135 250)
	Transfer to investment in associate			–	(1 526 098)
	CLOSING BALANCE			5 461 609	1 872 995
13.2	ACQUISITIONS DURING THE YEAR INCLUDE:				
	Redefine Global Proprietary Limited			2 184 000	–
	Annuity Properties Limited			1 307 507	–
	Annuity Asset Managers Proprietary Limited			80 647	–
	Annuity Property Managers Proprietary Limited			16 900	–
	Redefine Pacific Proprietary Limited			–	45
	Redefine Retail Proprietary Limited			–	1 429 001
	Evening Star Trading 768 Proprietary Limited*			–	1 230
	Fountainhead Property Trust Management Limited*			–	270
	Redefine Properties International Limited*			–	541 674
				3 589 054	1 972 220

The investment in Fountainhead Property Trust is held by Redefine Retail Proprietary Limited. As such the acquisition referred to in note 38 is not reflected in this note.

** Additional investments made in the prior year.*

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
14.	PROPERTIES HELD-FOR-TRADING				
	Properties acquired and developed for sale	21 349	23 949	21 349	23 949
15.	TRADE AND OTHER RECEIVABLES				
	Trade receivables	81 869	63 763	49 485	41 284
	Less: Allowance for doubtful debts	(39 906)	(30 049)	(22 758)	(21 177)
		41 963	33 714	26 727	20 107
	Deposits and prepayments	197 181	62 553	137 069	37 028
	Municipal recoveries	164 882	120 342	122 637	79 362
	Debtors for properties sold	278	1 500	278	1 500
	Rates clearances	76 079	52 479	58 653	52 479
	Service charge recoverable from tenants	–	7 355	–	–
	Distribution receivable	12 147	87 192	107 862	78 506
	Tax receivable	1 289	1 289	–	–
	Other receivables	86 202	87 059	45 550	65 119
		580 021	453 483	498 776	334 101

for the year ended 31 August 2014

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
16.	**CASH AND CASH EQUIVALENTS**				
	For the purpose of cash flow statement, cash and cash equivalents comprise:				
	Unrestricted cash balances	**350 606**	358 908	**43 497**	18 769
		350 606	358 908	**43 497**	18 769
	Material bank balances are with Standard Bank that has a Moody's credit rating of A3.				
17.	**NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE**				
17.1	**NON-CURRENT ASSETS HELD-FOR-SALE COMPRISE:**				
		1 490 128	5 087 645	**501 060**	3 038 003
	– Redefine International Fund Managers (note 17.3)	**–**	907 444	**–**	–
	– Listed securities	**–**	1 912 567	**–**	770 369
	– South African investment property (note 17.4)	**1 490 128**	2 267 634	**501 060**	2 267 634
	NON-CURRENT LIABILITIES HELD-FOR-SALE COMPRISE:				
		–	(2 047 248)	**–**	(1 755 789)
	– Interest-bearing liabilities	**–**	(1 755 789)	**–**	(1 755 789)
	– Redefine International Fund Managers	**–**	(291 459)	**–**	–
	BALANCE AT END OF YEAR	**1 490 128**	3 040 397	**501 060**	1 282 214
17.2	**MOVEMENT FOR THE YEAR**				
	At beginning of year	**3 040 397**	903 148	**1 282 214**	312 869
	Disposals	**(2 584 203)**	(311 570)	**(833 007)**	(311 570)
	Transferred to investment property (note 2.2)	**(2 180 383)**	(1 299)	**(2 180 383)**	(1 299)
	Transfer from investment properties (note 2.2)	**1 465 515**	2 267 634	**476 447**	2 267 634
	Transfer from listed securities	**–**	1 912 567	**–**	770 369
	Transfer to/(from) interest-bearing liabilities	**1 755 789**	(1 755 789)	**1 755 789**	(1 755 789)
	Deemed disposal of a subsidiary	**–**	(590 280)	**–**	–
	Fair value adjustments	**(6 987)**	–	**–**	–
	Transfer of Redefine International Fund Managers' net assets	**–**	615 986	**–**	–
	BALANCE AT END OF YEAR	**1 490 128**	3 040 397	**501 060**	1 282 214

Non-current assets held-for-sale consist of investment property that would be recovered through sale rather than through use.

In the prior period, non-current assets and liabilities held-for-sale consisted of investment property, listed securities and RIFM that was recovered through sale rather than through use.

17.3 RIFM AND RIN

RIFM

To provide greater alignment and transparency of the investment management functions and related costs as part of RI PLC's restructuring including the inward listing of RI PLC's shares on the JSE and the conversion of the company to a UK REIT, the external management arrangements, previously performed by RIFM, were internalised.

As a result, Redefine sold the entire share capital of RIFM to RI PLC on 2 December 2013.

for the year ended 31 August 2014

17. NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE continued

17.3 RIFM AND RIN continued

RIFM continued

RIFM has accordingly been disclosed as held-for-sale and the effect thereof on the statement of financial position and statement of comprehensive income, for the current and prior periods, has been disclosed below:

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
NON-CURRENT ASSETS HELD-FOR-SALE COMPRISE:				
Intangible assets	**–**	617 162		
Property, plant and equipment	**–**	67 401		
Cash and cash equivalents	**–**	105 542		
Trade and other receivables	**–**	117 339		
	–	907 444		
NON-CURRENT LIABILITIES HELD-FOR-SALE COMPRISE:				
Interest-bearing borrowings	**–**	100 164		
Taxation payable	**–**	20 338		
Trade and other payables	**–**	170 957		
	–	291 459		
PROFIT FROM DISCONTINUED OPERATIONS COMPRISES:				
Fee income	**73 658**	181 279		
Hotel revenue	**118 337**	369 088		
Operating costs	**(119 257)**	(375 013)		
Administration costs	**(39 514)**	(91 540)		
Changes in fair values of properties, listed securities and financial instruments	**88 824**	–		
Amortisation of intangibles	**(12 310)**	(42 869)		
Interest paid	**(1 377)**	(4 154)		
Interest received	**8**	151		
Foreign exchange (loss)/gain	**(297)**	16		
Taxation	**(1 323)**	(337)		
	106 749	36 621		

RIN

The successful capital raising by RI PLC through a firm placing and open offer, in October 2012, realised gross proceeds of £127,5 million and resulted in RIN's holding in RI PLC decreasing from 71,7% to 65,7%.

In order for RIN to follow its rights in the RI PLC offer above, RIN undertook a R1 billion capital raise which was oversubscribed.

To broaden the RIN unitholder base, Redefine made available a portion of its new RIN units for placement with third parties.

This resulted in Redefine's beneficial interest in RIN decreasing by 4,6% to 49,3%, resulting in RIN being equity accounted for the 2013 period. Redefine's effective interest in RI PLC similarly declined from 38,7% to 32,4%.

for the year ended 31 August 2014

17. NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE continued

17.3 RIFM AND RIN continued

RIN continued

As a result of the above, RIN was deconsolidated and the effect thereof on the statement of comprehensive income for the current and prior periods is disclosed below:

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
PROFIT FROM DISCONTINUED OPERATIONS COMPRISES:				
Profit on deemed sale of subsidiary	**–**	898 651		
	–	898 651		
TOTAL PROFIT FROM DISCONTINUED OPERATIONS				
RIFM	**106 749**	36 621		
RIN	**–**	898 651		
Madison Property Fund Managers Limited – profit on sale of RIFM	**262 709**	–		
	369 458	935 272		

17.4 LOCAL OPERATIONS

The investment properties reclassified as property held-for-sale are properties that the directors have decided will be recovered through sale rather than through use.

In the prior period, the group had disclosed 26 government-tenanted properties valued at R2,2 billion and related interest-bearing debt of R1,8 billion as non-current assets held-for-sale. As a result of the structural change in listed property yields, the sale of the portfolio has been put on hold. In terms of government policy, Redefine is renewing leases for three-year periods whereas previously many of these were monthly tenancies or one-year leases. These properties and related interest-bearing debt are no longer included in non-current assets held-for-sale.

Four (2013: nine) of the properties included in the opening balance were sold during the year for proceeds of R62 million (2013: R135 million).

Twenty-two (2013: one) investment properties which were included in the opening balance was transferred back to investment properties. The fair value of the properties was R2 180 million (2013: R1,2 million).

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
18.	**STATED CAPITAL AND SHARE PREMIUM**				
18.1	**AUTHORISED**				
	6 500 000 000 ordinary shares of no par value	**–**	–	**–**	–
18.2	**ISSUED**				
	3 410 507 125 (2013: 2 935 578 269) ordinary shares of no par value	**16 642 631**	12 979 052	**16 646 768**	12 983 189
	Conversion of debentures to stated capital	**5 915 414**	–	**5 925 615**	–
	Less: 5 876 766 treasury shares (2013: 5 876 766)	**(6)**	(6)	**–**	–
	BALANCE AT END OF YEAR	**22 558 039**	12 979 046	**22 572 383**	12 983 189
18.3	**RECONCILIATION OF ISSUED STATED CAPITAL**				
	In issue at beginning of year	**12 979 046**	2 761	**12 983 189**	2 766
	Share premium transfer to stated capital	**–**	11 658 175	**–**	11 662 313
	Issued during the year	**3 663 579**	1 318 110	**3 663 579**	1 318 110
	Conversion of debentures to stated capital	**5 915 414**	–	**5 925 615**	–
	BALANCE AT END OF YEAR	**22 558 039**	12 979 046	**22 572 383**	12 983 189
18.4	**SHARE PREMIUM**				
	Balance at beginning of year	**–**	11 658 175	**–**	11 662 313
	Transfer to stated capital	**–**	(11 658 175)	**–**	(11 662 313)
	BALANCE AT END OF YEAR	**–**	–	**–**	–
	TOTAL SHARE CAPITAL AND SHARE PREMIUM	**22 558 039**	12 979 046	**22 572 383**	12 983 189
18.5	**RECONCILIATION OF THE NUMBER OF SHARES IN ISSUE**				
	Balance at beginning of year	**2 929 702**	2 760 497	**2 935 578**	2 766 374
	Issued during the year	**474 929**	169 205	**474 929**	169 205
	BALANCE AT END OF YEAR	**3 404 631**	2 929 702	**3 410 507**	2 935 579

The issue of each share was irrevocably linked to one debenture, together comprising one linked unit (refer to note 19).

As part of the REIT conversion, Redefine converted the linked unit capital structure to an all-equity capital structure on 29 August 2014, in order to align the capital structure with the capital structures of REITs. The linked units were delinked and the debenture capital was capitalised to stated capital.

The following linked units were issued during the course of the year under general authority:

- 135 400 000 linked units were issued at an issue price of R9,60 per unit on 3 December 2013
- 41 613 025 linked units were issued at an issue price of R9,66 per unit on 2 June 2014
- 136 625 506 linked units were issued at an issue price of R9,57 per unit on 23 June 2014
- 161 290 325 linked units were issued at an issue price of R9,30 per unit on 10 July 2014

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
19.	**DEBENTURE CAPITAL**				
19.1	**AUTHORISED**				
	6 500 000 000 (2013: 3 500 000 000) ordinary debentures of 173,58 (2013: 173,58) cents each	**–**	–	**–**	–
19.2	**ISSUED**				
	3 410 507 125 (2013: 2 935 578 269) debentures of 173,58 (2013: 173,58) cents	**5 915 414**	5 095 620	**5 925 615**	5 095 620
	Conversion of debentures to stated capital	**(5 915 414)**	–	**(5 925 615)**	–
	Less: 5 876 766 treasury unit debentures (2013: 5 876 766)	**–**	(10 201)	**–**	–
	BALANCE AT END OF YEAR	**–**	5 085 419	**–**	5 095 620
19.3	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**5 085 419**	4 791 714	**5 095 620**	4 801 915
	Conversion of debentures to stated capital	**(5 915 414)**	–	**(5 925 615)**	–
	Issued during the year	**829 995**	293 705	**829 995**	293 705
	BALANCE AT END OF YEAR	**–**	5 085 419	**–**	5 095 620

Prior to conversion to an all-equity structure

(a) The debentures were irrevocably linked to the issued ordinary shares of the company and could only be sold together with the relevant linked shares.

(b) The debentures were unsecured and were subordinated in favour of the company's other creditors.

(c) Interest accrued to the debenture holder half-yearly. The interest entitlement on each debenture would in aggregate be 100% of the group's net operating income for that distribution period. The net operating income was defined in the debenture trust deed and excluded capital items and the effects of straight-lining of leases.

(d) In terms of the trust deed, the debentures were redeemable by special resolution at the instance of the debenture holders, on five years' notice, at any time after 23 February 2025. Full details and the terms and conditions of the debentures were set out in the trust deed which is available for inspection.

for the year ended 31 August 2014

20. NON-CONTROLLING INTEREST

The non-controlling interest of R3 016 million represents 34,11% of the net asset value of Fountainhead Property Trust at 31 August 2014. Apart from Fountainhead, all other subsidiaries are 100% owned.

In the prior period, the non-controlling interest of R4 240 million represented 50,31% of the NAV of Fountainhead (R4 150 million), 10% of the NAV of RIFM (R84 million) and 49% of the NAV of Freedom Square (R6 million). The investments in RIFM and Freedom Square were disposed of during the current period.

Financial information for Fountainhead, adjusted for fair value adjustments on acquisition and differences in the group accounting policies, is presented below. This information is before intercompany eliminations with other companies in the group.

	GROUP	
	2014 R000	2013 R000
EXTRACTS FROM STATEMENT OF COMPREHENSIVE INCOME*		
Revenue, excluding straight-line rental income adjustment	1 558 613	604 400
Profit after taxation	1 270 105	436 666
Attributable to equity holders	791 944	216 978
Attributable to non-controlling interest	478 161	219 688
Dividends paid to non-controlling interest during the year	(231 280)	(139 820)
** Extracts from the statement of comprehensive income are for five months in the prior period as a result of Fountainhead being consolidated from 27 March 2013.*		
EXTRACTS FROM STATEMENT OF FINANCIAL POSITION		
Non-current assets	12 191 591	11 183 361
Current assets	409 861	415 279
Non-current liabilities	(2 992 679)	(2 131 319)
Current liabilities	(767 183)	(1 218 214)
NET ASSETS	8 841 590	8 249 107
NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	3 015 595	4 150 126
EXTRACTS FROM STATEMENT OF CASH FLOWS*		
Cash flow from operating activities	(2 455)	16 061
Cash flow from investing activities	(419 856)	288 937
Cash flow from financing activities	361 360	13 543
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(60 951)	318 540

** Extracts from the statement of cash flows are for five months in the prior period as a result of Fountainhead being consolidated from 27 March 2013.*

21. SHARED-BASED PAYMENTS

2014

Restricted scheme

The restricted share scheme, which awards employees with a conditional right to receive shares in the company against the achievement of specific performance conditions, free of any cost, is operated by the group. As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment expense has been recognised.

In terms of the restricted share scheme, a conditional right to a share is awarded to employees subject to the satisfaction of performance conditions over the performance period, as well as the vesting condition over the vesting period. The initial award of restricted shares has been made to the company's three executive directors.

Vesting will occur in four equal tranches from the date of award to 30 November 2013, 30 November 2014, 30 November 2015 and 30 November 2016 respectively.

All four tranches of the award of restricted shares will be subject to the vesting condition. In addition, 60% of each tranche will be subject to performance conditions.

The participant will not be entitled to any voting rights or distributions prior to the settlement of restricted shares subsequent to the vesting thereof.

The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distribution flows
- The future anticipated distributions were adjusted for annual growth of 7% and discounted by a distribution yield of 7,2%
- A total number of 1 937 340 (2013: 2 346 240) of the 2 115 000 (2013: 2 820 000) shares are expected to vest, taking into account the performance of the group to date and forecasts to the end of the performance period, against the targets set at the time of the award. The average discounted share price used in the calculation is R9,89 per share. The share-based payment expense recognised for the year in administration expenses is R11,6 million (2013: R5,8 million)
- These awards will vest in the next one to three years

A total of 59 220 conditional share awards were forfeited as a result of performance conditions not being met.

