REDEFINE PROPERTIES LIMITED

results

GROUP ANNUAL FINANCIAL STATEMENTS 2015

REDEFINE PROPERTIES

CONTENTS

HOW TO NAVIGATE THE REPORT

Icons have been developed to make this report easier to read.

Capitals

- Financial
- Manufactured
- Human
- Social and relationship
- Intellectual
- Natural

Building type

- O Office
- R Retail
- I Industrial

Interactive PDF navigation

- Print
- Contents list
- Previous page
- Next page
- Search
- Exit full screen
- Interactive item

Report references

- IR Integrated report
- AFS Annual financial statements
- MC Full manufactured capital review
- SES Social, ethics and sustainability report
- CGR Corporate governance report

This report also has interactivity enabled, buttons appear at the top of each page as a quick tool. Please see the list of interactivity functions above.

REDEFINE'S INTEGRATED REPORT 2015 SUITE

IR AFS MC SES CGR

Click on any of the covers to download the PDF

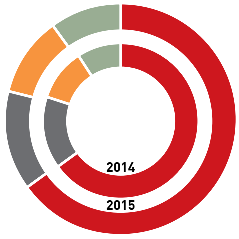
HIGHLIGHTS FOR 2015

R704 million investment
– our first direct entry into Europe

In excess of
R5 million
invested in training and development

Seven awards received for
innovation and excellence

NUMBER OF PROPERTIES
(%)



	2015	2014
Gauteng	**65**	65
Western Cape	**14**	15
KwaZulu-Natal	**11**	11
Other	**10**	9

Invested
R3.4 million
in corporate social investment for 2015

Best performing REIT
in the 2015 CDP

Accredited as
a Top Employer

"THE DISTINCTIVE AND EVER CHANGING FACADE OF 90 GRAYSTON IS SET TO ESTABLISH THIS BUILDING AS A SANDTON LANDMARK."

Architect and Builder magazine

90 Grayston Drive

DIRECTORS' RESPONSIBILITY AND APPROVAL

for the year ended 31 August 2015

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 2015 and statements of comprehensive income, changes in equity and cashflows 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 Johannesburg Stock Exchange Listings Requirements, the requirements of the South African Companies Act, 71 of 2008, as amended.

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 2015 and of its financial performance and cashflows for the year to 31 August 2015. 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 is presented on page 10.

In addition, the directors have also reviewed the cashflow forecast for the year to 31 August 2016 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 4 November 2015 and are signed on its behalf by:

Marc Wainer
Chairman

Andrew König
Chief executive officer

CERTIFICATE 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 my knowledge, for the year ended 31 August 2015, 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.

B Baker

Bronwyn Baker
Company secretary

4 November 2015

AUDIT AND RISK COMMITTEE REPORT

AUDIT AND RISK COMMITTEE REPORT

MEETING SCHEDULE AND ATTENDANCE

During the 2015 financial year, the committee met on four occasions. Meetings are planned in line with the group's financial reporting cycle.

COMPOSITION

Members throughout the year	Committee members since	Meeting attendance
David Nathan (Chairman)	17 March 2014	4/4
Bernard Nackan	28 October 2009	4/4
Günter Steffens	31 July 2014	4/4

HOW THE COMMITTEE SPENT ITS TIME

(%)

Financial reporting	40
Risk management and internal controls	20
Internal audit matters	15
External audit matters	15
Governance and other	10

OTHER REGULAR ATTENDEES

- Chief executive officer
- Chief operating officer
- Financial director
- Group financial management
- Head of internal audit
- Representatives from external auditors

All members of the committee are independent non-executive directors. For the period under review, Harish Mehta was considered to be a non-independent non-executive director and accordingly stepped down as a member of the committee on 11 December 2014.

The chairman and members of the Committee are elected by the board and are subject to shareholder approval to be obtained at the company's annual general meeting, which approval was obtained in February 2015. All members are suitably qualified and have the necessary expertise required to discharge their responsibilities. In accordance with the JSE Listings Requirements, the committee has considered and satisfied itself that Leon Kok, financial director, has appropriate expertise and experience to meet the responsibilities of his appointed position. The committee has also considered and satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function.

The committee acts for the company and all of its subsidiaries (the group), and is an independent entity accountable to the board. It operates within a documented mandate and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of King III.

The committee's terms of reference were approved by the board and are reviewed on an annual basis.

COMMITTEE ACTIVITIES

The principal matters attended to by the committee during the year include:

EXTERNAL AUDIT

The committee:

- Reviewed the external auditors effectiveness, independence and objectivity
- Approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2015 financial year
- Reviewed and approved the non-audit services fees and ensured that the fees were within limit and in line with the non-audit services policy
- Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services
- Reviewed and approved the external audit plan
- Reviewed the external audit reports and managements response thereto and considered their effect on the financial statements and internal financial control

The committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2015 financial year.

EXTERNAL AUDIT TENDER

In line with corporate governance best practice, the committee decided to put the external audit out to tender in October 2015.

Having considered all relevant factors in relation to the tender process, the committee made a recommendation to, and which was accepted by the board that resolutions to appoint KPMG Incorporated as the company's independent external auditors to be approved by shareholders at the annual general meeting of the company, to be held in February 2016.

FINANCIAL STATEMENTS

The committee reviewed the interim results and year-end financial statements, including the public announcements of the group's financial results, and made recommendations to the board for their approval. In the course of its review, the committee:

- Took steps to ensure that the financial statements were prepared in accordance with IFRS
- Considered the appropriateness of accounting policies and disclosures made
- Completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the financial statements

The committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the financial statements, nor internal financial controls and related matters.

INTEGRATED REPORT

The committee fulfilled an oversight role regarding the company's integrated report and the reporting process. Accordingly, it has:

- Considered the integrated report and assessed the consistency of operational, financial and other information known to the committee with the annual financial statements
- Assisted the board and the social and ethics committee in approving disclosure of sustainability issues in the integrated report by ensuring the information is reliable and does not conflict with the financial results
- Recommended the integrated report for the year ended 31 August 2015 for approval by the board

INTERNAL AUDIT

The committee:

- Reviewed and approved the existing internal audit charter, which ensures that the internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties
- Satisfied itself of the credibility, independence and objectivity of the internal audit function
- Ensured that internal audit had direct access to the chairman of the committee
- Reviewed and approved the annual internal audit plan, ensuring that material risk areas were included and that the coverage of significant business processes was acceptable
- Reviewed the quarterly internal audit reports, covering the effectiveness of internal controls, material fraud incidents and material non-compliance with the company's policies and procedures
- Considered and reviewed with management and internal audit, any significant findings and management responses thereto in relation to reliable financial reporting, corporate governance and effective internal controls to ensure appropriate action was taken

The internal audit function provided a written assessment of the effectiveness of the company's system of internal controls and confirmed that, based on results of work undertaken; they provided reasonable assurance regarding the adequacy and effectiveness of the systems of internal control.

The committee concluded that the head of internal audit provides appropriate leadership of the internal audit function which remains effective in carrying out its mandate.

INTERNAL FINANCIAL CONTROL AND COMPLIANCE

The committee:

- Reviewed and approved the existing funding policy and reviewed the quarterly funding reports prepared by management
- Reviewed the quarterly legal and regulatory reports setting out the latest legislative and regulatory developments impacting the group
- Reviewed and approved the revised compliance policy
- Fulfilled an oversight function with regards to tax governance and compliance
- Monitored compliance with BBBEE requirements
- Considered, and where appropriate, made recommendations on internal financial controls

The committee considered the comments in the audit reports issued by the head of internal audit on the audits conducted, and together with other information available from management and the year-end external audit reports, and determined that there were no material weaknesses in internal control and risk management. On this basis, the committee has made a recommendation to the board on the effectiveness of the system of internal controls for inclusion in the directors' responsibility statement.