The number of conditional share awards allotted in terms of the conditional share award scheme are:

	2014 Number	2013 Number
Beginning of year	**2 820 000**	–
Allotted during the year	**–**	2 820 000
Awarded during the year	**(645 780)**	–
Forfeited during the year	**(59 220)**	–
End of year	**2 115 000**	2 820 000

for the year ended 31 August 2014

21. SHARED-BASED PAYMENTS continued

2014 continued

Matching scheme

In terms of the matching share scheme, participants are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine shares.

Participants holding these shares at the third anniversary of the date of award will be awarded additional Redefine shares free of consideration based on a multiple of the original shares linked to the group and individual's performance.

As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised.

Vesting will occur in three years from the date of award.

The participant will not be entitled to any voting rights or distributions prior to the settlement of restricted shares subsequent to the vesting thereof.

The fair value of services received in return for the conditional share awards has been determined as follows:

- The number of shares expected to vest multiplied by the share price at the date of the award less discounted anticipated future distribution flows
- The future anticipated distributions were adjusted for annual growth of 6,5% and discounted by a distribution yield of 7,2%
- A total number of 1 411 198 shares are expected to vest, taking into account the performance of the group to date and forecasts to the end of the performance period, against the targets set at the time of the award. The average discounted share price used in the calculation is R7,85 per share. The share-based payment expense recognised for the year in administration expenses is R2,4 million
- These awards will vest in three years

The number of matching share awards in terms of the matching share award scheme are:

	2014 Number
Allotted during the year^	**1 411 198**
End of year	**1 411 198**

^ Included in the total allotment figure is the allotment of 1 000 761 shares to the directors (refer to the directors' report).

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
22. INTEREST-BEARING BORROWINGS				
Interest-bearing borrowings consist of:				
Bank loans (refer to note 22.1)	**16 956 529**	12 526 192	**11 640 269**	8 538 632
Bonds and commercial paper (refer to note 22.3)	**2 800 000**	2 429 000	**2 800 000**	2 429 000
Other loans (refer to note 22.2)	**–**	60 175	**–**	–
TOTAL INTEREST-BEARING BORROWINGS	**19 756 529**	15 015 367	**14 440 269**	10 967 632
NON-CURRENT INTEREST-BEARING BORROWINGS				
Bank loans	**13 316 324**	11 274 192	**9 199 603**	8 538 632
Bonds and commercial paper	**1 039 000**	1 539 000	**1 039 000**	1 539 000
Other loans	**–**	60 175	**–**	–
TOTAL NON-CURRENT BORROWINGS	**14 355 324**	12 873 367	**10 238 603**	10 077 632
CURRENT INTEREST-BEARING BORROWINGS				
Bank loans	**3 640 205**	1 252 000	**2 440 666**	–
Bonds and commercial paper	**1 761 000**	890 000	**1 761 000**	890 000
TOTAL CURRENT BORROWINGS	**5 401 205**	2 142 000	**4 201 666**	890 000

for the year ended 31 August 2014

22. INTEREST-BEARING BORROWINGS continued

22.1 BANK LOANS

Secured variable rate loans – South Africa

	Capital repayment date	Rate	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
Nedbank			**3 000 000**	2 438 501	**3 000 000**	2 438 501
	30 Aug 2017	3-month JIBAR + 1,58%	**500 000**	711 501	**500 000**	711 501
	30 Aug 2018	3-month JIBAR + 1,61%	**500 000**	740 000	**500 000**	740 000
	3 Jun 2018	3-month JIBAR + 1,67%	**2 000 000**	987 000	**2 000 000**	987 000
Standard Bank			**3 925 374**	4 108 233	**3 832 918**	2 076 914
	31 Mar 2020	3-month JIBAR	**290 083**	772 593	**290 083**	772 593
	31 Mar 2020	3-month JIBAR	**181 646**	181 646	**181 646**	181 646
	31 Mar 2018	3-month JIBAR	**390 400**	390 402	**390 400**	390 402
	31 Mar 2020	Prime – 1,8%	**300 000**	1 273	**300 000**	1 273
	31 Mar 2020	3-month JIBAR	**200 000**	200 000	**200 000**	200 000
	30 Sept 2013	Prime – 1,73%	**–**	531 000	**–**	531 000
	31 Mar 2020	3-month JIBAR	**500 000**	–	**500 000**	–
	31 Mar 2020	3-month JIBAR	**451 249**	–	**451 249**	–
	31 Mar 2020	3-month JIBAR	**584 540**	–	**584 540**	–
	31 Mar 2020	3-month JIBAR	**220 000**	–	**220 000**	–
	30 Sept 2017	3-month JIBAR + 1,61%	**300 000**	–	**300 000**	–
	30 Sept 2017	Prime – 1,75%	**75 000**	–	**75 000**	–
	30 Sept 2018	3-month JIBAR + 1,67%	**300 000**	–	**300 000**	–
	30 Sept 2018	Prime – 1,70%	**40 000**	–	**40 000**	–
	30 Jun 2015	JIBAR + 1,98%	**–**	700 544	**–**	–
	30 Nov 2013	JIBAR + 1,25%	**–**	750 000	**–**	–
	31 May 2015	JIBAR + 2,6%	**–**	560 775	**–**	–
	28 Feb 2016	JIBAR + 2,39%	**–**	20 000	**–**	–
	31 May 2015	3-month JIBAR	**92 456**	–	**–**	–

for the year ended 31 August 2014

	Capital repayment date	Rate	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
22. INTEREST-BEARING BORROWINGS continued						
22.1 BANK LOANS continued						
Secured variable rate loans – South Africa continued						
Rand Merchant Bank			**7 427 636**	3 356 241	**3 000 000**	2 250 000
	28 Jul 2015	3-month JIBAR + 1,6%	**875 000**	875 000	**875 000**	875 000
	28 Jul 2017	3-month JIBAR + 1,85%	**1 125 000**	1 125 000	**1 125 000**	1 125 000
	28 Jul 2015	Prime – 1,8%	**–**	250 000	**–**	250 000
	2 Oct 2018	3-month JIBAR + 1,7%	**1 000 000**	–	**1 000 000**	–
	2 Sept 2013	3-month JIBAR + 1,3%	**–**	502 000	**–**	–
	2 Apr 2018	3-month JIBAR + 1,7%	**604 241**	604 241	**–**	–
	15 Aug 2019	JIBAR + 1,57%	**1 900 000**	–	**–**	–
	15 Aug 2019	Prime – 1,73%	**342 679**	–	**–**	–
	30 Nov 2014	JIBAR + 1,30%	**250 000**	–	**–**	–
	4 Feb 2019	JIBAR + 1,61%	**225 000**	–	**–**	–
	4 Feb 2019	JIBAR + 1,61%	**525 000**	–	**–**	–
	18 Dec 2015	3-month JIBAR + 2,05%	**334 649**	–	**–**	–
	4 Feb 2016	Prime – 1,5%	**62 214**	–	**–**	–
	4 Dec 2016	3-month JIBAR + 1,75%	**18 000**	–	**–**	–
	8 Aug 2016	3-month JIBAR + 2,05%	**30 000**	–	**–**	–
	7 Oct 2016	3-month JIBAR + 1,60%	**74 939**	–	**–**	–
	4 Feb 2015	Fixed rate – 8,83%	**60 000**	–	**–**	–
	4 Feb 2015	Prime – 1%	**914**	–	**–**	–
Absa			**1 431 000**	1 430 999	**1 431 000**	1 430 999
	31 Dec 2014	1-month JIBAR + 1,95%	**931 000**	930 999	**931 000**	930 999
	30 Jun 2015	3-month JIBAR + 1,85%	**500 000**	500 000	**500 000**	500 000
TOTAL SECURED VARIABLE RATE LOANS – SOUTH AFRICA			**15 784 010**	11 333 974	**11 263 918**	8 196 414

for the year ended 31 August 2014

			GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
22. INTEREST-BEARING BORROWINGS continued						
22.1 BANK LOANS continued						
Secured variable rate loans – foreign						
	Capital repayment date	Rate				
Macquarie	18 Dec 2014	LIBOR + 2,5%	**796 168**	–	**–**	–
TOTAL SECURED VARIABLE RATE LOANS – FOREIGN			**796 168**	–	**–**	–
Unsecured variable rate loans – South Africa			**376 351**	342 218	**376 351**	342 218
Standard Finance Isle of Man	28 Feb 2015	LIBOR + 4,3%	**134 666**	122 453	**134 666**	122 453
	23 May 2016	LIBOR + 3,50%	**241 685**	219 765	**241 685**	219 765
TOTAL UNSECURED VARIABLE RATE LOANS – SOUTH AFRICA			**376 351**	342 218	**376 351**	342 218
Secured fixed rate loans – South Africa						
Standard Bank			**–**	850 000	**–**	–
	31 May 2015	8,42%	**–**	350 000	**–**	–
	28 Feb 2016	8,72%	**–**	500 000	**–**	–
TOTAL SECURED FIXED RATE LOANS – SOUTH AFRICA			**–**	850 000	**–**	–
TOTAL BANK LOANS			**16 956 529**	12 526 192	**11 640 269**	8 538 632
22.2 OTHER LOANS						
United Property Management Proprietary Limited*	No fixed terms	Namibian prime	**–**	60 175	**–**	–
Vendor loans^	22 Jun 2015 and 3 May 2017	Zero interest	**(26 077)**	–	**–**	–
Ironwood Trustees#	22 Jun 2015 and 3 May 2017	8,95%	**26 077**	–	**–**	–
			–	60 175	**–**	–

* *Loan derecognised as a result of the sale and deconsolidation of Freedom Square Proprietary Limited.*
^ *The loans with a nominal value of R43 414 386 have been recognised for accounting purposes at the discounted present value have been netted off against loans receivable.*
# *The loans are receivable from Ironwood Trustees Proprietary Limited.*

for the year ended 31 August 2014

	Capital repayment date	Rate	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
22. INTEREST-BEARING LIABILITIES continued						
22.3 BONDS AND COMMERCIAL PAPER						
Bonds			**1 539 000**	1 539 000	**1 539 000**	1 539 000
Three-year bond	30 Mar 2015	3-month JIBAR + 1,40%	**500 000**	500 000	**500 000**	500 000
Five-year bond	11 Mar 2018	3-month JIBAR + 1,60%	**300 000**	300 000	**300 000**	300 000
Five-year bond	11 Mar 2018	3-month JIBAR + 1,60%	**164 000**	164 000	**164 000**	164 000
Five-year bond	11 Mar 2018	3-month JIBAR + 1,60%	**150 000**	150 000	**150 000**	150 000
Three-year bond	22 Mar 2016	3-month JIBAR + 1,35%	**425 000**	425 000	**425 000**	425 000
Commercial paper			**1 261 000**	890 000	**1 261 000**	890 000
Three-month commercial paper	6 Dec 2013	3-month JIBAR + 0,21%	**–**	400 000	**–**	400 000
Twelve-month commercial paper	21 Mar 2014	3-month JIBAR + 0,65%	**–**	490 000	**–**	490 000
Three-month commercial paper	25 Nov 2014	3-month JIBAR + 0,27%	**579 000**	–	**579 000**	–
Three-month commercial paper	24 Mar 2015	3-month JIBAR + 0,65%	**682 000**	–	**682 000**	–
TOTAL BONDS AND COMMERCIAL PAPER			**2 800 000**	2 429 000	**2 800 000**	2 429 000

The average all-in interest rate in respect of total group borrowings is 8,04% (2013: 8,0%).

Total group borrowings (net of cash on hand) represent 38,0% (2013: 40,5%) of the value of the property portfolio (which includes investment properties, listed securities, loans receivable and interests in associates).

Group interest-bearing borrowings have been secured by mortgage loans over investment property and pledges over listed securities to the value of R33,4 billion (2013: R25,5 billion).

Certain loans are repayable in the next 12 months in terms of the original loan agreements and have been disclosed as current.

During the year, Redefine restructured and renegotiated certain loans, to optimise funding costs and maturity profiles.

for the year ended 31 August 2014

				GROUP		COMPANY	
				2014 R000	2013 R000	**2014 R000**	2013 R000
23. DERIVATIVES							
SOUTH AFRICA							
	Nominal value R000	**Maturity**	**Rate**				
INTEREST RATE SWAP AGREEMENTS	230 000	8 Oct 2018	10,48%	**30 109**	30 300	**30 109**	30 300
	413 795	12 Nov 2018	8,86%	**27 150**	22 920	**27 150**	22 920
	230 000	12 Aug 2020	7,72%	**5 887**	(1 513)	**5 887**	(1 513)
	295 000	12 Feb 2018	7,70%	**8 556**	4 622	**8 556**	4 622
	100 000	17 Feb 2014	7,19%	**–**	1 004	**–**	1 004
	100 000	1 Jun 2014	7,50%	**–**	1 771	**–**	1 771
	160 000	12 May 2016	7,58%	**3 229**	3 734	**3 229**	3 734
	250 000	1 Jun 2016	8,06%	**7 344**	9 083	**7 344**	9 083
	140 000	11 Nov 2018	10,64%	**18 396**	18 744	**18 396**	18 744
	270 000	31 Aug 2017	6,56%	**5 056**	(2 567)	**5 056**	(2 567)
	355 000	12 Aug 2020	7,72%	**8 834**	4 735	**8 834**	4 735
	190 000	14 Feb 2018	7,70%	**3 443**	4 163	**3 443**	4 163
	100 000	12 May 2016	7,58%	**–**	956	**–**	956
	100 000	17 Feb 2014	7,19%	**–**	1 698	**–**	1 698
	85 000	1 Jun 2014	7,50%	**533**	674	**533**	674
	215 000	5 Dec 2015	6,84%	**1 686**	1 976	**1 686**	1 976
	250 000	5 Dec 2015	6,84%	**249**	1 259	**249**	1 259
	250 000	16 Feb 2015	6,37%	**1 180**	(1 198)	**1 180**	(1 198)
	100 000	16 Feb 2017	6,94%	**(438)**	(848)	**(438)**	(848)
	250 000	3 Jul 2015	5,76%	**6 834**	8 723	**6 834**	8 723
	200 000	1 Jun 2016	8,06%	**–**	–	**–**	–
	320 000	31 Aug 2017	6,56%	**(4 253)**	(12 794)	**(4 253)**	(12 794)
	200 000	20 Feb 2018	6,59%	**(1 423)**	(6 579)	**(1 423)**	(6 579)
	500 000	4 Jul 2016	9,74%	**(7 639)**	(20 948)	**(7 639)**	(20 948)
	300 000	9 Apr 2018	6,57%	**9 676**	1 118	**9 676**	1 118
	500 000	21 Aug 2017	8,04%	**(5 782)**	(18 968)	**(5 782)**	(18 968)
	350 000	5 Apr 2018	6,71%	**11 863**	1 828	**11 863**	1 828
	150 000	21 Aug 2017	8,10%	**3 443**	630	**3 443**	630
	750 000	30 Aug 2016	7,86%	**(9 619)**	(29 581)	**(9 619)**	(29 581)
	500 000	5 Apr 2018	6,66%	**(3 544)**	–	**(3 544)**	–
	250 000	17 Oct 2017	6,60%	**(456)**	–	**(456)**	–
	500 000	21 Nov 2016	6,59%	**1 453**	–	**1 453**	–
	250 000	20 Nov 2017	7,00%	**3 387**	–	**3 387**	–
	200 000	20 Nov 2019	7,57%	**528**	–	**528**	–
	200 000	27 Nov 2017	7,00%	**2 560**	–	**2 560**	–
	200 000	25 Nov 2019	7,56%	**4 588**	–	**4 588**	–
	200 000	8 Apr 2019	7,68%	**2 839**	–	**2 839**	–
	200 000	13 May 2019	7,52%	**1 570**	–	**1 570**	–
	400 000	15 Aug 2019	7,40%	**2 265**	–	**2 265**	–
	400 000	27 Nov 2017	7,10%	**(9 017)**	–	**(9 017)**	–
	400 000	28 Jan 2019	5,78%	**(9 017)**	–	**(9 017)**	–
	500 000	28 Jan 2019	5,98%	**(10 052)**	–	**(10 052)**	–
	500 000	4 Feb 2019	5,98%	**(7 792)**	–	**(7 792)**	–
	300 000	4 Feb 2019	5,78%	**(5 062)**	–	**(5 062)**	–
	100 000	5 Feb 2019	5,78%	**1 133**	–	**1 133**	–
	84 000	18 Jul 2019	7,44%	**(1 652)**	–	**–**	–
	109 747	18 Dec 2015	7,40%	**(1 420)**	–	**–**	–
	110 000	18 Dec 2015	7,48%	**(343)**	–	**–**	–
	47 200	18 Dec 2015	8,37%	**(63)**	–	**–**	–
	50 000	30 Jun 2015	6,04%	**(101)**	–	**–**	–
SWAPTION	413 795	12 Nov 2018	8,86%	**–**	1 653	**–**	1 653
BALANCE AT END OF YEAR				**96 118**	26 595	**99 697**	26 595
REFLECTED UNDER:							
Non-current liabilities				**95 192**	10 430	**98 771**	10 430
Current liabilities				**926**	16 165	**926**	16 165
TOTAL DERIVATIVES				**96 118**	26 595	**99 697**	26 595

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
24.	**OTHER FINANCIAL LIABILITIES**				
	CONSIST OF:				
	Employee share appreciation scheme (note 24.1)	**22 096**	26 173	**22 096**	26 173
	Financial guarantee contract (note 11)	**27 507**	37 507	**27 507**	37 507
		49 603	63 680	**49 603**	63 680
	REFLECTED UNDER:				
	Non-current liabilities	**36 731**	52 241	**36 731**	52 241
	– Employee share appreciation scheme (note 24.1)	**9 224**	14 734	**9 224**	14 734
	– Financial guarantee contract (note 11)	**27 507**	37 507	**27 507**	37 507
	Current liabilities	**12 872**	11 439	**12 872**	11 439
	– Employee share appreciation scheme (note 24.1)	**12 872**	11 439	**12 872**	11 439
		49 603	63 680	**49 603**	63 680
24.1	**EMPLOYEE SHARE APPRECIATION SCHEME**				
	Redefine has a share appreciation scheme. This scheme allows various employees to earn incentives based on the appreciation of the share price over the strike price. The rights to these incentives vest equally over three and four years commencing September 2012 and each September thereafter until 2015. The market price is calculated as the VWAP at which the share traded on the JSE for the 10 business days prior to the vesting date.				
	MOVEMENT FOR THE YEAR				
	Opening balance	**26 173**	24 885	**26 173**	24 885
	Charge to profit or loss for the year	**7 361**	10 914	**7 361**	10 914
	Paid during the year	**(11 438)**	(9 626)	**(11 438)**	(9 626)
	CLOSING BALANCE	**22 096**	26 173	**22 096**	26 173
	MOVEMENT FOR THE YEAR – NUMBER OF SHARES				
	Opening balance	**13 998 750**	19 053 750	**13 998 750**	19 053 750
	Forfeited	**(700 000)**	(1 605 000)	**(700 000)**	(1 605 000)
	Paid during the year	**(4 666 250)**	(3 450 000)	**(4 666 250)**	(3 450 000)
	CLOSING BALANCE	**8 632 500**	13 998 750	**8 632 500**	13 998 750

The fair value of the share appreciation scheme has been calculated using the Black-Scholes option pricing model with the following assumptions:	**25% vesting each year from September 2012 to September 2015**	**33,3% vesting each year from September 2013 to September 2015**
Strike price	**R6,50**	R7,00
Current price	**R9,56**	R9,56
Dividend yield	**7,47%**	7,47%
Volatility *(based on a combination of Redefine's historical volatility adjusted for future expectations)*	**21,13%**	21,13%
First tranche of scheme payable	September 2012	September 2013
Last tranche of scheme payable	September 2015	September 2015

The third tranche of the share incentive scheme will be paid on 5 September 2014 and therefore R12,9 million (2013: R11,4 million) has been disclosed as a current liability.

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
25.	**PROVISIONS**				
	Balance at beginning of year	**–**	161 769	**–**	–
	Reversed on deconsolidation of RIN	**–**	(161 769)	**–**	–
	BALANCE AT END OF YEAR	**–**	–	**–**	–

In the 2012 financial year, external loan facilities to the jointly controlled entities owned by RIN, which had a nominal value of 2,65 billion (£197,97 million) were cross-collateralised against properties held directly by the group. These external loan liabilities were in excess of the value of the properties held by the jointly controlled entities. A provision was created in the 2012 financial year based on the estimated potential future cash outflows for the group related to this cross-collateralisation.

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
26.	**DEFERRED TAXATION**				
	ARISING ON:				
	Revaluation of listed securities investments	**28 588**	85 433	**783**	85 165
	Other timing differences	**484 186**	508 371	**115 000**	137 326
	Assessed loss	**(2 776)**	(4 280)	**–**	–
		509 998	589 524	**115 783**	222 491
	At beginning of year	**589 524**	2 080 369	**222 491**	1 744 578
	Arising on deemed disposal of subsidiary	**–**	(33 333)	**–**	–
	Acquired through business combination (note 38)	**(102)**	–	**–**	–
	Deferred capital gains tax	**(57 627)**	(1 567 279)	**(84 383)**	(1 652 673)
	Other timing differences	**(24 160)**	88 178	**(22 325)**	111 753
	Assessed loss	**2 363**	21 589	**–**	18 833
	BALANCE AT END OF YEAR	**509 998**	589 524	**115 783**	222 491

Redefine's application to JSE Limited for REIT status was approved on 5 July 2013. The conversion to a REIT was effective 1 September 2013.

As such, the group is not liable for capital gains tax on certain transactions from 1 September 2013. In the prior year, the restated balance of deferred tax at 1 September 2012 on local listed securities was reduced to nil as, prospectively, capital gains tax would no longer apply.

IAS 12 *Income Taxes* (amended) requires the sale rate to be applied, unless rebutted, when calculating deferred tax on the fair value adjustments on investment property. After the conversion to a REIT, capital gains tax is no longer applicable on the sale of investment property in terms of section 25BB of the Income Tax Act. The deferred tax rate applied to investment property at the sale rate will therefore be nil. Consequently, no deferred tax was raised on the fair value adjustments on investment property.

In addition, deferred tax is no longer calculated on the straight-line rental income accrual as the rental accrual will form part of the group's distributions in the future. Given the conversion to a REIT, such distributions are fully deductible for tax purposes and hence no tax liability will arise on straight-line rental income accruals.

Allowances relating to immovable property can no longer be claimed and if a REIT sells immovable property, the allowances claimed in previous years will be recouped. A deferred tax liability was raised in this respect.

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
27.	**TRADE AND OTHER PAYABLES**				
	Trade payables	**60 375**	23 156	**55 774**	20 906
	Accrued expenses	**322 066**	266 660	**249 993**	202 425
	Tenant deposits	**138 026**	129 081	**96 584**	94 315
	Tenant receipts paid in advance	**123 578**	101 735	**87 578**	84 121
	Municipal expenses	**250 416**	212 155	**179 636**	136 290
	VAT	**8 369**	20 868	**15 699**	15 385
	Sundry creditors	**41 399**	54 580	**42 047**	43 408
	Creditors for listed securities purchased	**233 883**	–	**–**	–
	Subsidiary distribution payable to non-controlling interests	**116 195**	139 820	**–**	–
	BALANCE AT END OF YEAR	**1 294 307**	948 055	**727 311**	596 850
28.	**NET OPERATING INCOME**				
	Net operating income includes the following charges:				
	Amortisation and depreciation	**76 376**	77 489	**15 249**	14 518
	Auditors' remuneration	**4 910**	5 838	**3 815**	1 860
	– External auditor – audit fees	**3 479**	4 013	**2 384**	1 252
	– non-audit fees	**1 431**	1 825	**1 431**	608
	Asset management fees	**1 786**	810	**–**	–
	Staff costs	**131 775**	108 987	**106 976**	99 442
	Defined contribution fund	**7 608**	6 239	**6 216**	6 239
	Property management fees	**27 718**	21 586	**24 583**	21 539
	Valuation fees paid to third parties	**3 314**	2 822	**1 879**	2 822
	Share-based payment expense	**14 030**	5 822	**14 030**	5 822
	Directors' emoluments (refer to the directors' report, page 6)	**35 563**	22 837	**35 563**	22 837
	Share appreciation rights expense (note 24.1)	**7 361**	10 914	**7 361**	10 914
	Trading property cost of sales	**4 238**	10 113	**4 238**	10 113
	Internal audit fees	**642**	2	**–**	2
29.	**CHANGES IN FAIR VALUES OF PROPERTIES, LISTED SECURITIES AND FINANCIAL INSTRUMENTS**				
	Property portfolio	**1 158 864**	834 367	**507 173**	710 303
	– Realised	**(15 857)**	6 959	**(13 363)**	(3 221)
	– Unrealised	**1 174 721**	827 408	**520 536**	713 524
	Listed securities	**296 647**	72 213	**93 783**	213 694
	– Realised	**636 794**	293 475	**568 615**	1 641 913
	– Unrealised	**(340 147)**	(221 262)	**(474 832)**	(1 428 219)
	Interest rate swaps – mark to market	**(128 495)**	462 871	**(73 103)**	384 635
	Deemed profit on disposal of investment in associate	**734 568**	–	**990 723**	–
	Loss on sale of subsidiary	**(10 585)**	–	**(21 764)**	–
	Profit on disposal of unlisted investment	**246**	–	**–**	–
		2 051 245	1 369 451	**1 496 812**	1 308 632
30.	**INTEREST PAID**				
	Interest paid on interest-bearing borrowings	**(1 457 159)**	(989 407)	**(1 157 741)**	(866 665)
		(1 457 159)	(989 407)	**(1 157 741)**	(866 665)

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	**2014 R000**	2013 R000
31.	**INTEREST RECEIVED**				
	Interest received on cash invested	**30 507**	12 488	2 799	1 586
	Antecedent interest*	**–**	73 406	–	72 694
	Vendor loans	**126 586**	42 074	98 737	41 327
	Other	**2 298**	10 723	2 298	10 722
	Interest received from subsidiaries	**–**	–	221 581	704 198
		159 391	138 691	325 415	830 527

** Previously, when Redefine issued linked units at a market price that included accrued debenture interest, the accrued interest portion within the issue price was included in interest received as antecedent interest. Antecedent interest included in linked units issued during the period was capitalised to the issue cost of the linked units.*

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
32.	**FOREIGN EXCHANGE LOSS**				
	Foreign exchange loss	**(13 638)**	(81 279)	**(34 200)**	(87 944)
33.	**TAXATION**				
	NORMAL	**(48 553)**	(67 856)	**(11 377)**	(56 173)
	– Current	**(37 176)**	(52 349)	**–**	(40 667)
	– Adjustment to prior year	**(11 377)**	(15 507)	**(11 377)**	(15 506)
	DEFERRED	**79 856**	1 457 513	**106 708**	1 522 087
	– Current	**79 856**	1 457 513	**106 708**	1 522 087
		31 303	1 389 657	**95 331**	1 465 914
	RECONCILIATION BETWEEN APPLICABLE TAXATION RATE AND EFFECTIVE TAX RATE				
	SA normal taxation rate applied to income before taxation	**(975 974)**	(306 736)	**(692 716)**	(415 591)
	Taxation effect of:				
	– Capital gains taxation payable at lower rate	**–**	(23)	**–**	–
	– Disallowable expenditure	**28 013**	–	**18 485**	–
	– Exempt income	**383 152**	182 939	**351 199**	255 555
	– Capital gains tax	**(6 075)**	(75 217)	**–**	(65 559)
	– Deferred tax asset not recognised in respect of tax losses	**–**	(17 360)	**–**	–
	– Assessed loss utilised	**12 753**	(18 833)	**–**	(18 833)
	– Foreign rate differential	**(3 414)**	–	**–**	–
	– Withholding tax	**(6 112)**	–	**–**	–
	– Change in the capital gains tax inclusion rate	**(118)**	–	**–**	–
	– Change in the capital gains tax inclusion rate – REITs	**85 164**	1 644 398	**85 164**	1 729 852
	– Prior year underprovision	**(11 377)**	(15 507)	**(11 377)**	(15 506)
	– Change in accounting estimate	**799**	(4 004)	**–**	(4 004)
	– Qualifying distribution	**524 492**	–	**344 576**	–
		31 303	1 389 657	**95 331**	1 465 914

The group has unutilised tax losses of R43,6 million (2013: R62 million) for which a deferred tax asset has not been recognised.

for the year ended 31 August 2014

		GROUP	
		2014 R000	2013 R000
34.	**EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS**		
	Earnings per share are calculated on the weighted average number of shares of 3 090 599 470 (2013: 2 824 980 402) and distributable income of R2,4 billion (2013: R2 billion).		
	RECONCILIATION OF BASIC EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS		
	Profit for the year attributable to Redefine shareholders	**3 407 818**	3 619 654
	Changes in fair values of properties including associates (net of deferred taxation and NCI)	**(1 108 787)**	(2 024 718)
	Changes in fair value of properties	**(1 108 787)**	(768 703)
	Deferred taxation	**–**	(1 256 015)
	Profit on deemed disposal of investment in an associate (net of deferred tax)	**(726 919)**	
	Profit on disposal/deemed disposal of subsidiary	**(340 949)**	(898 651)
	Capital gains tax paid	**–**	64 542
	HEADLINE PROFIT ATTRIBUTABLE TO SHAREHOLDERS/LINKED UNITHOLDERS	**1 231 163**	760 827
	Debenture interest	**1 115 697**	2 012 705
	HEADLINE EARNINGS ATTRIBUTABLE TO SHAREHOLDERS/LINKED UNITHOLDERS	**2 346 860**	2 773 532
	Changes in fair values of listed securities and financial instruments (net of deferred taxation)	**(238 302)**	(718 943)
	Changes in fair values of listed securities and financial instruments	**(168 398)**	(535 085)
	Deferred taxation	**(69 904)**	(183 858)
	Fair value interest adjustment	**–**	–
	Amortisation of intangibles (net of deferred taxation)	**45 256**	45 256
	Amortisation of intangibles	**62 856**	62 856
	Deferred taxation	**(17 600)**	(17 600)
	Transaction costs relating to Annuity and Fountainhead corporate action (included in administration costs)	**14 423**	–
	Antecedent interest	**77 446**	
	Unrealised interest received	**(25 682)**	–
	Alignment of consolidated foreign profits with anticipated distributions	**–**	47 589
	Straight-line rental income accrual	**(61 721)**	(67 644)
	Unrealised foreign exchange	**29 945**	85 552
	Fair value adjustment of associates and non-controlling interests (other than investment property)	**63 966**	(164 203)
	Anticipated withholding taxes on RI PLC distributable profit	**(10 517)**	–
	Debt restructure costs (included in net interest)	**136 095**	–
	Pre-acquisition distribution received from Annuity Properties Limited	**36 454**	–
	Pre-acquisition income on listed securities	**–**	11 566
	DISTRIBUTABLE INCOME	**2 414 223**	2 012 705
	Actual number of shares/linked units in issue (000)*	**3 404 630**	2 929 702
	Weighted number of shares/linked units in issue (000)*	**3 090 599**	2 824 980
	Diluted number of shares/linked units in issue (000)*	**3 654 675**	2 929 702
	BASIC EARNINGS PER SHARE/LINKED UNIT (CENTS)	**146,36**	199,38
	– Continuing operations per share/linked unit (cents)	**134,53**	166,60
	– Discontinued operations per share/linked unit (cents)	**11,83**	32,78
	DILUTED EARNINGS PER SHARE/LINKED UNIT (CENTS)^	**123,78**	–
	– Continuing operations per share/linked unit (cents)	**113,77**	–
	– Discontinued operations per share/linked unit (cents)	**10,01**	–
	HEADLINE EARNINGS PER LINKED UNIT (CENTS)	**75,94**	98,18
	– Continuing operations per share/linked unit (cents)	**75,48**	97,21
	– Discontinued operations per share/linked unit (cents)	**0,46**	0,97
	DILUTED HEADLINE EARNINGS PER SHARE/LINKED UNIT (CENTS)^	**64,22**	–
	– Continuing operations per share/linked unit (cents)	**63,83**	–
	– Discontinued operations per share/linked unit (cents)	**0,39**	–
	DISTRIBUTION PER SHARE/LINKED UNIT (CENTS)	**74,54**	68,70

** Excludes 5 876 766 treasury shares/units.*
^ In the prior period, there were no dilutionary linked units in issue.

The diluted number of shares in issue is as a result of 250 044 927 (2013: nil) shares issued subsequent to year-end but prior to the dividend declaration date (note 45).