RISK MANAGEMENT

The committee:

- Reviewed and approved the enterprise risk management policy and framework, the risk management plan, tolerance levels and most significant risks
- Monitored fraud risk management, including the whistle-blower facility
- Monitored compliance with the risk management policy
- Reviewed the risk disclosures, including key sustainability risks, to shareholders to be included in the integrated report and advised the board on their appropriateness

The committee is reasonably satisfied that adequate compensating controls are in place in order to mitigate identified significant risks.

INFORMATION TECHNOLOGY GOVERNANCE

The board mandated the committee to provide oversight over IT governance. As such, the committee oversaw the implementation and review of all relevant IT governance mandates, policies, processes and control frameworks while ensuring compliance with all the standards adopted by the company.

In order to assist the committee in the discharge of its duties in respect of IT governance, the committee mandated the company's IT steering committee with the executive oversight of IT governance. The steering committee ensure that the IT strategy supports the business goals and objectives as well as the sustainability objectives of the group. The steering committee are responsible for the implementation of, and measurement against, the IT governance framework and related initiatives in conjunction with the other existing oversight bodies.

Based on the processes and assurances obtained, the committee believes that the company's accounting practices are effective.

COMMITTEE FOCUS IN 2016

While the committee will continue to operate within its terms of reference and ensure that the meetings address all regular matters reserved for its consideration, the following additional key activities are expected to require the committee's attention during 2016:

- IT governance and cyber security
- Risk management and internal control
- Combined assurance

On behalf of the audit and risk committee

David Nathan

Audit and risk committee chairman

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REDEFINE PROPERTIES LIMITED

We have audited the consolidated and separate financial statements of Redefine Properties Limited set out on pages 21 to 87, which comprise the statements of financial position as at 31 August 2015, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cashflows 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 auditor's 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 2015, and its consolidated and separate financial performance and consolidated and separate cashflows 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 2015, we have read the Directors' Report, Audit Committee's Report and Company Secretary's Certificate 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

GRANT THORNTON JOHANNESBURG PARTNERSHIP
Registered Auditors

G M Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

4 November 2015

@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

DIRECTORS' REPORT

for the year ended 31 August 2015

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 2015.

CORPORATE OVERVIEW

Redefine is a listed Real Estate Investment Trust. 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 business overview section of the integrated report.

FINANCIAL RESULTS

The annual financial results for the year ended 31 August 2015 are set out in detail on pages 21 to 87 of these annual financial statements.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

YEAR UNDER REVIEW

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

STATED CAPITAL

The company's authorised stated capital consists of 6 500 000 000 ordinary shares of no par value.

Pursuant to the general authority to issue shares for cash and for the acquisition of property assets granted at the annual general meetings in January 2014 and February 2015, the following additional shares were issued during:

- 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
- 143 107 149 shares were issued at an issue price of R9.50 per share on 10 October 2014
- 16 773 280 shares were issued at an issue price of R9.42 per share on 17 October 2014
- 103 991 300 shares were issued at an issue price of R9.50 per share on 3 December 2014
- 139 610 425 shares were issued at an issue price of R12.43 per share on 15 April 2015
- 58 722 042 shares were issued at an issue price of R10.70 per share on 9 July 2015
- 300 000 000 shares were issued at an issue price of R10.18 per share on 17 July 2015
- 337 078 515 shares were issued at an issue price of R11.15 per share on 3 August 2015
- 154 545 455 shares were issued at an issue price of R11.00 per share on 27 August 2015

At 31 August 2015 there were 4 754 499 789 shares in issue.

As a result of the above shares issues, 4 754 499 789 shares rank for the dividend declared on 5 November 2015.

DIVIDEND DISTRIBUTIONS

On 6 November 2014 the board declared a final dividend of 38.14 cents for the six months ended 31 August 2014 which was paid on 1 December 2014.

On 7 May 2015 the board declared an interim dividend of 39.00 cents for the six months ended 28 February 2015 which was paid on 1 June 2015.

Subsequent to year-end, on 5 November 2015, the board declared a final dividend of 41.00 cents for the six months ended 31 August 2015 which will be paid on 30 November 2015.

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).

DIRECTORATE

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

Executive directors:
M Wainer – Executive chairman
LC Kok – Financial director
AJ König – Chief executive officer
DH Rice+ – Chief operating officer
MJ Ruttell@ – Executive: Development

Non-executive directors:
M Barkhuysen*
NB Langa-Royds*
P Langeni*
HK Mehta
B Nackan* – Lead independent
DA Nathan*
GZ Steffens*#
MJ Watters

* Independent
\+ British
\# German
@ Irish

Details of each director's curriculum vitae can be found in the integrated report.

B Nackan, GZ Steffens and HK Mehta retire at the forthcoming annual general meeting and are all eligible for re-election. The confirmation of appointment of P Langeni, M Barkhuysen and NB Langa-Royds as directors of the company will also be voted on at the forthcoming annual general meeting.

The following changes to the directorate took place during the year:
- LC Kok was appointed on 1 October 2014
- P Langeni was appointed on 6 May 2015
- NB Langa-Royds was appointed on 4 November 2015
- M Barkhuysen was appointed on 4 November 2015

DIRECTORS' INTERESTS

The interests of the directors in the shares of Redefine at 31 August 2015 were as follows:

	BENEFICIAL			
	Direct	Indirect	Associate	Total
AJ König	2 690 514	–	–	2 690 514
B Nackan	11 609	–	–	11 609
DA Nathan	–	–	–	–
DH Rice	2 685 175	–	–	2 685 175
GZ Steffens	–	–	–	–
HK Mehta	107 345	31 434 972	69 190 127	100 732 444
M Wainer	8 304 495	13 055 661	319 814	21 679 970
LC Kok	99 988	–	–	99 988
MJ Ruttell	212 990	–	–	212 990
MJ Watters	–	–	–	–
P Langeni	–	–	–	–
	14 112 116	44 490 633	69 509 941	128 112 690

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

At 31 August 2014, the interests of the directors in the shares of Redefine were as follows:

	BENEFICIAL Direct	Indirect	Associate	Total
AJ König	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**

FEES EARNED FOR SERVICES AS NON-EXECUTIVE DIRECTORS

	2015	2014
B Nackan	**615**	550
D Gihwala	**–**	396
D Perton	**–**	123
DA Nathan	**545**	211
GZ Steffens	**520**	309
HK Mehta	**423**	465
MK Khumalo	**–**	74
MJ Watters	**330**	25
P Langeni	**110**	–
R Robinson	**–**	197
RW Rees	**215**	430
	2 758	2 780

EXECUTIVE DIRECTORS' REMUNERATION

	Salary and allowances R000	Bonuses and performance related payments R000	Other benefits and payments R000	Retirement benefits R000	Total R000
2015					
AJ König	**3 268**	**6 070**	**128**	**368**	**9 834**
DH Rice	**2 929**	**6 174**	**170**	**263**	**9 536**
LC Kok	**2 346**	**1 616**	**158**	**275**	**4 395**
M Wainer	**3 863**	**8 191**	**147**	**–**	**12 201**
MJ Ruttell	**1 613**	**3 262**	**–**	**–**	**4 875**
	14 019	**25 313**	**603**	**906**	**40 841**
2014					
AJ König	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

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
2015			
AJ König	**9 834**	**2 889**	**12 723**
DH Rice	**9 536**	**3 019**	**12 555**
LC Kok	**4 395**	**2 878**	**7 273**
M Wainer	**12 201**	**3 948**	**16 149**
MJ Ruttell	**4 875**	**2 805**	**7 680**
	40 841	**15 539**	**56 380**
2014			
AJ König	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

^ 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
2015					
There were no prescribed officers other than executive directors during 2015	–	–	–	–	–
	–	–	–	–	–
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

DETAILS OF SHARE APPRECIATION RIGHTS AWARDED TO THE EXECUTIVE DIRECTORS

	OPENING		AWARDED		FORFEITED		VESTED		CLOSING	
	Strike price R	Number of shares	Strike price R	Number of shares	Strike price R	Number of shares	VWAP* R	Number of shares	Strike price R	Number of shares
2015										
AJ König	**6.50**	**800 000**	**–**	**–**	**–**	**–**	**9.66**	**(400 000)**	**6.50**	**400 000**
	7.00	**500 000**	**–**	**–**	**–**	**–**	**9.66**	**(250 000)**	**7.00**	**250 000**
DH Rice	**6.50**	**800 000**	**–**	**–**	**–**	**–**	**9.66**	**(400 000)**	**6.50**	**400 000**
	7.00	**500 000**	**–**	**–**	**–**	**–**	**9.66**	**(250 000)**	**7.00**	**250 000**
M Wainer	**6.50**	**1 300 000**	**–**	**–**	**–**	**–**	**9.66**	**(650 000)**	**6.50**	**650 000**
	7.00	**400 000**	**–**	**–**	**–**	**–**	**9.66**	**(200 000)**	**7.00**	**200 000**
MJ Ruttell	**6.50**	**375 000**	**–**	**–**	**–**	**–**	**9.66**	**(187 500)**	**6.50**	**187 500**
	7.00	**65 000**	**–**	**–**	**–**	**–**	**9.66**	**(32 500)**	**7.00**	**32 500**
		4 740 000	**–**	**–**	**–**	**–**	**–**	**2 370 000**		**2 370 000**
2014										
AJ König	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

* Volume weighted average price.