In the prior period, no calculation of diluted headline earnings per share was performed as there were no convertible securities or options in issue.

for the year ended 31 August 2014

		GROUP		COMPANY	
		2014 R000	2013 R000	2014 R000	2013 R000
35.	**CASH GENERATED FROM OPERATIONS**				
	Profit before taxation	**3 485 624**	1 532 097	**2 473 988**	1 484 254
	ADJUSTED FOR:				
	Non-cash flow items	**(2 426 825)**	(1 858 337)	**(1 449 758)**	(1 217 374)
	Interest paid	**1 457 159**	989 407	**1 157 741**	866 665
	Interest received	**(159 391)**	(138 691)	**(325 415)**	(830 527)
	Debenture interest	**1 115 697**	2 012 705	**1 117 836**	2 016 742
	Operating income before working capital changes	**3 472 264**	2 537 181	**2 974 392**	2 319 760
	Working capital changes	**149 762**	316 503	**(18 813)**	244 860
	Trade, listed security income and other receivables	**(81 999)**	231 031	**(140 435)**	223 787
	Properties held-for-trading	**2 601**	1 884	**2 600**	1 884
	Trade and other payables	**229 160**	83 588	**119 022**	19 189
		3 622 026	2 853 684	**2 955 579**	2 564 620
	NON-CASH FLOW ITEMS				
	Depreciation and amortisation	**76 376**	77 489	**15 249**	14 518
	Fair value adjustments	**(2 051 245)**	(1 369 451)	**(1 496 812)**	(1 308 632)
	Straight-line lease accrual	**(61 721)**	(67 644)	**(30 736)**	(80 057)
	Foreign exchange loss	**13 638**	81 279	**34 200**	87 944
	Guarantee fee income	**(10 000)**	(10 000)	**(10 000)**	(10 000)
	Equity-accounted results of associate	**(439 766)**	(329 656)	**–**	–
	Other non-cash flow items	**(16 617)**	(303 052)	**(20 061)**	17 443
	Lease commissions and amortised tenant installations	**62 510**	62 698	**58 402**	61 410
		(2 426 825)	(1 858 337)	**(1 449 758)**	(1 217 374)
36.	**DISTRIBUTIONS PAID**				
	Distribution payable at beginning of year	**1 025 396**	897 162	**1 027 453**	899 072
	Distributions declared	**1 115 697**	2 012 705	**1 117 836**	2 016 742
	Distribution payable at end of year	**–**	(1 025 396)	**–**	(1 027 453)
		2 141 093	1 884 471	**2 145 289**	1 888 361
37.	**TAXATION PAID**				
	Taxation payable at beginning of year	**(6 390)**	(28 078)	**(6 374)**	–
	RIN – deconsolidation (taxation payable)	**–**	26 621	**–**	–
	Amounts charged to profit or loss (note 33)	**(48 553)**	(67 856)	**(11 377)**	(56 173)
	Foreign withholding tax accrual	**(2 421)**	–	**–**	–
	Taxation payable at end of year	**47 672**	6 390	**16 194**	6 374
		(9 692)	(62 923)	**(1 557)**	(49 799)

for the year ended 31 August 2014

38. BUSINESS COMBINATIONS

38.1 ANNUITY PROPERTIES LIMITED, ANNUITY ASSET MANAGERS PROPRIETARY LIMITED AND ANNUITY PROPERTY MANAGERS PROPRIETARY LIMITED

2014

On 23 June 2014, the group acquired 100% of the share capital and the loan claims of Annuity Properties Limited, Annuity Asset Managers Proprietary Limited and Annuity Property Managers Proprietary Limited. The APL, AAM and APM share capital was acquired for an aggregate consideration of R1,411 billion, comprising Redefine shares and cash.

The acquired businesses contributed revenues of R18,2 million and net profit after tax (including fair value adjustments) of R56,6 million to the group for the two months since acquisition. These amounts have been calculated using the group's accounting policies.

If the businesses had been acquired on 1 September 2013, management estimates that the revenue and profit after tax from the businesses would have been R186,4 million and R78,8 million respectively.

	GROUP 2014 R000
PURCHASE CONSIDERATION	
Cost of shares acquired	1 405 054
Loan claims acquired	5 552
TOTAL PURCHASE CONSIDERATION	1 410 606
The assets and liabilities as at 23 June 2014 arising from the acquisition are as follows:	
Investment properties	1 894 586
Straight-line rental income accrual	55 135
Interest rate swaps	4 245
Trade and other receivables**	35 365
Cash and cash equivalents	14 609
Interest-bearing liabilities – non-current	(612 437)
Deferred taxation	102
Trade and other payables	(42 404)
Shareholders' loans	(5 552)
Interest-bearing liabilities – current	(60 914)
FAIR VALUE OF NET ASSETS	1 282 735
Goodwill*	122 319
Shareholders' loans acquired	5 552
TOTAL PURCHASE CONSIDERATION	1 410 606
PURCHASE CONSIDERATION	1 410 606
– Settled in Redefine shares	1 307 506
– Settled in cash	103 100
Cash and cash equivalents in subsidiary acquired	(14 609)
CASH OUTFLOW ON ACQUISITION	88 491

* *The goodwill arises as a result of the expected synergies from the acquisition.*

** *Gross contractual amounts receivable are R36,9 million. The group's best estimate of the contractual cash flow not expected to be collected is R1,5 million.*

38.2 ELECTRICITY RECOVERY BUSINESS

In the prior period, Redefine acquired an electricity recovery business. As the purchase price adjustment account had not yet been finalised, a detailed assessment of the identifiable assets and liabilities acquired and their respective fair values had not yet been completed at year-end. The purchase consideration was provisionally allocated to intangible assets. A detailed assessment of the assets, liabilities and contingent liabilities acquired was completed during the 2014 financial year and no adjustments were required to be passed. An additional R5,1 million has been capitalised against the electricity recovery business as full and final settlement of the purchase price. The electricity recovery business has been accounted for as a contractual right to recover electricity charges.

for the year ended 31 August 2014

38. BUSINESS COMBINATIONS continued

2013

Fountainhead Property Trust

It was Redefine's stated intention to obtain a meaningful stake in Fountainhead in the event of Redefine's proposal to acquire the assets of Fountainhead not proceeding, to ensure alignment of interest between Redefine and Fountainhead unitholders. As a result of Redefine's withdrawal of its offer to acquire the Fountainhead assets which was announced on 20 March 2013, it accordingly proceeded to acquire a stake in Fountainhead. Effective 27 March 2013, Redefine acquired 529 707 447 Fountainhead units, representing 45,6% of Fountainhead units in issue. The Fountainhead units were acquired for an aggregate consideration of R4,582 billion, comprising Hyprop units, cash and Redefine units.

Subsequent to the business combination date, Redefine acquired an additional 47 738 143 Fountainhead units for an aggregate consideration of R376 million, settled in cash. The additional Fountainhead units purchased increased Redefine's holding to 49,7% of the Fountainhead units in issue.

The acquired business contributed revenues of R488 million and net profit after tax of R437 million to the group for five months since acquisition. These amounts have been calculated using the group's accounting policies.

If the business had been acquired on 1 September 2012, management estimates that the revenue and profit after tax from this business would have been R541 million and R381 million respectively.

	GROUP 2013 R000
PURCHASE CONSIDERATION	
Cost of shares acquired	4 582 417
TOTAL PURCHASE CONSIDERATION	4 582 417
The assets and liabilities as at 27 March 2013 arising from the acquisition are as follows:	
FAIR VALUE	
Investment property including straight-line rental income adjustment	10 972 389
Cash and cash equivalents	342 302
Trade and other receivables**	91 250
Trade and other payables	(144 368)
Interest-bearing liabilities	(2 867 777)
Linked unitholders for distribution	(303 584)
FAIR VALUE OF NET ASSETS	8 090 212
Non-controlling interest acquired	(4 401 075)
Goodwill*	893 280
TOTAL PURCHASE CONSIDERATION	4 582 417
PURCHASE CONSIDERATION	4 582 417
– Settled in cash	501 645
– Settled in Redefine units	854 430
– Settled in Hyprop units	3 165 013
– Fair value of existing interest in Fountainhead	61 329
Cash and cash equivalents in subsidiary acquired	(342 302)
CASH OUTFLOW ON ACQUISITION	159 343

* *The goodwill arises as a result of the expected synergies from the acquisition.*

** *Gross contractual amounts receivable are R100,6 million, the group's best estimate of the contractual cash flow not expected to be collected is R9,4 million.*

for the year ended 31 August 2014

		GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
39.	**COMMITMENTS**				
39.1	**CAPITAL COMMITMENTS**				
	Property acquisitions	**2 973 020**	2 431 291	**2 958 200**	2 272 291
	Property under development	**1 538 385**	2 335 717	**1 203 961**	2 335 717
	Capital improvements on investment properties	**979 725**	884 611	**572 314**	629 611
	– Approved and committed	**979 725**	787 611	**572 314**	532 611
	– Approved and not yet committed	**–**	97 000	**–**	97 000
		5 491 130	5 651 619	**4 734 475**	5 237 619
39.2	**OPERATING EXPENSE COMMITMENTS**				
	Contractual commitments are in respect of general maintenance of lifts, escalators and air-conditioning installations				
	– Due within one year	**124 112**	122 575	**104 440**	122 575
	– Due within two to five years	**80 235**	118 011	**57 389**	118 011
	– Due beyond five years	**4 707**	–	**4 707**	–
		209 054	240 586	**166 536**	240 586
39.3	**OPERATING LEASE COMMITMENTS**				
	Commitments due in respect of leases entered into by Redefine on leasehold property:				
	– Due within one year	**11 520**	11 572	**11 520**	11 572
	– Due within two to five years	**32 267**	38 529	**32 267**	38 529
	– Due beyond five years	**311 277**	253 001	**311 277**	253 001
		355 064	303 102	**355 064**	303 102
40.	**MINIMUM LEASE PAYMENTS RECEIVABLE**				
	Minimum lease payments comprise contractual rental, income, excluding the straight-line lease adjustments, and operating expense recoveries due in terms of signed lease agreement on investment properties				
	– Receivable within one year	**3 907 446**	2 593 121	**2 547 445**	2 446 201
	– Receivable within two to five years	**9 319 775**	5 737 930	**5 865 490**	5 508 523
	– Receivable beyond five years	**5 169 810**	5 335 542	**3 767 574**	5 210 980
		18 397 031	13 666 593	**12 180 509**	13 165 704

41. CONTINGENT LIABILITIES AND GUARANTEES

Suretyships limited to R198 million (2013: R180 million) have been provided relating to BEE initiatives.

At the date of this report, the company has provided guarantees in respect of the loans to Clearwater to a maximum of R20,0 million (2013: R72,3 million). In the prior year, a guarantee was issued to BDL Management Limited for R20 million. This guarantee expired during the year.

In the prior year, Redefine entered into a put option to acquire 36,5 million RI PLC shares with a value of R242 million. During the period, the counterparty exercised its option and Redefine purchased the units.

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, amounts due from subsidiaries, associates and third parties, guarantee fees, trade and other receivables, trade and other payables and listed securities. In respect of the aforementioned financial instruments, book value approximates fair value. Exposure to market, credit and liquidity risk arises in the normal course of business.

The group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

While risk management is the ultimate responsibility of the board of directors, the board has delegated this responsibility to the audit and risk committee which is responsible for developing and monitoring the group's risk management policies.

The group's risk management policies are established to ensure:
- improved risk management and control
- the efficient allocation of funds to maximise returns
- the maintenance of acceptable levels of risk within the group as a whole
- efficient liquidity management and control of funding

The audit and risk committee reviews management's compliance with the group's risk policies and procedures and assesses the adequacy of the risk management framework. The audit and risk committee reports regularly to the board of directors.

42.1 CREDIT RISK MANAGEMENT

Potential areas of credit risk consist of trade receivables, loans receivable and short-term cash investments. Loans receivable balances are mitigated through security on loans advanced. Refer to security detailed in note 9. Trade receivables are widely spread over a large customer base. The financial positions of these customers are monitored on an ongoing basis. All specific doubtful debts have been impaired at year-end and management did not consider there to be any material credit risk exposure that was not already covered by an impairment adjustment.

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
The group/company held tenant cash deposits and guarantees with a fair value of R12,5 million and R3,4 million respectively (2013: R20,4 million and R4 million) at 31 August 2014.	**12 491**	20 403	**3 365**	4 027
The group/company impairment allowance at 31 August 2014 was R39,9 million and R22,7 million respectively (2013: R30 million and R21 million).				
The specifically impaired receivables relate to tenants who have either been summonsed for non-payment, vacated the premises or who have a history of payment default. It is expected that a portion of the specifically impaired receivables will be recovered.				
AGEING OF IMPAIRED TRADE RECEIVABLES				
Not more than 30 days	**6 229**	7 665	**3 079**	6 295
More than 30 days but not more than 60 days	**6 730**	2 648	**3 810**	1 172
More than 60 days but not more than 90 days	**5 159**	6 318	**2 294**	1 284
More than 90 days	**21 788**	13 418	**13 575**	12 426
TOTAL	**39 906**	30 049	**22 758**	21 177

for the year ended 31 August 2014

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
42. FINANCIAL RISK MANAGEMENT continued				
42.1 CREDIT RISK MANAGEMENT continued				
MOVEMENTS ON THE ALLOWANCE FOR THE IMPAIRMENT OF TRADE RECEIVABLES ARE AS FOLLOWS:				
Opening balance	**30 049**	19 693	**21 177**	14 097
Impairment losses recognised on receivables	**36 268**	22 586	**20 532**	13 172
Impairment losses reversed on receivables	**(26 411)**	(12 230)	**(18 951)**	(6 092)
CLOSING BALANCE	**39 906**	30 049	**22 758**	21 177

The allowance for impaired receivables and receivables written off are included in property expenses.

Amounts charged to the allowance will be written off when all avenues for recovery have been exhausted and there is no expectation that any further cash will be received.

At reporting date, no geographic area, rental sector or size of tenant had been identified as a specific credit risk.

RECEIVABLES PAST DUE BUT NOT IMPAIRED

Receivables are considered to be 'past due' when they are uncollected one day or more beyond their contractual due date.

As at 31 August 2014, group/company trade receivables of R37,7 million and R33,6 million respectively (2013: R21,8 million and R20,1 million) were considered past due but not impaired. These include varied customers with no recent history of payment default.

The ageing of these trade receivables is as follows:

AGEING OF TRADE RECEIVABLES PAST DUE BUT NOT IMPAIRED	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
Not more than 30 days	**26 560**	16 227	**23 964**	16 227
More than 30 days but not more than 60 days	**9 928**	2 050	**9 141**	2 050
More than 60 days but not more than 90 days	**736**	1 831	**491**	1 831
More than 90 days	**491**	–	**–**	–
TOTAL	**37 715**	20 108	**33 596**	20 108

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.2 LIQUIDITY RISK

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group ensures that it always has adequate funds available and seeks to borrow for as long as possible at the lowest possible cost. Liquidity requirements are managed by monitoring forecasted cash flows and the maturity profile of financial liabilities.