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.

On 8 September 2015 the fourth 25% tranche and third 33.33% tranche vested. The 10 day VWAP for the share price was R11.10.

DETAILS OF THE EXECUTIVE DIRECTORS RESTRICTED SHARE SCHEME

The second grant of the restricted share scheme took place during the current financial year.

	Balance at 31 August 2014	Allotted	Forfeited	Vested	Balance at 31 August 2015
AJ König	540 000	225 000	(30 240)	(149 760)	**585 000**
DH Rice	675 000	225 000	(37 800)	(187 200)	**675 000**
LC Kok	–	640 000	–	(160 000)	**480 000**
M Wainer	900 000	300 000	(50 400)	(249 600)	**900 000**
MJ Ruttell	–	600 000	–	(150 000)	**450 000**
	2 115 000	1 990 000	(118 440)	(896 560)	**3 090 000**

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 20, share based payments, in the annual financial statements.

DETAILS OF THE EXECUTIVE DIRECTORS MATCHING SHARE SCHEME

The second 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 individuals performance. Refer to note 20, share based payments, in the annual financial statements.

	Balance at 31 August 2014	Allotted	Balance at 31 August 2015
AJ König	318 600	316 515	**635 115**
DH Rice	293 829	284 256	**578 085**
M Wainer	367 167	370 935	**738 102**
MJ Ruttell	21 165	23 725	**44 890**
	1 000 761	**995 431**	**1 996 192**

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

Director	2015 Fees R	2014 Fees R
AJ König (remitted to Redefine Properties Limited)	**296 500**	242 500
DH Rice (remitted to Redefine Properties Limited)	**296 500**	242 500
M Wainer (remitted to Redefine Properties Limited)	**296 500**	242 500
B Nackan	**218 500**	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 years 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 three calendar month's written notice under their existing employment contracts.

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 report.

INTEREST IN SUBSIDIARIES

Details of Redefine's interest in directly held subsidiaries at 31 August 2015 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 2015 Total R000	31 August R000
Madison Property Fund Managers Holdings Limited and subsidiaries	South Africa	100	474 899	–	1 454 148	80 399	**1 534 547**	1 441 002
Redefine Retail Proprietary Limited	South Africa	100	723 379	4	2 923 226	1 429 001	**4 352 227**	9 749 104
Redefine Pacific Proprietary Limited	Mauritius	100	48 195	45	525 488	45	**525 533**	506 641
Fountainhead Property Administration Proprietary Limited	South Africa	100	12 599	–	272 475	235 029	**507 504**	525 176
Fountainhead Property Trust Management Limited	South Africa	100	7 778	1 000	–	128 080	**128 080**	128 080
Redefine Global Proprietary Limited and subsidiaries	South Africa	100	330 058	2 309 062	–	2 309 062	**2 309 062**	2 184 000
Annuity Properties Limited	South Africa	100	64 972	2 396	689 115	1 307 514	**1 996 629**	1 309 740
Annuity Asset Managers Proprietary Limited	South Africa	100	(110)	10	5 552	80 648	**86 200**	86 200
Annuity Property Managers Proprietary Limited	South Africa	100	(31)	10	–	16 900	**16 900**	16 900
Redefine Property Management Proprietary Limited	South Africa	100	(335)	–	2 945	–	**2 945**	–
Leaf Property Fund Proprietary Limited and subsidiaries	South Africa	100	(20 448)	78 660	125 417	2 529 873	**2 655 290**	–
Partridge Investments Limited and subsidiaries	British Virgin Islands and South Africa	100	650 443	–	3 893	694 294	**698 187**	–
Total			**2 291 399**	**2 391 187**	**6 002 259**	**8 810 845**	**14 813 104**	**15 946 843**

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.

EXTERNAL AUDIT TENDER

In line with corporate governance best practice, the committee decided to put the external audit out to tender in October 2015.

Having considered all relevant factors in relation to the tender process, the committee made a recommendation to, and which was accepted by the board that resolutions to appoint KPMG Incorporated as the company's independent external auditors be proposed at the annual general meeting of the company, to be held in February 2016.

SECRETARY

CIS Company Secretaries resigned with effect from 1 August 2015 and B Baker was appointed to act as the company secretary with effect from 1 August 2015.

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	**Approval of 2015 fees payable to non-executive directors** Approval, in accordance with Section 66(9) of the Companies Act, for the payment by the company of remuneration to each of the non-executive directors of the company for each non-executive directors services as a non-executive director for the 2015 financial year.	19 February 2015	Not required to be registered
	Share repurchases Authorisation, by way of a general approval, for the company or any of its subsidiaries, to acquire ordinary shares issued by the company, in terms of Sections 46 and 48 of the Companies Act and in terms of the JSE Listings Requirements.	19 February 2015	Not required to be registered
	Financial assistance to related and inter-related parties Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	19 February 2015	Not required to be registered
REDEFINE RETAIL PROPRIETARY LIMITED	**Financial assistance to related and inter-related parties** Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	30 January 2015	Not required to be registered

Company	Nature of special resolution	Date passed	Date registered
REDEFINE GLOBAL PROPRIETARY LIMITED	**Financial assistance to related and inter-related parties** Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	30 January 2015	Not required to be registered
FOUNTAINHEAD PROPERTY ADMINISTRATION PROPRIETARY LIMITED	**Financial assistance to related and inter-related parties** Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	30 January 2015	Not required to be registered
MADISON PROPERTY FUND MANAGERS LIMITED	**Financial assistance to related and inter-related parties** Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	30 January 2015	Not required to be registered

Company	Nature of special resolution	Date passed	Date registered
MADISON PROPERTY FUND MANAGERS HOLDINGS LIMITED	**Financial assistance to related and inter-related parties** Authorisation for the company to provide direct or indirect financial assistance as contemplated in Section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, subject to the board of directors being satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and that, immediately after the provision of such financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act, such authority to endure for a period of two years or until its renewal.	30 January 2015	Not required to be registered
LEAF PROPERTY FUND PROPRIETARY LIMITED/ REDEFINE COMMERCIAL PROPRIETARY LIMITED	**Change of company name** Change of name from Leaf Property Fund (Proprietary) Limited to Redefine Commercial (Proprietary) Limited.	22 July 2015	19 August 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 31 August

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
ASSETS					
Non-current assets		**67 465 410**	55 007 339	**65 703 472**	43 352 797
Investment property		**49 898 869**	40 906 077	**40 855 786**	25 190 902
– Fair value of investment property	2	**46 589 717**	37 710 045	**38 059 340**	23 177 055
– Straight-line rental income accrual	3	**1 436 762**	1 213 985	**1 262 744**	762 016
– Properties under development	4	**1 872 390**	1 982 047	**1 533 702**	1 251 831
Listed securities	5	**988 793**	2 750 900	**1 749 490**	621 845
Goodwill and intangible assets	6	**5 367 047**	5 328 676	**1 168 697**	275 416
Interest in associates and joint ventures	7	**9 823 319**	4 173 173	**–**	–
Loans receivable	8	**1 184 924**	1 727 212	**4 238 782**	1 222 299
Other financial assets	9	**–**	23 510	**2 691 197**	–
Interest rate swaps	22	**93 150**	–	**78 718**	–
Guarantee fees receivable	10	**73 760**	50 000	**73 760**	50 000
Property, plant and equipment	11	**35 548**	47 791	**33 938**	45 492
Interest in subsidiaries	12	**–**	–	**14 813 104**	15 946 843
Current assets		**1 422 776**	992 697	**636 045**	565 672
Properties held-for-trading	13	**1 080**	21 349	**1 080**	21 349
Trade and other receivables	14	**617 964**	580 021	**482 560**	498 776
Loans receivable	8	**587 440**	2 050	**2 050**	2 050
Listed security income receivable		**86 368**	38 671	**97 692**	–
Cash and cash equivalents	15	**129 924**	350 606	**52 663**	43 497
Non-current assets held-for-sale	16	**1 289 612**	1 490 128	**1 196 975**	501 060
Total assets		**70 177 798**	57 490 164	**67 536 492**	44 419 529
EQUITY AND LIABILITIES					
Shareholders' interest		**45 145 459**	32 720 342	**45 172 509**	28 970 671
Stated capital	17	**33 738 010**	22 558 039	**36 806 435**	22 572 383
Reserves		**11 407 449**	10 162 303	**8 366 074**	6 398 288
Non-controlling interests	19	**–**	3 015 595	**–**	–
Total shareholders interest		**45 145 459**	35 735 937	**45 172 509**	28 970 671
Other non-current liabilities		**21 894 566**	14 997 245	**19 008 118**	10 489 888
Interest-bearing liabilities	21	**21 602 140**	14 355 324	**18 853 557**	10 238 603
Interest rate swaps	22	**–**	95 192	**–**	98 771
Other financial liabilities	23	**17 507**	36 731	**17 507**	36 731
Deferred taxation	24	**274 919**	509 998	**137 054**	115 783
Current liabilities		**3 137 773**	6 756 982	**3 355 865**	4 958 970
Trade and other payables	25	**1 106 230**	1 294 307	**1 345 130**	727 311
Interest-bearing liabilities	21	**1 980 226**	5 401 205	**1 980 226**	4 201 666
Interest rate swaps	22	**10 488**	926	**12 072**	926
Other financial liabilities	23	**18 437**	12 872	**18 437**	12 872
Taxation payable		**22 392**	47 672	**–**	16 195
Total equity and liabilities		**70 177 798**	57 490 164	**67 536 492**	44 419 529
Number of shares in issue*		**4 448 623**	3 404 630	**4 754 500**	3 410 507
Net asset value per share (excluding deferred tax and NCI) (cents)		**1 021.00**	976.03	**952.98**	852.85
Net tangible asset value per share (excluding deferred tax and NCI) (cents)		**900.35**	819.52	**928.40**	844.77

* Net of 305 876 766 (2014: 5 876 766) treasury shares

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 August

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Revenue					
Property portfolio		6 304 742	5 372 149	4 145 856	3 605 105
– Contractual rental income		6 141 437	5 310 428	4 040 009	3 574 369
– Straight-line rental income accrual		163 305	61 721	105 847	30 736
Listed security income		344 229	185 742	138 540	23 282
Insurance proceeds received		119 420	–	119 420	–
Fee income		44 800	35 204	58 173	35 637
Dividends received		–	–	1 181 893	731 584
Trading (loss)/income		(1 946)	1 032	(1 946)	1 032
Total revenue		6 811 245	5 594 127	5 641 936	4 396 640
Operating costs		(2 084 709)	(1 907 524)	(1 392 035)	(1 294 923)
Administration costs		(228 834)	(202 031)	(165 364)	(140 179)
Net operating profit	26	4 497 702	3 484 572	4 084 537	2 961 538
Changes in fair values of properties, listed securities and financial instruments	27	2 242 360	2 051 245	2 186 199	1 496 812
Amortisation of intangibles		(62 856)	(62 856)	–	–
Equity accounted profit	7.2	453 053	439 766	–	–
Profit from operations		7 130 259	5 912 727	6 270 736	4 458 350
Net interest		(1 376 835)	(1 297 768)	(946 939)	(832 326)
– Interest paid	28	(1 683 064)	(1 457 159)	(1 340 538)	(1 157 741)
– Interest received	29	306 229	159 391	393 599	325 415
Foreign exchange loss	30	(223 072)	(13 638)	(83 107)	(34 200)
Profit before debenture interest		5 530 352	4 601 321	5 240 690	3 591 824
Debenture interest	34	–	(1 115 697)	–	(1 117 836)
Profit before taxation		5 530 352	3 485 624	5 240 690	2 473 988
Taxation	31	170 662	31 303	(25 217)	95 331
Profit for the year from continuing operations		5 701 014	3 516 927	5 215 473	2 569 319
Profit from discontinued operations	16	–	369 458	–	–
Profit for the year		5 701 014	3 886 385	5 215 473	2 569 319
Equity owners of parent		5 425 097	3 407 818	5 215 473	2 569 319
– Continuing operations		5 425 097	3 042 122	–	–
– Discontinued operations		–	365 696	–	–
Non-controlling interests		275 917	478 567	–	–
– Continuing operations		275 917	474 805	–	–
– Discontinued operations		–	3 762	–	–
Other comprehensive loss		(90 397)	(40 817)	–	–
Those items that may be reclassified to profit or loss					
Exchange differences on translation of foreign continuing/discontinued operations – subsidiaries		(70 491)	93 230	–	–
Exchange differences on translation of foreign continuing operations – associates		(19 906)	(25 140)	–	–
Recycling of exchange differences on translation of disposal/deemed disposal of foreign subsidiary and associate		–	(108 907)	–	–
Total comprehensive income for the year		5 610 617	3 845 568	5 215 473	2 569 319
Equity owners of parent		5 334 700	3 363 439	5 215 473	2 569 319
– Continuing operations		5 334 700	3 016 983		
– Discontinued operations		–	346 456		
Non-controlling interests		275 917	482 129	–	–
– Continuing operations		275 917	474 805		
– Discontinued operations		–	7 324		
– Actual number of shares in issue (000)		*4 448 623	*3 404 630	4 754 500	3 410 507
– Weighted number of shares in issue (000)		3 798 575	3 090 599	3 842 260	3 096 476
Basic earnings per share (cents)		142.82	146.36		
– Continuing operations per share (cents)		142.82	134.53		
– Discontinued operations per share (cents)		–	11.83		
Diluted earnings per share (cents)		142.82	123.87		
– Continuing operations per share (cents)		142.82	113.77		
– Discontinued operations per share (cents)		–	10.01		
Distribution per share (cents)		80.00	74.54		

* Net of 305 876 766 (2014: 5 876 766) treasury shares

The reconciliation between basic earnings, headline earnings and distributable earnings is disclosed in note 32.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 August

	Stated capital	Non-distributable reserve	Accumulated profit/(loss)	Non-controlling interests	Total
GROUP					
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
Change 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**
Issue of ordinary shares	**11 179 971**	**–**	**–**	**–**	**11 179 971**
Profit for the year	**–**	**–**	**5 425 097**	**275 917**	**5 701 014**
Foreign currency translation reserve	**–**	**(90 397)**	**–**	**–**	**(90 397)**
Share based payment expense	**–**	**8 008**	**–**	**–**	**8 008**
Transactions with non-controlling interests	**–**	**–**	**(1 238 418)**	**(3 026 602)**	**(4 265 020)**
Dividends paid	**–**	**–**	**(2 913 592)**	**(264 910)**	**(3 178 502)**
Cash adjustment on business combination	**–**	**–**	**54 448**	**–**	**54 448**
Balance as at 31 August 2015	**33 738 010**	**(22 287)**	**11 429 736**	**–**	**45 145 459**

The non-distributable reserve consists of the share based payment reserve of R21.7 million (2014: R13.7 million) and R44 million (2014: R46.4 million) for the foreign currency translation reserve).