A maturity analysis of financial assets and liabilities is set out in the table below:

GROUP	Less than one year R000	One to five years R000	More than five years R000	Total R000
YEAR ENDED 31 AUGUST 2014				
FINANCIAL ASSETS				
Listed securities	**–**	**–**	**2 750 900**	**2 750 900**
Loans receivable	**2 050**	**1 547 372**	**179 840**	**1 729 262**
Other financial assets	**–**	**23 510**	**–**	**23 510**
Guarantee fees receivable	**–**	**50 000**	**–**	**50 000**
Trade and other receivables	**580 021**	**–**	**–**	**580 021**
Listed security income	**38 670**	**–**	**–**	**38 670**
Cash and cash equivalents	**350 606**	**–**	**–**	**350 606**
TOTAL FINANCIAL ASSETS	**971 347**	**1 620 882**	**2 930 740**	**5 522 969**
INTEREST PAYMENTS RELATING TO LOANS RECEIVABLE ABOVE	**6**	**99 682**	**13 788**	**113 476**
FINANCIAL LIABILITIES				
Debenture capital	**–**	**–**	**–**	**–**
Interest-bearing borrowings	**5 401 205**	**11 627 807**	**2 727 517**	**19 756 529**
Derivatives	**926**	**95 192**	**–**	**96 118**
Other financial liabilities	**12 872**	**36 731**	**–**	**49 603**
Trade and other payables	**1 294 307**	**–**	**–**	**1 294 307**
TOTAL FINANCIAL LIABILITIES	**6 709 310**	**11 759 730**	**2 727 517**	**21 196 557**
Interest payments relating to interest-bearing borrowings above	**301 806**	**930 484**	**207 239**	**1 439 529**
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	**226 950**	**–**	**–**	**226 950**
YEAR ENDED 31 AUGUST 2013				
FINANCIAL ASSETS				
Listed securities	–	–	2 050 203	2 050 203
Loans receivable	113 504	647 722	190 020	951 246
Other financial assets	78 236	–	–	78 236
Guarantee fees receivable	–	50 000	–	50 000
Trade and other receivables	453 483	–	–	453 483
Listed security income	48 051	–	–	48 051
Cash and cash equivalents	358 908	–	–	358 908
TOTAL FINANCIAL ASSETS	1 052 182	697 722	2 240 223	3 990 127
INTEREST PAYMENTS RELATING TO LOANS RECEIVABLE ABOVE	10 838	27 096	4 028	41 962
FINANCIAL LIABILITIES				
Debenture capital	–	–	5 085 419	5 085 419
Interest-bearing borrowings	1 640 000	13 315 192	60 175	15 015 367
Derivatives	16 165	10 430	–	26 595
Other financial liabilities	11 439	52 241	–	63 680
Trade and other payables	948 055	–	–	948 055
Linked unitholders for distribution	1 025 396	–	–	1 025 396
TOTAL FINANCIAL LIABILITIES	3 641 055	13 377 863	5 145 594	22 164 512
Interest payments relating to interest-bearing borrowings above	82 182	748 557	6 037	836 776
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	80 052	–	–	80 052

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.2 LIQUIDITY RISK continued

Financial instruments by category

GROUP	Financial assets: At amortised cost^ R000	Financial assets: At fair value through profit or loss R000	Financial liabilities: At amortised cost^ R000	Financial liabilities: At fair value through profit or loss R000	Financial instruments beyond the scope of IFRS 7 and non-financial instruments R000	Total R000
YEAR ENDED 31 AUGUST 2014						
FINANCIAL ASSETS						
Listed securities	–	2 750 900	–	–	–	2 750 900
Loans receivable	1 729 262	–	–	–	–	1 729 262
Other financial assets#	–	23 510	–	–	–	23 510
Guarantee fees receivable	50 000	–	–	–	–	50 000
Trade and other receivables	140 591	–	–	–	439 430	580 021
Listed security income	38 670	–	–	–	–	38 670
Cash and cash equivalents	350 606	–	–	–	–	350 606
TOTAL FINANCIAL ASSETS	**2 309 129**	**2 774 410**	**–**	**–**	**439 430**	**5 522 969**
FINANCIAL LIABILITIES						
Interest-bearing borrowings	–	–	19 756 529	–	–	19 756 529
Derivatives#	–	–	–	96 118	–	96 118
Other financial liabilities	–	–	–	27 507	22 096	49 603
Trade and other payables	–	–	1 254 796	–	39 511	1 294 307
TOTAL FINANCIAL LIABILITIES	**–**	**–**	**21 011 325**	**123 625**	**61 607**	**21 196 557**

The derivatives of R23,5 million included in other financial assets and R96,1 million included in interest rate swaps are classified as held-for-trading in terms of IAS 39.

	Financial assets: At a mortised cost^ R000	Financial assets: At fair value through profit or loss R000	Financial liabilities: At amortised cost^ R000	Financial liabilities: At fair value through profit or loss R000	Financial instruments beyond the scope of IFRS 7 and non-financial instruments R000	Total R000
YEAR ENDED 31 AUGUST 2013						
FINANCIAL ASSETS						
Listed securities	–	2 050 203	–	–	–	2 050 203
Loans receivable	951 246	–	–	–	–	951 246
Other financial assets#	–	78 236	–	–	–	78 236
Guarantee fees receivable	50 000	–	–	–	–	50 000
Trade and other receivables	216 820	–	–	–	236 663	453 483
Listed security income	48 051	–	–	–	–	48 051
Cash and cash equivalents	358 908	–	–	–	–	358 908
TOTAL FINANCIAL ASSETS	1 625 025	2 128 439	–	–	236 663	3 990 127
FINANCIAL LIABILITIES						
Debenture capital	–	–	5 085 419	–	–	5 085 419
Interest-bearing borrowings	–	–	15 015 367	–	–	15 015 367
Derivatives#	–	–	–	26 595	–	26 595
Other financial liabilities	–	–	–	37 507	26 173	63 680
Trade and other payables	–	–	897 534	–	50 521	948 055
Linked unitholders for distribution	–	–	1 025 396	–	–	1 025 396
TOTAL FINANCIAL LIABILITIES	–	–	22 023 716	64 102	76 694	22 164 512

^ *For all financial instruments carried at amortised cost, due to the fact that interest is market-related, the amortised cost approximates the fair value.*

The derivatives of R78 million included in other financial assets and R26,6 million included in interest rate swaps are classified as held-for-trading in terms of IAS 39.

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.2 LIQUIDITY RISK continued

Financial instruments by category continued

COMPANY	Less than one year R000	One to five years R000	More than five years R000	Total R000
YEAR ENDED 31 AUGUST 2014				
FINANCIAL ASSETS				
Listed securities	–	–	621 845	621 845
Loans receivable	2 050	1 042 459	179 840	1 224 349
Guarantee fees receivable	–	50 000	–	50 000
Trade and other receivables	498 776	–	–	498 776
Cash and cash equivalents	43 497	–	–	43 497
TOTAL FINANCIAL ASSETS	544 323	1 092 459	801 685	2 438 467
INTEREST PAYMENTS RELATING TO LOANS RECEIVABLE ABOVE	10 838	32 698	4 028	47 564
FINANCIAL LIABILITIES				
Interest-bearing borrowings	4 201 666	7 511 085	2 727 518	14 440 269
Derivatives	926	98 771	–	99 697
Other financial liabilities	12 872	36 731	–	49 603
Trade and other payables	727 311	–	–	727 311
TOTAL FINANCIAL LIABILITIES	4 942 775	7 646 587	2 727 518	15 316 880
Interest payments relating to interest-bearing borrowings above	254 004	647 368	207 239	1 108 611
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	80 052	–	–	80 052
YEAR ENDED 31 AUGUST 2013				
FINANCIAL ASSETS				
Listed securities	–	–	2 050 203	2 050 203
Loans receivable	113 504	601 340	190 020	904 864
Guarantee fees receivable	–	50 000	–	50 000
Trade and other receivables	334 101	–	–	334 101
Listed security income	24 240	–	–	24 240
Cash and cash equivalents	18 769	–	–	18 769
TOTAL FINANCIAL ASSETS	490 614	651 340	2 240 223	3 382 177
INTEREST PAYMENTS RELATING TO LOANS RECEIVABLE ABOVE	10 838	32 698	4 028	47 564
FINANCIAL LIABILITIES				
Debenture capital	–	–	5 095 620	5 095 620
Interest-bearing borrowings	890 000	10 077 632	–	10 967 632
Derivatives	16 165	10 430	–	26 595
Other financial liabilities	11 439	52 241	–	63 680
Trade and other payables	596 850	–	–	596 850
Linked unitholders for distribution	1 027 453	–	–	1 027 453
TOTAL FINANCIAL LIABILITIES	2 541 907	10 140 303	5 095 620	17 777 830
Interest payments relating to interest-bearing borrowings above	48 853	660 512	–	709 365
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	80 052	–	–	80 052

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.2 LIQUIDITY RISK continued

Financial instruments by category continued

COMPANY	Financial assets At amortised cost^ R000	Financial assets At fair value through profit or loss R000	Financial liabilities At amortised cost^ R000	Financial liabilities At fair value through profit or loss R000	Financial instruments beyond the scope of IFRS 7 and non-financial instruments R000	Total R000
YEAR ENDED 31 AUGUST 2014						
FINANCIAL ASSETS						
Listed securities	–	621 845	–	–	–	621 845
Loans receivable	1 224 349	–	–	–	–	1 224 349
Guarantee fees receivable	50 000	–	–	–	–	50 000
Trade and other receivables	180 416	–	–	–	318 360	498 776
Cash and cash equivalents	43 497	–	–	–	–	43 497
TOTAL FINANCIAL ASSETS	1 498 262	621 845	–	–	318 360	2 438 467
FINANCIAL LIABILITIES						
Interest-bearing borrowings	–	–	14 440 269	–	–	14 440 269
Derivatives#	–	–	–	99 697	–	99 697
Other financial liabilities	–	–	–	27 507	22 096	49 603
Trade and other payables	–	–	683 961	–	43 350	727 311
TOTAL FINANCIAL LIABILITIES	–	–	15 124 230	127 204	65 446	15 316 880

 # The R99,7 million included in interest rate swaps are classified as held-for-trading in terms of IAS 39.

	Financial assets At a mortised cost^ R000	Financial assets At fair value through profit or loss R000	Financial liabilities At amortised cost^ R000	Financial liabilities At fair value through profit or loss R000	Financial instruments beyond the scope of IFRS 7 and non-financial instruments R000	Total R000
YEAR ENDED 31 AUGUST 2013						
FINANCIAL ASSETS						
Listed securities	–	2 050 203	–	–	–	2 050 203
Loans receivable	904 864	–	–	–	–	904 864
Guarantee fees receivable	50 000	–	–	–	–	50 000
Trade and other receivables	165 231	–	–	–	168 870	334 101
Listed security income	24 240	–	–	–	–	24 240
Cash and cash equivalents	18 769	–	–	–	–	18 769
TOTAL FINANCIAL ASSETS	1 163 104	2 050 203	–	–	168 870	3 382 177
FINANCIAL LIABILITIES						
Debenture capital	–	–	5 095 620	–	–	5 095 620
Interest-bearing borrowings	–	–	10 967 632	–	–	10 967 632
Derivatives#	–	–	–	26 595	–	26 595
Other financial liabilities	–	–	–	37 507	26 173	63 680
Trade and other payables	–	–	553 370	–	43 480	596 850
Linked unitholders for distribution	–	–	1 027 453	–	–	1 027 453
TOTAL FINANCIAL LIABILITIES	–	–	17 644 075	64 102	69 653	17 777 830

^ For all financial instruments carried at amortised cost, due to the fact that interest is market-related, the amortised cost approximates the fair value.

 # The R26,6 million included in interest rate swaps are classified as held-for-trading in terms of IAS 39.

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.3 MARKET RISK

Interest rate risk

The group is exposed to interest rate risk through its variable rate cash balances, receivables, payables and long-term balances.

The group reduces its exposure to changes in interest rates by fixing interest rates in respect of 78% of its local borrowings. This is achieved by entering into agreements to receive variable and pay fixed interest rate swaps.

An increase or decrease of 1% in interest rates for the year ended 31 August 2014 would have increased or decreased the interest expense by approximately R42,9 million (2013: R57 million) and therefore the profit would increase/decrease by this amount.

These amounts are determined by calculating 1% on the amount of effective floating interest rate liabilities (ie total nominal liabilities net of swaps and fixed interest rate loans).

Equity price risk

The group is exposed to equity securities price risk in respect of listed securities held by the group. Any fluctuations in equity prices do not affect distributions paid to shareholders. If equity security prices increased or decreased by 5% of the carrying amount at year-end, the effect on net income before taxation would have been R137 million (2013: R201 million).

Currency risk

The group is exposed to currency risk through its Isle of Man loans, Macquarie loans and investments in the Cromwell Property Group, Redefine International PLC and the Cromwell Partners Trust.

Redefine International PLC

It is estimated that for the distributions for 2014 from RI PLC, a R1,00 increase or decrease in the spot exchange rate to the British pound would increase or decrease the group's expected profit before taxation by R5,7 million.

Cromwell Partners Trust

It is estimated that for the distributions for 2014 from CPT, a R1,00 increase or decrease in the spot exchange rate to the Australian dollar would increase or decrease the group's expected profit before taxation by R4,4 million.

Macquarie loan

It is estimated that for the interest expense for 2014 from Macquarie, a R1,00 increase or decrease in the spot exchange rate to the Australian dollar would increase or decrease the group's expected profit before taxation by R3,2 million.

It is estimated that for the loan balance for 2014 from Macquarie, a R1,00 increase or decrease in the spot exchange rate to the Australian dollar would increase or decrease the loan balance by R80 million.

Isle of Man loan

It is estimated that for the interest expense for 2014 from Isle of Man, a R1,00 increase or decrease in the spot exchange rate to the British pound would increase or decrease the group's expected profit before taxation by R1,1 million.

It is estimated that for the loan balance for 2014 from Isle of Man, a R1,00 increase or decrease in the spot exchange rate to the British pound would increase or decrease the loan balance by R21,3 million.

Cromwell Property Group

It is estimated that for the distributions for 2014 from Cromwell, a R1,00 increase or decrease in the spot exchange rate to the Australian dollar would increase or decrease the group's expected profit before taxation by R12,7 million.

It is estimated that for the investment balance for 2014 in Cromwell, a R1,00 increase or decrease in the spot exchange rate to the Australian dollar would increase or decrease the investment balance by R276,4 million.

42.4 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTY

IFRS 13 requires that an entity disclosed for each class of financial instruments measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.

The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.4 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTY continued

The table below analyses financial instruments and investment property carried at fair value, by valuation method.

The fair value hierarchy has the following levels:
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices)
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The table below does not include fair value information for investment property and properties under development measured at fair value if the carrying amount is a reasonable approximation of fair value.

YEAR ENDED 31 AUGUST 2014	Designated at fair value	Level 1	Level 2	Level 3
GROUP				
ASSETS				
Investment property	42 396 204	–	–	42 396 204
Listed securities	2 750 900	2 750 900	–	–
Other financial assets	23 510	–	23 510	–
TOTAL ASSETS	45 170 614	2 750 900	23 510	42 396 204
LIABILITIES				
Derivatives	96 118	–	96 118	–
Other financial liabilities	27 507	–	27 507	–
TOTAL LIABILITIES	123 625	–	123 625	–
COMPANY				
ASSETS				
Investment property	25 691 962	–	–	25 691 962
Listed securities	621 845	621 845	–	–
TOTAL ASSETS	26 313 807	621 845	–	25 691 962
LIABILITIES				
Derivatives	99 697	–	99 697	–
Other financial liabilities	27 507	–	27 507	–
TOTAL LIABILITIES	127 204	–	127 204	–

42.4.1 Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the year under review.