	Stated capital	Non-distributable reserve	Accumulated profit/(loss)	Non-controlling interests	Total
COMPANY					
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**
Issue of ordinary shares	**14 234 052**	**–**	**–**	**–**	**14 234 052**
Profit for the year	**–**	**–**	**5 215 473**	**–**	**5 215 473**
Share based payment expense	**–**	**8 008**	**–**	**–**	**8 008**
Transactions with non-controlling interests	**–**	**–**	**(391 389)**	**–**	**(391 389)**
Dividends	**–**	**–**	**(2 918 754)**	**–**	**(2 918 754)**
Cash adjustment on business combination	**–**	**–**	**54 448**	**–**	**54 448**
Balance as at 31 August 2015	**36 806 435**	**21 710**	**8 344 364**	**–**	**45 172 509**

The non-distributable reserve consists of the share based payment reserve of R21.7 million (2014: R13.7 million).

CONSOLIDATED STATEMENTS OF CASHFLOWS

for the year ended 31 August

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
CASHFLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	33	**4 299 358**	3 622 025	**4 586 476**	2 955 579
Interest paid	28	**(1 683 064)**	(1 457 159)	**(1 340 538)**	(1 157 741)
Interest received	29	**306 229**	159 391	**393 599**	325 415
Distributions paid	34	**(2 859 144)**	(2 141 093)	**(2 864 306)**	(2 145 289)
Distributions paid to non-controlling interests		**(264 910)**	(168 460)	**–**	–
Taxation paid	35	**(97 442)**	(9 692)	**(20 140)**	(1 557)
Net cash generated in operating activities – discontinued operations		**–**	180 979	**–**	–
Net cash (utilised)/generated in operating activities		**(298 973)**	185 991	**755 091**	(23 593)
CASHFLOWS FROM INVESTING ACTIVITIES					
Acquisition and development of investment properties		**(6 702 557)**	(4 474 744)	**(5 056 208)**	(2 797 487)
Acquisition of listed securities		**(1 599 327)**	(2 749 391)	**(60 705)**	(896 634)
Acquisition of property, plant and equipment		**(5 359)**	(16 208)	**(4 928)**	(12 869)
Acquisition of additional interests in subsidiaries		**–**	(1 444 866)	**(819 363)**	(2 183 560)
Acquisition of subsidiaries in terms of a business combination	36	**(564 692)**	(88 491)	**(630 370)**	(103 100)
Loans advanced to subsidiaries		**–**	–	**(2 034 199)**	(4 371 137)
Proceeds on disposal of investment properties		**3 234 444**	206 879	**1 999 612**	165 316
Proceeds on disposal of listed securities		**175 699**	4 089 471	**172 881**	3 152 631
Loans (advanced)/repaid		**(42 960)**	(700 464)	**37 517**	(319 484)
Dividends and interest from associates and joint ventures	7.2	**358 862**	155 169	**–**	–
Investment in associates		**(1 226 087)**	(1 391 808)	**–**	2 516 820
Cash balances (disposed of)/acquired on (sale)/acquisition of subsidiary		**–**	(327)	**67 210**	–
Other financial assets acquired		**–**	–	**(2 691 197)**	–
Acquisition of electricity recovery business		**–**	(5 091)	**–**	(5 091)
Net cash utilised in investing activities – discontinued operations		**–**	548 553	**–**	–
Net cash utilised in investing activities		**(6 371 977)**	(5 871 318)	**(9 019 750)**	(4 854 595)
CASHFLOWS FROM FINANCING ACTIVITIES					
Shares issued		**4 657 717**	3 186 068	**4 657 797**	3 186 068
Increase in interest bearing borrowings		**1 926 114**	2 373 566	**3 616 028**	1 716 848
Net cash generated from financing activities – discontinued operations		**–**	(856)	**–**	–
Net cash generated from financing activities		**6 583 831**	5 558 778	**8 273 825**	4 902 916
Net (decrease)/increase in cash and cash equivalents		**(87 119)**	(126 549)	**9 166**	24 728
Cash and cash equivalents at the beginning of the year		**350 606**	358 908	**43 497**	18 769
Effect of foreign exchange fluctuations		**(133 563)**	118 247	**–**	–
Cash and cash equivalents at end of year	15	**129 924**	350 606	**52 663**	43 497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 August 2015

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 2015 comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates, joint ventures and joint arrangements. The preparation of the financial statements were supervised by LC Kok CA (SA), the group's financial director.

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, 71 of 2008, as amended, and the Companies Regulations 2011, and incorporate the principal accounting policies set out below.

Except for the new standards and interpretations adopted as set out below, 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 2014. The group has adopted the following new standards and interpretations:

- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- Offsetting financial assets and financial liabilities (Amendments to IAS 32)
- Recoverable amount disclosure for non-financial assets (Amendments to IAS 36)
- Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)
- Annual improvements to IFRS 2010 – 2012
- Annual improvements to IFRS 2011 – 2013

There was no material impact on the financial statements identified based on management's assessment of these standards.

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 to, 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 cashflows 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. Inter-company 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.

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.

Common control transactions

Acquisitions of businesses which do not result in a change of control of the business are accounted for as common control transactions. The excess of the cost of the acquisition over the group's interest in the carrying value of the identifiable assets and liabilities of the acquired business is recognised in equity.

(b) Associates and joint ventures

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

Joint ventures are arrangements in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations to the liabilities, relating to the arrangement.

In respect of its interest in jointly controlled operations, the group recognises in its financial statements on a line by line basis from the date joint control commences until the date that joint control ceases:

- 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
- 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 cashflows from the assets expire, or it transfers the rights to receive the contractual cashflows 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, i.e. 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
- Interest rate swaps are held-for-trading financial instruments measured at fair value through profit or loss

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

1. ACCOUNTING POLICIES continued

1.2 FINANCIAL INSTRUMENTS continued

Financial liabilities continued

- Trade and other payables are stated at amortised cost using the effective interest rate method
- Linked unit holders 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.

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 installments 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 2015, 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.

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 five to six years
- Computer software three years
- Furniture and fittings and office equipment three years
- Motor vehicles five years
- Buildings 50 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 cashflows 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.

1. ACCOUNTING POLICIES continued

1.8 IMPAIRMENT OF NON-FINANCIAL ASSETS continued

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.

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 fixed 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

Dividends from listed securities are recognised in profit and loss when declared. Realised profits and losses on the sale of listed securities are included in profit and loss.

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.

1.16 EMPLOYEE BENEFITS

1.16.1 Short-term benefits

The cost of the 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. ACCOUNTING POLICIES continued

1.16 EMPLOYEE BENEFITS continued

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 individuals 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 the 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. They are released into other comprehensive income 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.

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
- 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
- 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 the 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:

1. ACCOUNTING POLICIES continued

1.23 KEY ESTIMATES AND ASSUMPTIONS continued

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 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 note 2 and 41.4.

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 cashflows 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 2015, 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 note 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 11 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 see note 41.1 on 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 cashflows using a suitable growth rate. Refer to note 24 for more detail on deferred taxation.

Taxation – 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. Refer to note 31.

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 6 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 do not constitute a business as defined in terms of IFRS 3, as there were not 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.

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 cashflows and when they give rise to cashflows 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 2019. 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 2018, 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.

1. ACCOUNTING POLICIES continued

1.24 STANDARDS AND INTERPRETATIONS APPLICABLE, NOT YET EFFECTIVE continued

IFRS 11 joint arrangements (amendments)

The objective was to add new guidance to IFRS 11 joint Arrangements on the accounting for the acquisition of an interest in a joint operation that constitutes a business. The International Accounting Standards Board decided that acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 Business Combinations, and others, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in IFRS in relation to business combinations. IFRS 11 (amended) will be adopted by the group for the first time for its financial reporting period ending 31 August 2017.

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

Sale or contribution of assets between an investor and its associate or joint venture (amendment to IFRS 10 and IAS 28)

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. It will be adopted by the group for the first time for its financial reporting period ending 31 August 2018.

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

Disclosure initiative (amendments to IAS 1)

The IASB has published Disclosure Initiative (amendments to IAS 1). The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. It will be adopted by the group for the first time for its financial reporting period ending 31 August 2017.

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

IFRS 5 changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification. For example, on 1 September 2016, Entity A determines that it will distribute shares of its subsidiary to its shareholders. Consequently, it classifies the subsidiary as "held-for-distribution". However, on 1 December 2016, Entity A decides that, instead of distributing the shares to its shareholders, it will sell the subsidiary. Therefore, it changes the disposal method to "held-for-sale". The date of classification continues to be 1 September 2016 and the sale must be completed within one year from that date.

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

IFRS 7 financial instruments: disclosures

In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that "An entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods." The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report. The amendment removes the phrase "and interim periods within those annual periods" from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the IASB noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period". Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the IASB would expect the disclosures to be included in the entity's condensed interim financial report.

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

IAS 34 Interim financial reporting: disclosure of information "elsewhere in the interim financial report"

IAS 34 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report". However, it is unclear what the IASB means by "elsewhere in the interim financial report". The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report). The IASB specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

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

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
2.	**INVESTMENT PROPERTY**					
2.1	**Net carrying value**					
	Cost		**35 497 320**	28 330 555	**27 667 996**	14 599 749
	Fair value surplus		**11 092 397**	9 379 490	**10 391 344**	8 577 306
	Balance at end of year		**46 589 717**	37 710 045	**38 059 340**	23 177 055
2.2	**Movement for the year**					
	Investment properties at beginning of the year		**37 710 045**	30 687 910	**23 177 055**	18 715 845
	Arising on business combination	36	**4 059 921**	1 894 586	**–**	–
	Additions at cost		**5 231 980**	3 254 835	**3 974 407**	2 135 530
	Arising on common control transaction	37	**–**	–	**11 439 817**	–
	Disposals at fair value		**(1 918 722)**	(256 176)	**(1 484 846)**	(135 580)
	Change in fair value		**1 712 907**	1 238 099	**1 814 037**	552 930
	Tenant installations and lease commissions		**20 050**	17 615	**6 892**	15 101
	– Capitalised		**92 301**	80 372	**77 444**	73 504
	– Amortised		**(72 251)**	(62 757)	**(70 552)**	(58 403)
	Transferred from property under development	4	**1 226 453**	220 029	**434 800**	220 029
	Transfer from non-current assets held-for-sale	16	**–**	2 180 383	**–**	2 180 383
	Transfer to non-current assets held-for-sale	16	**(1 289 612)**	(1 465 515)	**(1 196 975)**	(476 447)
	Straight line rental income adjustment	3	**(163 305)**	(61 721)	**(105 847)**	(30 736)
	Balance at end of year		**46 589 717**	37 710 045	**38 059 340**	23 177 055
2.3	**Reconciliation to independent valuations**					
	Investment properties at valuation at end of year		**46 589 717**	37 710 045	**38 059 340**	23 177 055
	Straight line rental income accrual	3	**1 436 762**	1 213 985	**1 262 744**	762 016
	Independent valuations at 31 August		**48 026 479**	38 924 030	**39 322 084**	23 939 071

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.

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 (Act No 47 of 2000):

SA portfolio

- African Corporate Real Estate Solutions
- Alternative Real Estate
- Asset Valuation Services
- CBRE – Broll
- Eris Property Group
- Glenross Property Consultants
- JLL
- LDM Valuation Solutions
- Mills Fitchet KZN
- Mills Fitchet Magnus Penny
- Old Mutual Properties
- Primeland Properties

The remainder of the portfolio was valued by the directors. The majority of valuations were performed using the discounted cashflow 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.

2. INVESTMENT PROPERTY continued

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 R37.8 billion (2014: R30.6 billion) as security for secured interest-bearing liabilities of R23.6 billion (2014: R13.5 billion).

The independent valuers applied current market related assumptions to the risks in rental streams of properties. Discount rates in the respective sectors are disclosed below.

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:

	2015 %	2014 %
Retail sector		
Discount rate	**9.00 – 17.00**	10.00 – 18.50
Exit capitalisation rate	**7.50 – 14.00**	7.50 – 13.00
Office sector		
Discount rate	**8.00 – 17.50**	10.50 – 18.00
Exit capitalisation rate	**8.00 – 13.00**	8.00 – 12.50
Industrial sector		
Discount rate	**9.50 – 18.50**	10.50 – 16.50
Exit capitalisation rate	**7.75 – 12.50**	9.00 – 12.50

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 discounted cashflow method of valuation. The valuation model generates a net present value for each property by discounting forecasted future cashflows and a residual value at the end of the cashflow 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 cashflow 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% – 9%) – Expected expense growth estimated (7% – 10%) – Vacant periods (0 – 12 months) – Occupancy rate (average 95.94%) – Rent-free periods (0 – 3 months) – Discount rates (9% – 18.5%) – Reversionary capitalisation rate (7.5% – 14%) – Capitalisation rate 7.5% – 14%)	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 R49 899 million (group) and R40 856 million (company) (2014: R40 906 million (group) and R25 190 (company)) has been categorised as level 3 under the fair value hierarchy based on the inputs to the valuation technique used. Refer to note 41.4 for the level 3 reconciliation.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
3	**STRAIGHT-LINE RENTAL INCOME ACCRUAL**					
	Balance at beginning of year		**1 213 985**	1 089 942	**762 016**	731 280
	Arising on business combination/common control	36 & 37	**59 472**	62 322	**394 881**	–
	Arising during the year	2	**163 305**	61 721	**105 847**	30 736
	Balance at end of year		**1 436 762**	1 213 985	**1 262 744**	762 016
4	**PROPERTIES UNDER DEVELOPMENT**					
	At cost					
	At beginning of the year		**1 982 047**	1 034 642	**1 251 831**	849 675
	Development costs including capitalised borrowing costs		**1 388 392**	1 133 702	**1 004 357**	588 453
	Change in fair value		**(271 596)**	33 732	**(287 686)**	33 732
	Transferred from investment property	2	**393 614**	39 681	**124 500**	39 681
	Completed developments transferred to investment properties	2	**(1 620 067)**	(259 710)	**(559 300)**	(259 710)
	Balance at end of year		**1 872 390**	1 982 047	**1 533 702**	1 251 831

Borrowing costs of R153.1 million (group) and R143.8 million (company) (2014: R131.8 million (group) and R97.8 million (company)) were capitalised to properties under development using the average weighted cost of debt.

		GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
5	**LISTED SECURITIES PORTFOLIO**				
5.1	**At fair value**				
	Emira Property Fund	**988 793**	–	**988 793**	–
	Redefine International PLC	**–**	–	**760 697**	621 845
	Cromwell Property Group	**–**	2 750 900	**–**	–
	Balance at end of year	**988 793**	2 750 900	**1 749 490**	621 845
5.2	**Movement for the year**				
	Balance at beginning of the year	**2 750 900**	2 050 203	**621 845**	2 050 203
	Additions	**2 632 829**	2 739 378	**1 094 207**	886 621
	Disposals	**(172 881)**	(1 826 776)	**(172 881)**	(2 093 327)
	Changes in fair values	**127 718**	(211 905)	**206 319**	(221 652)
	Transfer to investment in associate	**(4 349 773)**	–	**–**	–
	Balance at end of year	**988 793**	2 750 900	**1 749 490**	621 845

5.3	**Details of listed securities**	Stock exchange	% held	Number of units held – 2015	Number of units held – 2014
	Emira Property Fund	JSE	11.47	**58 564 627**	–
	Cromwell Property Group	ASX	25.60	**446 538 850**	275 038 850

Emira Property Fund

During the period Redefine issued 106 937 778 shares in exchange for 69.56 million Emira (13.7% of the issued shareholders capital of Emira). Redefine subsequently sold 11 million Emira shares, therefore the remaining shareholding at year-end is 11.47%.