42.4.2 Significant transfers between level 1, level 2 and level 3

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

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued
42.4 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTY continued
42.4.3 Level 3 reconciliation

Year ended 31 August 2014	Opening balance	Gain/(loss) in profit or loss for the year and other comprehensive income	Acquisition/ (disposal)	Closing balance
GROUP				
Investment property	31 777 852	1 175 342	5 970 836	38 924 030
Properties under development	1 034 642	33 732	913 673	1 982 047
	32 812 494	1 209 074	6 884 509	40 906 077
Investment property – held-for-sale	2 267 634	(6 986)	(770 520)	1 490 128
	35 080 128	1 202 088	6 113 989	42 396 205
COMPANY				
Investment property	19 447 125	494 527	3 997 419	23 939 071
Properties under development	849 675	33 732	368 424	1 251 831
	20 296 800	528 259	4 365 843	25 190 902
Investment property – held-for-sale	2 267 634	–	(1 766 574)	501 060
	22 564 434	528 259	2 599 269	25 691 962

The fair value gains and losses are included in the fair value adjustment line in profit or loss.

The table below does not include fair value information for investment property and properties under development measured at fair value if the carrying amount is a reasonable approximation of fair value.

Year ended 31 August 2013	Designated at fair value	Level 1	Level 2	Level 3
GROUP				
ASSETS				
Investment property	35 080 128	–	–	35 080 128
Listed securities	2 050 203	2 050 203	–	–
Other financial assets	78 236	–	78 236	–
TOTAL ASSETS	37 208 567	2 050 203	78 236	35 080 128
LIABILITIES				
Derivatives	26 595	–	26 595	–
Other financial liabilities	37 507	–	37 507	–
TOTAL LIABILITIES	64 102	–	64 102	–
COMPANY				
ASSETS				
Investment property	22 564 434	–	–	22 564 434
Listed securities	2 050 203	2 050 203	–	–
TOTAL ASSETS	24 614 637	2 050 203	–	22 564 434
LIABILITIES				
Derivatives	26 595	–	26 595	–
Other financial liabilities	37 507	–	37 507	–
TOTAL LIABILITIES	64 102	–	64 102	–

for the year ended 31 August 2014

42. FINANCIAL RISK MANAGEMENT continued

42.4 FAIR VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTY continued

42.4.3 Level 3 reconciliation continued

Year ended 31 August 2013	Opening balance	Gain/(loss) in profit or loss for the year and other comprehensive income	Acquisition/ (disposal)	Closing balance
GROUP				
Investment property	29 405 804	852 627	1 519 421	31 777 852
Properties under development	329 972	–	704 670	1 034 642
	29 735 776	852 627	2 224 091	32 812 494
Investment property – held-for-sale	903 148	–	1 364 486	2 267 634
	30 638 924	852 627	3 588 577	35 080 128
COMPANY				
Investment property	20 955 663	732 171	(2 240 709)	19 447 125
Properties under development	202 068	–	647 607	849 675
	21 157 731	732 171	(1 593 102)	20 296 800
Investment property – held-for-sale	138 201	–	2 129 433	2 267 634
	21 295 932	732 171	536 331	22 564 434

The fair value gains and losses are included in the fair value adjustment line in profit or loss.

43. CAPITAL MANAGEMENT

In terms of the articles of association and the trust deed in the prior period, there are no restrictions on borrowings. However, to protect Redefine's exposure, the board has imposed a limit on borrowings of 45% of total assets.

Redefine's borrowings (net of cash on hand) at 31 August 2014 represented 38,0% (2013: 40,5%) of the value of its property assets. The group's property assets are made up of property, listed securities, loans receivable and interests in associates.

The group's capital management objective is to maintain a strong capital base to safeguard the entity's ability to provide reasonable returns to shareholders and other stakeholders. The group manages its capital structure with reference to risk and other changes in economic conditions.

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
SOUTH AFRICAN PROPERTY PORTFOLIO AND LISTED INVESTMENTS	**51 070 888**	41 382 639	**33 550 772**	32 067 138
45% (2013: 45%) thereof	**22 981 899**	18 622 188	**15 097 847**	14 430 212
BORROWINGS UTILISED (NET OF CASH ON HAND)	**19 756 529**	16 771 156	**14 440 269**	12 723 421
	3 225 370	1 851 032	**657 578**	1 706 791

for the year ended 31 August 2014

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
44. RELATED-PARTY TRANSACTIONS				
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.				
Related parties with whom Redefine transacted during the year were:				
REDEFINE PROPERTIES LONG-TERM INCENTIVE SCHEME	179 840	190 020	179 840	190 020
REDEFINE PROPERTIES INTERNATIONAL LIMITED				
Income comprising interest distributions	–	142 849	–	142 849
Underwriting fees	–	–	–	18 444
Relationship: Associate company				
MADISON PROPERTY FUND MANAGERS LIMITED				
Income comprising interest distributions	–	–	112 701	52 345
Loan payable	–	–	490 280	313 789
Relationship: Subsidiary company				
FREEDOM SQUARE PROPRIETARY LIMITED				
Loans receivable	–	–	–	65 296
Interest received	–	–	1 828	6 349
Development fee income	–	–	1 500	1 500
Relationship: Subsidiary company				
REDEFINE PACIFIC PROPRIETARY LIMITED				
Interest received	–	–	26 941	747
Loan receivable	–	–	506 596	111 715
Relationship: Subsidiary company				
FOUNTAINHEAD PROPERTY TRUST				
Development fee	–	–	6 792	618
Relationship: Subsidiary trust				
FOUNTAINHEAD PROPERTY TRUST MANAGEMENT LIMITED				
Dividend received	–	–	8 000	9 000
Relationship: Subsidiary company				
REDEFINE RETAIL PROPRIETARY LIMITED				
Income comprising dividend/interest distributions	–	–	569 811	471 114
Loan receivable	–	–	8 320 103	5 386 575
Relationship: Subsidiary company				
EVENING STAR 768 PROPRIETARY LIMITED				
Interest received	–	–	29 007	30 793
Loan receivable	–	–	290 145	296 466
Relationship: Subsidiary company				
MADISON PROPERTY FUND MANAGERS HOLDINGS LIMITED				
Dividend received	–	–	28 018	–
Loan receivable	–	–	870 323	–
Relationship: Subsidiary company				
REDEFINE GLOBAL PROPRIETARY LIMITED				
Dividend received	–	–	97 627	–
Relationship: Subsidiary company				
ANNUITY ASSET MANAGERS PROPRIETARY LIMITED				
Loan receivable	–	–	5 552	–
Relationship: Subsidiary company				
REDEFINE INTERNATIONAL PLC				
Dividend received	112 074	–	28 018	–
Relationship: Associate company				
ANNUITY PROPERTIES LIMITED				
Income comprising interest distributions	–	–	51 104	–
Loan receivable	–	–	2 234	–
Relationship: Subsidiary company				
DIRECTORS' EMOLUMENTS				
Non-executive directors (refer to the directors' report)	2 780	2 441	2 780	2 441
Executive directors (refer to the directors' report)	32 783	20 396	32 783	20 396

for the year ended 31 August 2014

45. SUBSEQUENT EVENTS

DIVIDEND DECLARATION AFTER REPORTING DATE

In line with IAS 10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements. In the prior periods, the distribution consisted of debenture interest which accrued on a daily basis.

SHARES ISSUED

The following shares were issued after the end of the reporting period:
- 143 107 149 shares were issued at an issue price of R9,50 per unit on 1 October 2014

The above share issue was in terms of an accelerated bookbuild to raise R1 billion through the issue of new shares to fund part of the acquisition of the Macsteel property portfolio. The balance is to be funded by way of debt.

- 86 904 498 shares were issued at an issue price of R9,66 per unit on 29 September 2014
- 3 260 000 shares were issued at an issue price of R9,50 per unit on 2 October 2014
- 16 773 280 shares were issued at an issue price of R9,42 per unit on 17 October 2014

The above share issues were in exchange for Emira Property Fund participatory interests.

EMIRA PROPERTY FUND

Subsequent to year-end, Redefine issued 106 937 778 shares in exchange for 69,56 million Emira Property Fund participatory interests (13,7% of the issued participatory interest holders' capital of Emira Property Fund).

MACSTEEL PROPERTY PORTFOLIO

Redefine has concluded an agreement with Macsteel Coreprop Proprietary Limited, Macsteel Genprop Proprietary and Macsteel Service Centres SA Proprietary Limited (collectively known as the sellers) for the acquisition of the Macsteel property portfolio of the sellers.

In terms of the portfolio sale agreement, Redefine will purchase the Macsteel property portfolio from the sellers for a purchase consideration of R2,7 billion. The purchase consideration will be paid in cash to the sellers on the first day of the month following the month during which the last of the conditions precedent is fulfilled or waived.

	GROUP		COMPANY	
	2014 R000	2013 R000	**2014 R000**	2013 R000
46. JOINTLY CONTROLLED ASSETS				
EAST RAND MALL (50% INTEREST)				
Undivided half share of the immovable property and letting enterprise with Vukile Property Fund Limited. Effective date 2 April 2014.				
Non-current assets	**1 108 500**	1 115 000	**–**	–
Current assets	**17 212**	11 521	**–**	–
Current liabilities	**13 445**	15 164	**–**	–
Income	**90 243**	34 489	**–**	–
Expenses	**11 719**	4 626	**–**	–
115 WEST STREET (50% INTEREST)				
115 West Street, a jointly controlled and co-owned asset between Redefine and 115 West Street Trust, is proportionally consolidated on a line-by-line basis. Effective date 8 August 2014.				
Non-current assets	**815 699**	–	**815 699**	–
Current assets	**3 878**	–	**3 878**	–
Current liabilities	**476**	–	**476**	–
Income	**3 461**	–	**3 461**	–
Expenses	**59**	–	**59**	–

for the year ended 31 August 2014

	GROUP 2014 R000	GROUP 2013 R000	COMPANY 2014 R000	COMPANY 2013 R000
46. JOINTLY CONTROLLED ASSETS continued				
MAPONYA MALL (51% INTEREST)				
Maponya Mall, a jointly controlled and co-owned asset between Redefine and RJP Maponya Property Investment Trust, is proportionally consolidated on a line-by-line basis. Effective date 27 March 2014.				
Non-current assets	**688 500**	–	**–**	–
Current assets	**7 141**	–	**–**	–
Current liabilities	**6 296**	–	**–**	–
Income	**24 710**	–	**–**	–
Expenses	**5 633**	–	**–**	–
DOCK ROAD (50% INTEREST)				
1 Dock Road, a jointly controlled and co-owned asset between Redefine and Ingenuity Property Investments Limited, is proportionally consolidated on a line-by-line basis. Effective date 13 August 2008.				
Non-current assets	**47 000**	61 755	**47 000**	61 755
Current assets	**1**	710	**1**	710
Current liabilities	**30**	–	**30**	–
Income	**383**	1 236	**383**	1 236
Expenses	**475**	627	**475**	627
ROSEBANK TOWERS (42,5% INTEREST)				
Undivided 42,5% share of the immovable property and letting enterprise with Ellwain Investments Proprietary Limited and Palm Trust. Effective date 20 June 2014.				
Non-current assets	**31 513**	–	**31 513**	–
14 PIET RAUTENBACH (50% INTEREST)				
Undivided half share of the immovable property and letting enterprise with JD Group Property Holdings Proprietary Limited. Effective date 26 March 2012.				
Non-current assets	**42 200**	39 000	**42 200**	39 000
Current assets	**438**	–	**438**	–
Current liabilities	**100**	50	**100**	50
Income	**3 542**	1 150	**3 542**	1 150
MORESPORT DC (50% INTEREST)				
Undivided half share of the immovable property and letting enterprise with KTR Sport Proprietary Limited. Effective date 29 November 2012.				
Non-current assets	**42 500**	37 472	**42 500**	37 472
Current assets	**–**	985	**–**	985
Current liabilities	**311**	65	**311**	65
Income	**3 266**	272	**3 266**	272
CHRIS HANI CROSSING (50% INTEREST)				
Undivided half share of the immovable property and letting enterprise with Chris Hani Crossing Share Block Proprietary Limited. Effective date 24 August 2012.				
Non-current assets	**279 500**	267 250	**279 500**	267 250
Current assets	**3 586**	1 522	**3 586**	1 522
Current liabilities	**–**	–	**–**	–
Income	**28 327**	25 994	**28 327**	25 994
Expenses	**2 868**	2 895	**2 868**	2 895
DAWN DISTRIBUTION CENTRE (50% INTEREST)				
Undivided half share of the immovable property and letting enterprise with Fin Properties 107 Proprietary Limited. Effective date 2 April 2012.				
Non-current assets	**225 000**	201 300	**225 000**	201 300
Current liabilities	**432**	–	**432**	–
Income	**18 170**	16 825	**18 170**	16 825

for the year ended 31 August 2014

47. SEGMENTAL REPORT

The local segment is divided into the subsectors of office, retail and industrial and Fountainhead; however, this is limited as follows:

- On the statement of comprehensive income to:
  - contractual rental income
  - property expenses
- On the statement of financial position to:
  - investment properties excluding developments
  - non-current assets held-for-sale

All other line items are split between local and foreign as they are not split between the subsectors above for management purposes.

	Office R000	Retail R000	Industrial R000	Foreign R000	Fountain-head R000	Total R000
2014						
Contractual rental income	1 597 514	1 520 780	633 521	–	1 558 613	5 310 428
Property expenses	(551 164)	(619 196)	(183 896)	–	(553 268)	(1 907 524)
NET PROPERTY INCOME	1 046 350	901 584	449 625	–	1 005 345	3 402 904

	Redefine R000	Foreign R000	Fountain-head R000	Total R000
2014				
Net property income	2 397 559	–	1 005 345	3 402 904
Straight-line rental income	22 102	–	39 619	61 721
Listed securities portfolio	18 916	166 826	–	185 742
Fee income	34 735	469	–	35 204
Property trading income	1 032	–	–	1 032
REVENUE NET OF PROPERTY EXPENSES	2 474 344	167 295	1 044 964	3 686 603
Administration costs	(112 179)	(126)	(73 448)	(185 753)
Depreciation	(16 278)	–	–	(16 278)
SEGMENT PROFIT FROM OPERATIONS	2 345 887	167 169	971 516	3 484 572
Changes in fair values of properties, listed securities and financial instruments	1 388 754	109 626	552 865	2 051 245
Amortisation of intangibles	(62 856)	–	–	(62 856)
Interest in associates	–	439 766	–	439 766
INCOME FROM OPERATIONS	3 671 785	716 561	1 524 381	5 912 727

47. SEGMENTAL REPORT continued

	Office R000	Retail R000	Industrial R000	Other R000	Foreign R000	Fountain-head R000	Total R000
Investment properties (excluding development properties)	11 738 986	10 831 043	5 162 644	–	–	11 191 357	38 924 030
Non-current assets held-for-sale	42 344	471 060	–	–	–	976 724	1 490 128
	11 781 330	11 302 103	5 162 644	–	–	12 168 081	40 414 158

	Redefine R000	Foreign R000	Fountain-head R000	Total R000
Investment properties and non-current assets held-for-sale	28 246 077	–	12 168 081	40 414 158
Other assets	9 658 851	6 983 784	433 371	17 076 006
TOTAL ASSETS	37 904 928	6 983 784	12 601 452	57 490 164
TOTAL LIABILITIES	(19 170 145)	1 175 780	(3 759 862)	(21 754 227)

	Office R000	Retail R000	Industrial R000	Foreign R000	Fountain-head R000	Total R000
2013						
Contractual rental income	1 385 523	1 210 012	524 042	–	604 400	3 723 977
Property expenses	(432 424)	(425 132)	(132 013)	–	(215 277)	(1 204 846)
NET PROPERTY INCOME	953 099	784 880	392 029	–	389 123	2 519 131