The fair value of the investment in Emira is based on the closing price on the JSE, less an accrual for declared distributions, included separately on the statement of financial position as listed security income receivable.

Cromwell Property Group

During the period Redefine Properties Australia (Pty) Ltd, a wholly owned subsidiary incorporated in Australia, transferred its 12.8% holding in Cromwell to Redefine Global (Pty) Ltd, a wholly owned subsidiary incorporated in South Africa, resulting in the entire 15.9% holding in Cromwell being held by Redefine Global (Pty) Ltd.

Redefine Global (Pty) Ltd acquired a further 9.7% holding in Cromwell shortly before year-end, increasing their holding in Cromwell to 25.6%. Due to Redefine Global holding more than 20% in Cromwell, the investment was revalued to its market value of R4.4 billion and accounted for as an investment in associate. Refer to note 7.7.

5 LISTED SECURITIES PORTFOLIO continued

Redefine International PLC

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

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
6. GOODWILL AND INTANGIBLES					
Reconciliation of goodwill and intangibles					
Balance at beginning of year		**5 328 676**	5 264 122	**275 416**	270 325
Goodwill acquired through business combination/ transactions under common control		**101 227**	122 319	**893 280**	–
Amortisation of intangibles		**(62 856)**	(62 856)	**–**	–
Intangibles acquired		**–**	5 091	**–**	5 091
Balance at end of year		**5 367 047**	5 328 676	**1 168 696**	275 416
Goodwill and intangibles					
– ApexHi, Ambit and Madison		**2 570 534**	2 570 534	**–**	–
– Fountainhead Property Trust Management Limited and Evening Star 768 Trading (Proprietary) Limited		**183 437**	183 437	**–**	–
– Fountainhead Property Trust	37	**1 548 413**	893 280	**893 280**	–
– Annuity Properties, Annuity Asset Managers and Annuity Property Managers		**122 319**	122 319	**–**	–
– Leaf Property Fund	36	**101 227**	–	**–**	–
Total goodwill		**4 525 930**	3 769 570	**893 280**	–
The right to manage property – Redefine		**565 701**	628 557	**–**	–
– Cost		**942 835**	942 835	**–**	–
– Amortisation		**(377 134)**	(314 278)	**–**	–
The right to manage property – Fountainhead		**–**	655 133		
Electricity recovery business		**275 416**	275 416	**275 416**	275 416
Total intangibles		**841 117**	1 559 106	**275 416**	275 416
Total goodwill and intangibles		**5 367 047**	5 328 676	**1 168 696**	275 416

Goodwill

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 cashflow valuations, used for the purpose of impairment testing, are based on the cashflow forecasts in respect of the continuing use of the cash generating unit for a period of five years, discounted at a yield of 6.72% (2014: 8.94%).

The following key assumptions were used in calculating the cashflow 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

Intangibles

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 106 months (2014: 118 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. As a result of Redefine's acquisition of Fountainhead's assets and liabilities as at 3 August 2015, the right to manage property has been transferred to the goodwill figure raised on initial acquisition of Fountainhead.

The electricity recovery business was acquired in terms of the business combination on 14 April 2013.

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 12% applies

– The value in use was calculated over a period of five years

			GROUP		COMPANY	
		Note	2015 R000	2014 R000	2015 R000	2014 R000
7	**INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**					
7.1	**Carrying amount**					
	Joint venture – Leopard Holdings	7.6	**653 046**	–	**–**	–
	– Shareholders loans		**704 342**	–	**–**	–
	– Interest received		**(54 101)**	–	**–**	–
	– Share of equity accounted results		**2 805**	–	**–**	–
	Associate – Redefine International PLC	7.4	**4 145 157**	3 501 379	**–**	–
	– Gross consideration		**3 696 508**	3 174 764	**–**	–
	– Dividend received		**(358 534)**	(112 074)	**–**	–
	– Share of equity accounted results		**807 183**	438 689	**–**	–
	Joint venture – Cromwell Partners Trust	7.5	**675 343**	671 794	**–**	–
	– Gross consideration		**733 864**	733 865	**–**	–
	– Dividend received		**(101 396)**	(43 096)	**–**	–
	– Share of equity accounted results		**42 875**	(18 975)	**–**	–
	Associate – Cromwell Property Group	7.7	**4 349 773**	–	**–**	–
	– Gross consideration		**4 349 773**	–	**–**	–
	Balance at end of year		**9 823 319**	4 173 173	**–**	–
7.2	**Movement for the year**					
	Balance at beginning of year		**4 173 173**	1 654 067	**–**	1 526 098
	Acquisitions		**5 575 861**	3 908 628	**–**	–
	Equity accounted results for the year		**433 147**	414 612	**–**	–
	Equity accounted results for the year per statement of comprehensive income		**453 053**	439 766	**–**	–
	Share of distributable profit		**358 862**	155 169	**–**	–
	Fair value adjustments (net of deferred tax)		**94 191**	284 597	**–**	–
	Other comprehensive income		**(19 906)**	(25 154)	**–**	–
	Disposal		**–**	(1 648 964)	**–**	(1 526 098)
	Interest received		**(54 101)**	–	**–**	–
	Dividend received		**(304 761)**	(155 170)	**–**	–
	Balance at end of year		**9 823 319**	4 173 173	**–**	–

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued					
7.3 Group's share of post acquisition reserves					
Fair valuation reserves					
Share of reserves at beginning of year		**348 294**	186 807		
Share of profit for the year		**141 939**	346 667		
Deemed disposal of an associate		**–**	(185 180)		
Share of reserves at end of year		**490 233**	348 294		
Accumulated profits					
Share of reserves at beginning of year		**71 420**	125 029		
Share of profit and other comprehensive income for the year		**291 210**	67 945		
Deemed disposal of an associate		**–**	(121 554)		
Share of reserves at end of year		**362 630**	71 420		
Total post acquisition reserves		**852 863**	419 714		

7.4 Redefine International PLC

During the prior period Redefine's indirect holding in RI PLC through Redefine International transferred to a direct holding as a result of the inward listing of RI PLC on the JSE. 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 and inwardly listed on the JSE.
Redefine held 443 371 181 (402 846 870 on the JSE and 40 524 311 on the LSE) (30.07%) (2014: 389 525 639 (388 498 851 on the JSE and 1 026 788 on the LSE)) of the issued share capital at 31 August 2015. The closing share price of RI PLC on 31 August 2015 was R11.06 (2014: R9.28) on the JSE and 52.75 pence (R10.83) (2014: 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.

	Note	GROUP 2015 R000	GROUP 2014 R000
Summarised statement of profit or loss and other comprehensive income			
Revenue		1 460 168	1 268 576
Operating expenses		(85 701)	(69 329)
Admin Expenses		(160 336)	(131 246)
Fair value adjustments		478 512	939 338
Equity accounted profit		133 704	72 610
Interest received		26 288	42 052
Interest paid		(465 899)	(439 207)
Foreign exchange loss		–	(2 584)
Profit before taxation		1 386 736	1 680 210
Taxation		(16 569)	(24 315)
Profit after taxation		1 370 167	1 655 895
Non-controlling interest		(78 633)	(61 700)
Distributable earnings attributable to equity holders		1 291 534	1 594 195
Other comprehensive income:			
Foreign currency translation		**(66 192)**	(75 071)
Total equity accounted comprehensive income		**1 225 342**	1 519 124

	Note	GROUP 2015 R000	GROUP 2014 R000
Redefine's 30.07% (2014:30.05%) share in equity accounted results		**368 493**	438 689
Summarised statement of financial position			
Non-current assets		**20 406 609**	18 905 734
Investment property		**19 178 369**	16 660 470
Other financial assets		**37 243**	1 767 064
Investment in associates and joint ventures		**1 153 850**	408 022
Other non-current assets		**37 147**	70 178
Current assets		**4 777 448**	1 968 180
Trade and other receivables		**2 855 043**	373 539
Cash and cash equivalents		**1 922 405**	1 594 641
Total assets		**25 184 057**	20 873 914
Non-current liabilities		**11 544 875**	11 381 663
Interest bearing borrowings		**11 412 193**	11 276 412
Derivatives		**87 939**	92 879
Deferred taxation		**44 743**	12 372
Current liabilities		**566 497**	501 744
Trade and other payables		**566 497**	501 744
Total liabilities		**12 111 372**	11 883 407
Net assets		**13 072 685**	8 990 507
RI PLC carrying amount		**4 145 157**	3 501 379
Redefine's 30.07% (2014: 30.05%) share in equity		**3 930 958**	2 701 648
Goodwill		**214 199**	799 731

7.5 Cromwell Partners Trust

The Trust was formed to acquire and hold units in Northpoint Trust, which itself was constituted to acquire the Northpoint Tower 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 (Pty) Ltd each own 50% of the issued units of the trust.