	Local R000	Foreign R000	Fountain-head R000	Total R000
2013				
Net property income	2 130 008	–	389 123	2 519 131
Straight-line rental income	86 606	–	(18 962)	67 644
Listed securities portfolio	311 046	–	–	311 046
Fee income	88 886	–	–	88 886
Property trading income	3 807	–	–	3 807
REVENUE NET OF PROPERTY EXPENSES	2 620 353	–	370 161	2 990 514
Admin and corporate costs	(96 210)	–	(29 987)	(126 197)
Depreciation	(23 771)	–	–	(23 771)
SEGMENT PROFIT FROM OPERATIONS	2 500 372	–	340 174	2 840 546
Changes in fair values of properties, listed securities and financial instruments	1 191 592	–	177 859	1 369 451
Amortisation of intangibles	(62 856)	–	–	(62 856)
Interest in associates	–	329 656	–	329 656
INCOME FROM OPERATIONS	3 629 108	329 656	518 033	4 476 797

for the year ended 31 August 2014

47. SEGMENTAL REPORT continued

	Office R000	Retail R000	Industrial R000	Other R000	Foreign R000	Fountain-head R000	Total R000
Investment properties (excluding development properties)	7 212 356	9 177 965	4 282 406	–	–	11 105 125	31 777 852
Non-current assets held-for-sale	2 167 796	74 000	25 838	1 912 567	907 444		5 087 645
	9 380 152	9 251 965	4 308 244	1 912 567	907 444	11 105 125	36 865 497

	Local R000	Foreign R000	Other R000	Total R000
Investment properties and non-current assets held-for-sale	24 852 928	907 444	11 105 125	36 865 497
Other assets	9 868 517	1 654 067	493 516	12 016 100
TOTAL ASSETS	34 721 445	2 561 511	11 598 641	48 881 597
TOTAL LIABILITIES (INCLUDING DEBENTURE CAPITAL)	(24 807 674)	–	–	(24 807 674)
TOTAL LIABILITIES (EXCLUDING DEBENTURE CAPITAL)	(19 722 255)	–	–	(19 722 255)

48. CHANGE IN ACCOUNTING POLICY

2014

In terms of IAS 18 *Revenue*, Redefine acts as a principal for the collection of operating cost recoveries and as such these recoveries should be accounted for as revenue and included in contractual rental income. In light thereof the directors of Redefine decided during the current year to revise the accounting policy relating to the recognition of the operating costs recoveries received from tenants. In the prior period, these recoveries were offset against the relevant operating costs. The revised policy adopted in the current year is as follows: recoveries of costs from lessees are included in contractual rental income; however, where the entity merely acts as an agent and makes payment of these costs on behalf of lessees, the recoveries are offset against the relevant costs. In our view this policy better reflects the economic substance of the transaction and is seen as best practice in the REIT industry. This change provides more relevant information to the users of the financial statements. This change has not resulted in any impact on the profit of the group. This change has been applied retrospectively and the following changes have been made to the 2013 results:

	GROUP			COMPANY		
	2013 R000	2013 Re-presented R000	Effect on profit or loss R000	2013 R000	2013 Re-presented R000	Effect on profit or loss R000
Contractual rental income	3 152 971	3 723 977	571 006	2 627 971	3 076 494	448 523
Operating costs	(633 840)	(1 204 846)	(571 006)	(530 530)	(979 053)	(448 523)
			–			–

SECTORAL SUMMARY AS AT 31 AUGUST 2014

	Office	Retail	Industrial	Total
Investment property	13 678 878	18 982 284	6 262 868	38 924 030
Core portfolio	11 738 986	10 831 044	5 162 643	27 732 673
Fountainhead*	1 939 892	8 151 240	1 100 225	11 191 357
Non-current assets held-for-sale	42 344	1 447 784	–	1 490 128
Core portfolio	42 344	471 060	–	513 404
Fountainhead*	–	976 724	–	976 724
Development	829 025	816 890	336 132	1 982 047
Properties held-for-trading	–	21 349	–	21 349
	14 550 247	21 268 307	6 599 000	42 417 554

** Please refer to the Fountainhead website and integrated annual report for a detailed property breakdown.*

OFFICE

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
CORE PROPERTY PORTFOLIO							
Single	115 West Street	Gauteng	815 699	35 064	–	–	–#
Single	155 West Street	Gauteng	529 853	24 501	–	124	–*
Multi	90 Grayston Drive	Gauteng	478 383	18 704	–	–	–
Multi	Standard Bank Centre	Western Cape	400 000	54 140	5 596 663	112	4 081
Single	Thibault Square	Western Cape	388 000	30 522	–	124	–*
Multi	Convention Tower	Western Cape	385 000	17 859	3 531 433	199	137
Multi	Commerce Square	Gauteng	368 200	16 445	2 843 029	356	8 456
Multi	Poyntons	Gauteng	338 000	64 381	5 053 106	80	888
Single	Pier Place	Western Cape	313 000	14 746	–	124	–*
Multi	Jewel City	Gauteng	300 700	42 656	3 682 790	92	2 542
Single	11 Diagonal Street	Gauteng	270 200	32 773	–	124	–*
Single	22 Fredman Drive	Gauteng	253 500	10 908	–	124	–*
Multi	111 Commissioner Street	Gauteng	235 400	28 303	3 113 466	114	1 210
Single	Ericsson Woodmead	Gauteng	229 706	11 177	–	124	–*
Single	Sasfin Head Office Building	Gauteng	223 854	7 979	–	124	–*
Single	De Beers House	Gauteng	189 900	11 847	–	124	–*
Multi	Redefine Towers (320 West Street, Durban)	KwaZulu-Natal	183 000	26 277	2 585 963	98	–
Multi	82 Maude	Gauteng	180 000	9 944	1 608 287	163	138
Single	Esher Place	Gauteng	178 000	9 609	–	124	–*
Multi	Isivuno House	Gauteng	176 500	23 551	2 751 020	116	–
Multi	The Old Match Factory	Western Cape	150 470	11 252	1 245 570	110	–
Multi	Fedsure Forum	Gauteng	142 700	28 852	2 620 260	94	1 091
Multi	Thabakgolo	Limpopo	139 300	13 542	1 484 980	117	907
Single	61 Jorrisen Street	Gauteng	137 000	18 071	–	124	–*
Single	Knowledge Park II	Western Cape	133 000	7 138	–	124	–*
Multi	Cross Place	Gauteng	132 384	5 270	883 463	168	29
Multi	The Atrium Building	Gauteng	126 541	13 471	1 337 180	110	1 344
Single	Absa Investments Campus	Gauteng	122 900	10 406	–	124	–*
Multi	209 Smit Street	Gauteng	117 000	28 347	–	–	–
Single	Glenrand M.I.B House	Gauteng	114 672	12 754	–	124	–*

 # Non-Redefine managed joint operation.
** GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

for the year ended 31 August 2014

OFFICE continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Nedbank Centre, Nelspruit	Mpumalanga	110 200	15 261	1 646 655	116	1 124
Single	Accenture	Gauteng	110 000	6 481	–	124	–*
Multi	Hatfield Square	Gauteng	108 000	15 247	1 241 256	106	3 662
Multi	Marion Street Office Park	Gauteng	101 820	5 784	1 672 513	457	2 156
Multi	Opera Plaza, Pretoria	Gauteng	98 000	14 850	1 321 388	90	201
Multi	Trust Bank Building	Gauteng	96 700	16 932	2 266 433	133	–
Multi	Essex Gardens	KwaZulu-Natal	94 000	8 210	810 446	151	2 895
Multi	Thornhill Office Park	Gauteng	92 500	9 446	936 880	106	623
Single	Shell House	KwaZulu-Natal	89 601	13 937	–	124	–*
Single	Batho Pele House	Gauteng	89 000	14 172	–	124	–*
Multi	Mineralia Building	Gauteng	87 000	13 521	1 241 605	94	359
Multi	Knowledge Park	Western Cape	85 600	6 172	1 012 197	163	–
Multi	Surrey Place	Gauteng	83 984	11 939	721 925	85	3 563
Single	Wheat Board	Gauteng	82 900	13 028	–	124	–*
Single	Heron Place	Western Cape	81 800	4 705	–	124	–*
Multi	17 Harrison Street	Gauteng	80 840	12 302	1 287 207	106	245
Multi	2 Fricker Road	Gauteng	79 300	4 110	782 558	190	20
Multi	Matlotlo House	Gauteng	78 000	13 768	1 526 763	110	–
Multi	Shorburg	Gauteng	76 900	13 957	1 028 793	80	1 214
Multi	222 Smit Street	Gauteng	76 700	21 302	739 290	42	–
Multi	Redefine Place	Gauteng	74 555	4 538	144 051	32	–
Single	15 Baker Street	Gauteng	74 500	7 051	–	124	–*
Multi	Stonewedge	Gauteng	72 112	7 079	570 506	102	1 546
Multi	Hollard House and Parkade	Gauteng	66 913	10 352	899 716	95	927
Single	Aveng Stormill	Gauteng	64 589	6 054	–	50	–*
Multi	Outspan House	Gauteng	64 000	7 434	453 792	106	3 204
Multi	Boskruin Village Office Park	Gauteng	60 197	6 456	785 455	136	710
Multi	Parliament Towers	Western Cape	60 000	8 568	893 080	104	–
Multi	Curator	Gauteng	59 300	8 872	774 244	128	2 886
Multi	Ethos Building	Gauteng	57 796	2 481	440 895	177	–
Single	Hyde Park Manor	Gauteng	56 175	4 664	–	124	–*
Single	Emanzeni	Gauteng	56 000	9 284	–	124	–*
Multi	7 Sturdee Avenue	Gauteng	53 040	3 986	540 890	135	–
Multi	West End Shopping Centre	North West	53 000	20 844	938 886	61	5 546
Multi	Redefine, North Wharf	Western Cape	51 000	5 243	278 596	78	1 699
Multi	The Avenues	Gauteng	50 708	6 302	89 625	50	4 541
Multi	66 Peter Place	Gauteng	49 239	4 242	482 960	143	881
Multi	Wedgefield	Gauteng	48 691	4 086	530 463	131	49
Multi	6 Durban Club Place	KwaZulu-Natal	47 755	8 786	873 534	101	160
Multi	Treasury House	KwaZulu-Natal	47 260	9 705	806 017	84	196
Multi	5 Sturdee Avenue	Gauteng	46 715	3 542	378 572	128	616

* *GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

for the year ended 31 August 2014

OFFICE continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	BCX	Gauteng	44 871	2 535	342 546	134	–
Single	2 Rissik Street	Gauteng	44 739	6 074	–	124	–*
Multi	Commissioner House, Bellville	Western Cape	44 000	3 995	436 832	109	–
Multi	Warich Close Office Park	Gauteng	43 477	3 409	385 155	118	172
Single	Delpen Building	Gauteng	43 300	5 516	–	124	–*
Multi	Domus	Gauteng	41 531	5 505	458 784	131	2 033
Multi	37 Bath Avenue	Gauteng	41 450	3 168	432 115	136	–
Multi	Knowledge Park III	Western Cape	41 400	3 753	328 456	92	203
Multi	3 Sturdee Avenue	Gauteng	40 823	3 438	553 644	163	65
Multi	Allhart Park	Gauteng	39 400	4 376	413 358	197	2 304
Multi	Hatfield Forum East	Gauteng	39 400	5 777	334 176	76	1 206
Single	Kernick House	Gauteng	38 200	3 541	–	124	–*
Multi	2 Devonshire Place	KwaZulu-Natal	38 000	8 073	628 177	80	245
Multi	NBS Building	Gauteng	36 349	9 344	145 866	65	7 140
Multi	Accord House	KwaZulu-Natal	32 000	3 936	411 981	107	115
Multi	Hartmann and Keppler	Gauteng	29 207	2 002	238 876	119	–
Single	Clarins, Waverley	Gauteng	28 180	1 433	–	124	–*
Single	74 Lorne Street	KwaZulu-Natal	26 000	4 137	–	124	–*
Multi	Duncan Street	Gauteng	26 000	1 302	280 820	214	–
Multi	Glenashley Views	KwaZulu-Natal	26 000	2 794	320 267	121	170
Multi	Cosmopolitan House	Gauteng	25 000	3 123	239 887	90	470
Single	Nosa	Gauteng	24 500	3 747	–	124	–*
Multi	Standard Bank, Nelspruit branch	Mpumalanga	22 000	2 360	232 614	98	–
Multi	Lakeside 2	Gauteng	21 600	4 092	112 814	95	2 934
Vacant	Victoria Gate	Gauteng	19 425	2 403	–	–	2 418*
Multi	Odyssey Place	KwaZulu-Natal	18 850	2 088	230 523	119	161
Vacant	Embassy House	Gauteng	17 500	3 398	–	–	3 419*
Multi	Optiplan House	Gauteng	17 167	1 818	220 041	133	171
Multi	BDO House	KwaZulu-Natal	14 250	2 184	206 040	225	1 280
Single	Absa, Centurion	Gauteng	13 715	1 298	–	124	–*
Multi	Chesan	Gauteng	7 693	1 013	109 410	107	–
Single	West House	Gauteng	7 000	1 044	–	124	584*
Multi	The Ridge	KwaZulu-Natal	6 985	1 007	119 295	149	211
Single	Clarins, Cape Town	Western Cape	4 876	358	–	124	–*
Multi	Sevenfold	KwaZulu-Natal	4 844	666	74 969	112	–
Parkade/vacant land	Kay Street parking	Gauteng	–	–	46 740	–	–
			11 738 986	1 139 886			85 146

** GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

 # Non-Redefine managed joint venture.
** GRM of single-tenanted buildings has not been reflected. The average rental per m² is the average at all single-talented buildings in the sector.*

for the year ended 31 August 2014

OFFICE continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
NON-CURRENT ASSETS HELD-FOR-SALE							
Single	125 Simmonds Street	Gauteng	30 000	5 088	–	124	–*
Single	Clarins, Ormonde	Gauteng	12 344	1 988	–	124	–*
			42 344	7 076			–
DEVELOPMENT							
	Standard Bank Centre	Western Cape	400 000	–	5 596 663	112	–^
	90 Rivonia Road	Gauteng	397 512	35 627	–	–	–
	Rosebank Towers	Gauteng	31 513	–	–	–	–^
			829 025	35 627			–
Grand total			12 610 354	1 182 590			85 146

* *GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*
^ *The building is either vacant land or is currenty under development and therefore the GLA is not yet confirmed.*

for the year ended 31 August 2014

RETAIL

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
CORE PROPERTY PORTFOLIO							
Multi	East Rand Mall	Gauteng	1 108 500	62 514	–	–	–#
Multi	Golden Walk	Gauteng	834 000	45 129	7 165 810	159	202
Multi	Maponya Mall	Gauteng	688 500	71 406	10 701 270	153	1 254
Multi	Sammy Marks Square	Gauteng	554 800	34 120	4 836 842	143	188
Multi	Langeberg Mall	Western Cape	504 197	29 942	3 407 805	117	838
Multi	Park Meadows	Gauteng	465 000	27 371	3 987 960	149	586
Multi	Cleary Park Shopping Centre	Eastern Cape	463 000	36 319	4 293 259	123	1 315
Single	Chris Hani Crossing	Gauteng	279 500	40 659	–	101	–#
Multi	Ottery Centre	Western Cape	266 000	30 752	1 793 560	62	1 629
Multi	Standard Bank Centre, Pretoria	Gauteng	241 800	23 721	2 885 103	138	2 767
Multi	Maynard Mall	Western Cape	223 000	22 792	2 769 395	122	885
Multi	The Village @ Horizon	Gauteng	212 100	19 009	2 259 596	132	2 568
Multi	Shoprite Park	Western Cape	207 200	28 863	1 754 439	59	–
Multi	Oakfields Shopping Centre	Gauteng	180 346	11 097	1 374 756	123	366
Multi	Southcoast Mall	KwaZulu-Natal	171 000	29 071	2 602 070	99	3 857
Multi	Middestad Centre	Free State	165 000	19 040	2 111 731	110	528
Multi	Sable Square	Western Cape	160 000	26 063	1 847 400	73	1 579
Multi	Kempton Square Shopping Centre	Gauteng	138 536	16 147	1 792 338	112	814
Multi	Ermelo Mall	Mpumalanga	135 300	19 707	1 525 998	76	292
Multi	Monument Commercial Centre	Gauteng	127 600	18 853	1 180 185	60	–
Multi	Witbank Medical Centre	Mpumalanga	127 500	13 393	1 072 931	87	1 536
Single	Jetmart, Pretoria	Gauteng	124 705	10 609	–	101	–*
Multi	Besterbrown	Mpumalanga	120 786	13 418	1 417 516	104	270
Multi	The Pritchard Street Trust	Gauteng	119 165	14 494	1 371 429	91	–
Single	Festival Square	Gauteng	118 500	10 641	–	101	–*
Multi	Shoprite, Alberton	Gauteng	116 448	16 227	1 508 911	90	102
Multi	Makhado Crossing Shopping Centre	Limpopo	109 000	13 938	1 053 311	86	2 233
Multi	Riverhorse Valley	KwaZulu-Natal	105 167	12 037	1 090 977	89	280
Multi	The Mall @ Scottsville	KwaZulu-Natal	98 000	13 423	1 216 470	90	379
Multi	Botshabelo Shopping Centre	Free State	93 000	14 764	1 508 031	103	629
Multi	Moreleta Plaza	Gauteng	91 500	8 535	908 143	105	193
Multi	Stanhope Bridge	Western Cape	90 800	6 174	787 306	123	–
Multi	Finpark	Gauteng	90 500	2 850	1 260 319	681	1 106
Multi	Riverside Mall, Cape Town	Western Cape	88 400	9 271	891 588	93	–
Multi	Berea Centre, Durban	KwaZulu-Natal	87 000	15 799	1 290 443	91	2 174
Multi	Capital Centre, Pietermaritzburg	KwaZulu-Natal	85 000	10 671	1 013 732	92	85
Multi	Blue Downs	Western Cape	82 000	8 338	845 929	98	19
Multi	West Street Parkade	Gauteng	81 500	3 262	626 030	218	508
Multi	China Town	Western Cape	77 800	7 929	798 799	97	–

 # Non-Redefine managed joint operation.
** GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

for the year ended 31 August 2014

RETAIL continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Riverside Junction	Mpumalanga	70 100	9 896	674 223	67	177
Multi	Turfloop Plaza	Limpopo	69 500	6 524	648 923	101	352
Multi	Matsamo Plaza	Mpumalanga	69 300	7 294	705 521	96	200
Multi	Pine Parkade	KwaZulu-Natal	67 000	2 878	466 399	172	273
Multi	Redefine Boulevard	Western Cape	66 000	10 490	703 194	65	39
Multi	Klerksdorp Game Store	North West	66 000	10 077	820 413	80	237
Multi	Ferreiras, North Riding	Gauteng	60 745	26 161	813 194	30	–
Multi	66 Smal Street	Gauteng	59 349	2 074	663 105	308	–
Single	Buco	Gauteng	58 400	26 022	–	50	–*
Multi	Argyle Centre	KwaZulu-Natal	57 300	5 107	631 410	138	726
Single	Unitrans Nissan, Clearwater	Gauteng	54 762	3 855	–	101	–*
Multi	City Centre, Eersterivier	Western Cape	53 200	6 344	618 156	95	99
Multi	McCarthy Audi Centre, West Rand	Gauteng	51 818	4 153	559 546	130	–
Single	Pro Shop, Woodmead	Gauteng	51 281	5 002	–	101	–*
Multi	Bryanston Carvenience	Gauteng	51 084	3 745	437 498	123	316
Multi	Mega Park Shopping Centre	Free State	50 216	5 744	597 225	101	41
Multi	Vaal Walk	Gauteng	48 593	17 494	765 388	64	6 146
Multi	Isipingo Junction	KwaZulu-Natal	46 725	5 204	647 273	126	253
Multi	Ellerines Pinetown 1	KwaZulu-Natal	44 000	4 057	544 012	129	–
Multi	Post House	Gauteng	39 922	3 112	409 453	155	582
Single	Shoprite, Polokwane	Limpopo	39 000	9 782	–	101	–*
Multi	Posthouse Link	Gauteng	36 649	4 348	473 036	127	795
Multi	Standerton Centre	Mpumalanga	35 489	6 261	367 792	58	138
Multi	Acornhoek Shopping Centre	Mpumalanga	35 400	5 169	467 106	91	206
Single	Jet, Polokwane	Limpopo	34 900	3 170	–	101	–*
Multi	Shoprite, Claremont	Western Cape	33 800	4 517	276 698	59	–
Single	Williams Hunt, Randburg	Gauteng	33 667	3 230	–	101	–*
Multi	CCMA House, Rustenburg	North West	33 400	6 167	435 092	91	1 638
Single	Devonshire Parking Garage	KwaZulu-Natal	31 713	771	–	101	–*
Multi	423/429 Church Street	KwaZulu-Natal	31 011	3 855	381 728	95	–
Multi	African City	Gauteng	30 339	9 728	338 219	38	1 143
Single	Standard Bank, Centurion	Gauteng	30 000	2 633	–	101	386*
Multi	101 Market Street	Gauteng	27 102	5 054	349 402	67	–
Multi	Kemsquare	Gauteng	26 570	7 122	296 613	40	–
Multi	Nunnerleys	Gauteng	25 073	750	291 482	375	–
Multi	Nedbank Mall	Gauteng	22 519	1 167	570 324	471	–
Single	Southern Motors	Gauteng	19 946	3 723	–	101	–
Multi	Kine Centre	Gauteng	17 233	1 115	360 440	312	–
Multi	Ellerines, Pinetown 2	KwaZulu-Natal	16 000	1 679	165 181	95	–
Single	Edgars, Wynberg	Western Cape	14 538	2 512	–	101	–*
Single	Standard Bank, George	Western Cape	14 500	1 156	–	101	–*
Multi	Schreiner Chambers	Gauteng	11 488	638	265 138	400	–

* *GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

for the year ended 31 August 2014

RETAIL continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Leonita, Mallinick	Gauteng	7 198	1 452	263 585	175	–
Parkade/ vacant land	1 Dock Road	Western Cape	47 000	–	–	–	–^
Multi	Tamlea, Arundel	Gauteng	6 276	660	262 504	383	–
Multi	Small Street Mall	Gauteng	2 786	115	90 559	761	–
			10 831 044	1 070 353			42 928
NON-CURRENT ASSETS HELD-FOR-SALE							
Multi	Kopanong Shopping Centre	Gauteng	150 777	10 350	1 345 251	127	118
Multi	Hammanskraal	Gauteng	106 603	10 877	1 072 619	100	580
Multi	Meadowpoint Shopping Centre	Gauteng	54 796	4 393	1 222 356	270	32
Multi	Scott St Mall, Newcastle	KwaZulu-Natal	46 060	17 026	599 013	38	1 764
Multi	Dobsonpoint	Gauteng	39 724	3 433	520 765	146	–
Multi	Proteapoint Shopping Centre	Gauteng	37 115	3 845	401 789	113	430
Multi	Pimville Square	Gauteng	35 984	4 134	323 128	91	729
			471 060	54 059			3 653
DEVELOPMENT							
	Matlosana Mall	North West	730 216	63 563	–	–	–
	Wilgespruit	Gauteng	86 674		–	–	–^
			816 890	63 563	–	–	–
Grand total			12 118 994	1 187 975	–	–	46 581

^ *The building is either vacant land or is currenty under development and therefore the GLA is not yet confirmed.*

INDUSTRIAL

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
CORE PROPERTY PORTFOLIO							
Multi	Pepkor, Isando	Gauteng	687 000	107 017	4 824 382	45	–
Single	Ellerines, Cato Ridge	KwaZulu-Natal	317 790	50 333	–	50	–*
Multi	Wingfield Park	Gauteng	235 800	56 483	2 308 322	46	6 435
Single	Dawn	Gauteng	225 000	44 138	–	50	–*
Single	Premier Milling, Durban	KwaZulu-Natal	198 716	38 926	–	50	–*
Single	GM, Coega	Eastern Cape	172 700	38 000	–	50	–*
Multi	190 Barbara Road	Gauteng	150 200	32 157	606 534	19	18
Single	Heron Industrial	Western Cape	130 500	23 803	–	50	–*
Single	29 Springbok Road	Gauteng	125 660	20 067	–	50	–*
Single	8 Jansen Road	Gauteng	110 000	24 147	–	50	–*
Single	Edcon	Gauteng	108 900	24 339	–	50	–*
Multi	Pepsi	Gauteng	107 000	16 264	706 102	45	–
Single	Coricraft, Stormill	Gauteng	101 324	20 226	–	50	–*
Multi	Freeway Centre	Gauteng	96 737	44 790	1 064 394	25	718
Single	2 Lake Road	Gauteng	94 329	14 146	–	50	–*
Multi	CTX Business Park	Western Cape	91 200	19 303	882 214	52	1 455
Multi	21 Wrench Road	Gauteng	89 700	34 149	963 903	29	–
Single	Schneider, Midrand	Gauteng	86 400	12 452	–	50	–*
Multi	12 Piet Rautenbach Street	Gauteng	78 300	28 139	1 314 433	52	1 739
Multi	Berg River Park	Western Cape	77 000	37 242	797 605	23	1 580
Single	Schneider Electric South Africa	Gauteng	76 634	10 221	–	50	–*
Multi	Golf Air Park	Western Cape	75 150	15 454	441 751	31	730
Multi	Spearhead Business Park	Western Cape	69 850	14 148	752 927	57	232
Single	City Deep 45 and 46	Gauteng	69 000	14 000	–	50	–*
Single	GNLD International	Gauteng	63 965	5 719	–	50	–*
Multi	18 Halifax Road	KwaZulu-Natal	60 086	16 554	697 463	44	–
Single	ITT Flygt	Gauteng	59 853	6 204	–	50	–*
Single	Trentyre, Spartan	Gauteng	59 788	12 890	–	50	–*
Single	SSAB	Gauteng	58 051	9 892	–	50	–*
Single	Le Sel 2	Gauteng	55 415	11 153	–	50	–*
Single	Premier Milling, Waltloo	Gauteng	54 700	9 891	–	50	–*
Multi	Platinum Park	Western Cape	54 700	9 779	572 468	61	–
Single	BAT	Gauteng	54 048	7 047	–	50	–*
Multi	Fabric Park	Gauteng	50 000	16 514	675 318	46	1 077
Multi	Eagle Park	Western Cape	48 900	7 416	249 417	38	601
Single	Le Sel 1	Gauteng	48 671	12 120	–	50	–*
Multi	Creation	North West	46 000	29 429	465 746	26	10 000
Multi	101 Lawley	KwaZulu-Natal	45 810	34 720	626 824	19	–
Single	11 Galaxy Avenue	Gauteng	45 400	6 492	–	50	–*
Single	Erf 681, Alrode	Gauteng	44 000	21 862	–	50	20 935*

* *GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*

for the year ended 31 August 2014

INDUSTRIAL continued

Single/ multi-tenants	Property name	Province	Value R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Moresport DC	Western Cape	42 500	13 566	290 874	22	–
Single	Southern Denver	Gauteng	42 200	16 934	–	50	–*
Single	14 Piet Rautenbach Street	Gauteng	42 200	16 361	–	50	–*
Single	Coricraft	Western Cape	42 200	14 334	–	50	–*
Multi	Ohm Street Industrial Park	Gauteng	41 000	13 338	457 087	37	540
Single	S Burde	Gauteng	39 400	19 889	–	50	9 929*
Multi	Denver Industrial Park	Gauteng	35 200	13 398	301 844	39	5 152
Multi	Amalgamated Inv – Tedelex	Gauteng	35 000	18 085	232 500	14	195
Single	Trencor	Western Cape	33 300	7 165	–	50	–*
Single	African Glass, Denver	Gauteng	32 300	8 112	–	50	–*
Multi	12 Nourse Avenue	Western Cape	30 500	11 049	278 923	26	–
Single	52 Mimetes Road	Gauteng	28 000	7 902	–	50	–*
Single	Distro Dee 2 Border Road, Drost	Gauteng	27 750	7 238	–	50	–*
Single	Sentra Chem, New Germany	KwaZulu-Natal	27 565	7 383	–	50	–*
Multi	77 and 78 Plane Road	Gauteng	27 500	9 070	347 491	54	2 203
Multi	HK Manufacturing, Parow	Western Cape	27 000	9 328	317 465	36	–
Multi	2 Sterling Road	Gauteng	25 000	7 460	300 022	42	–
Single	66 Mimetes Road	Gauteng	24 500	6 165	–	50	–*
Single	5 Laub Street	Gauteng	23 000	10 508	–	50	–*
Single	64 Mimetes Road	Gauteng	21 000	5 363	–	50	–*
Multi	Portion 1 – Old Match Factory	Western Cape	20 000	877	22 100	26	–
Single	16th Street	Gauteng	19 000	3 713	–	50	–*
Single	3 Spartan Crescent	Gauteng	17 000	5 001	–	50	–*
Single	Aristocrat Tech	Gauteng	16 082	2 253	–	50	–*
Multi	Metcash Trading	Gauteng	15 300	4 179	142 665	36	38
Multi	Erf 755, Denver	Gauteng	1 506	–	12 296	–	–
Vacant land	Erf 4462, Clayville	Gauteng	1 250	–	–	–	–*
Single	Trentyre, Spartan 2	Gauteng	1 112	3 277	–	50	–
			5 162 643	1 199 577	–	–	63 578
DEVELOPMENT							
	Cornubia	KwaZulu-Natal	184 000	–	–	–	–^
	Robor	Gauteng	92 832	–	–	–	–^
	Premier Milling, Waltloo	Gauteng	59 300	–	–	–	–^
			336 132	–			–
Grand total			5 498 775	1 199 577	–	–	63 578

** GMR of single-tenanted buildings has not been reflected. The average rental per m² is the average of all single-tenanted buildings in the sector.*
^ The building is either vacant land or is currenty under development and therefor the GLA is not yet confirmed.

Financial year-end	31 August
Integrated annual report to be posted to shareholders	5 January 2015
Annual general meeting	19 February 2015

DIVIDEND TIMETABLE FOR THE 2015 FINANCIAL YEAR

Six months ended	28 February 2014	31 August 2014
Declaration date	7 May 2015	5 November 2015
Payment date	1 June 2015	30 November 2015

REDEFINE PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration No 1999/018591/06)
(JSE share code: RDF ISIN: ZAE000190252)
(Approved as a REIT by the JSE)

REGISTERED OFFICE AND BUSINESS ADDRESS
Redefine Place, 2 Arnold Road, Rosebank 2196
PO Box 1731, Parklands 2121
Telephone: +27 11 283 0000
Fax: +27 11 283 0055

Email: investorenquiries@redefine.co.za
www.redefine.co.za

INDEPENDENT AUDITORS
Grant Thornton (Jhb) Inc
42 Wierda Road West, Wierda Valley 2196
Telephone: +27 11 384 8000

COMPANY SECRETARY
CIS Company Secretaries Proprietary Limited
70 Marshall Street, Johannesburg 2001
Telephone: +27 11 370 5000

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg 2001
Telephone: +27 11 370 5000

CORPORATE ADVISER
Java Capital Proprietary Limited
Redefine Place, 2 Arnold Road, Rosebank 2196
Telephone: +27 11 283 0042

INVESTOR RELATIONS
Should you wish to be placed on the mailing list to receive regular 'breaking news' email updates, please send an email to enquiries@redefine.co.za

CORPORATE SPONSOR
Java Capital Trustees and Sponsor
Proprietary Limited
Redefine Place, 2 Arnold Road, Rosebank 2196
Telephone: +27 11 283 0042

BASTION GRAPHICS