Redefine invested AUS $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 2015 and for the two months July and August 2015 have been equity accounted.

An impairment test was performed using the net asset value 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.

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

	Note	GROUP 2015 R000	GROUP 2014 R000
Summarised statement of profit or loss and other comprehensive income			
Revenue		273 334	187 660
Operating expenses		(42 052)	(27 910)
Admin Expenses		(295)	(423)
Fair value adjustments		(54 771)	(159 383)
Interest received		2 519	1 930
Interest paid		(55 037)	(39 824)
Profit before taxation		123 698	(37 950)
Taxation		–	–
Profit after taxation		123 698	(37 950)
Total equity accounted comprehensive income		**123 698**	(37 950)
Redefine's 50% share in equity accounted results		**61 849**	(18 975)
Summarised statement of financial position			
Non-current assets		**2 674 938**	2 771 195
Investment property		2 674 938	2 771 195
Current assets		**84 308**	104 053
Trade and other receivables		4 764	846
Cash and cash equivalents		76 191	100 001
Other current assets		3 353	3 206
Total Assets		**2 759 246**	2 875 248
Non-current liabilities		**1 319 954**	1 379 204
Interest bearing borrowings		1 319 954	1 379 204
Current liabilities		79 166	77 087
Trade and other payables		50 418	50 421
Other current liabilities		28 748	26 666
Total liabilities		**1 399 120**	1 456 291
Net assets		**1 360 126**	1 418 957
CPT carrying amount		**675 343**	671 793
Redefine's 50% share in equity		680 063	709 479
Goodwill		(4 720)	(37 686)

7.6 Leopard Holdings

On 31 January 2015 and 30 April 2015 the group invested in a joint venture with Redefine International PLC and acquired an interest in Leopard Germany Holding 1 S.a.r.l and Leopard German Property ED1, 2, 3 and 4 and ME1 and ME2 S.a.r.l., ED2 GmbH & Co KG and CIREF Berlin 1 Limited. These companies hold 56 retail properties in Germany.

Redefine invested EURO 53 million in Leopard Holdings, equating to an investment of R704 million.

An impairment test was performed using the net asset value, excluding shareholder loans, of Leopard Holdings. 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 Leopard Holdings to transfer funds to its shareholders in the form of cash and dividends.

	Note	GROUP 2015 R000	GROUP 2014 R000
Summarised statement of profit or loss and other comprehensive income			
Revenue		183 804	–
Operating expenses		(23 541)	–
Admin Expenses		(16 661)	–
Fair value adjustments		173 879	–
Interest received		78	–
Interest paid		(307 515)	–
Profit before taxation		10 044	–
Taxation		(4 434)	–
Profit after taxation		5 610	–
Total equity accounted comprehensive income		5 610	–
Redefine's 50% share in equity accounted results		2 805	–
Summarised statement of financial position			
Non-current assets		2 669 693	–
Investment property		2 659 585	–
Deferred tax assets		10 108	–
Current assets		81 367	–
Trade and other receivables		4 395	–
Cash and cash equivalents		76 228	
Other current assets		744	–
Total assets		2 751 060	–
Non-current liabilities		2 874 828	–
Interest bearing borrowings		1 216 883	–
Loans from shareholders		1 618 722	–
Deferred taxation		39 223	–
Current liabilities		56 251	–
Interest bearing borrowings		2 175	–
Trade and other payables		54 076	–
Total liabilities		2 931 079	–
Net assets		(180 019)	–
Leopard Holdings carrying amount		653 046	–
Redefine's 50% share in equity, excluding shareholder loans		719 351	–
Goodwill		(66 305)	–

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

7.7 Cromwell Property Group

During the period Redefine Properties Australia (Pty) Ltd, a wholly owned subsidiary incorporated in Australia, transferred its 12.8% holding in Cromwell to Redefine Global (Pty) Ltd, a wholly owned subsidiary incorporated in South Africa, resulting in the entire 15.9% holding in Cromwell being held by Redefine Global (Pty) Ltd.

Redefine Global (Pty) Ltd acquired a further 9.7% holding in Cromwell shortly before year-end, increasing their holding in Cromwell to 25.6%. Due to Redefine Global holding more than 20% in Cromwell, the investment was revalued to its market value of R4.3 billion and accounted for as an investment in associate. Refer to note 5.3.

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 2015.

An impairment test was performed using the fair value as quoted on the ASX (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 Cromwell Property Group to transfer funds to its shareholders in the form of cash and dividends.

	Note	GROUP 2015 R000	GROUP 2014 R000
Summarised statement of profit or loss and other comprehensive income			
Revenue		2 493 425	–
Operating expenses		(398 576)	–
Admin Expenses		(431 678)	–
Fair value adjustments		277 661	–
Equity accounted profit		74 647	–
Interest received		52 435	–
Interest paid		(588 424)	–
Foreign exchange loss		(74 902)	–
Profit before taxation		1 404 588	–
Taxation		368	–
Distributable earnings attributable to equity holders		1 404 956	–
Other comprehensive income:			
Foreign currency translation		59 282	–
Total equity accounted comprehensive income		1 464 238	–
Summarised statement of financial position			
Non-current assets		23 117 777	–
Investment property		20 315 138	–
Other financial assets		414 476	–
Investment in associates and joint ventures		733 946	–
Deferred tax		11 214	–
Intangible assets		1 574 692	–
Other non-current assets		68 311	–
Current assets		1 487 678	–
Trade and other receivables		175 824	–
Other current assets		276 324	–
Cash and cash equivalents		1 035 530	–
Total assets		24 605 455	–

	Note	GROUP 2015 R000	GROUP 2014 R000
Non-current liabilities		10 530 619	–
Interest bearing borrowings		10 391 764	–
Derivatives		107 123	–
Deferred taxation		31 732	–
Current liabilities		1 775 302	–
Interest bearing borrowings		611 009	–
Derivatives		270 394	–
Distribution payable		329 847	–
Trade and other payables		564 052	–
Total liabilities		12 305 921	–
Net assets		12 299 534	–

The summarised financial information presented above for the Cromwell Property Group is for the period ended 30 June 2015, the financial year-end for the Cromwell Property Group.

Redefine did not equity account the results of Cromwell Property Group due to the fact that the investment was only accounted for as an investment in associate on the last day of the financial year.

There were no material movements between the summarised financial information presented above and the financial information as at 31 August 2015.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
8	**LOANS RECEIVABLE**					
	Redefine Empowerment Trust		–	–	3 054 000	–
	The loan is secured by 300 million Redefine shares and bears interest at the lower of 16% per annum or the amount of the distribution received by the Redefine Empowerment Trust.					
	The loan is repayable in two installments of 15% and seven installments of 10% of the original loan balance. The first loan repayment will occur on 1 September 2016 provided the Redefine share price has grown by R1 from the share price on the date the loan was advanced. The share price is required to appreciate by 6% each repayment date in order for an installment to be repaid.					
	Milestone Property Group		9 750	10 000	9 750	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 twelve months being interest and thereafter interest and capital over remaining 36 months.					

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
8. LOANS RECEIVABLE continued					
Cornerstone Investments		**3 150**	4 950	**3 150**	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, June 2017 by means of a monthly installments of equal consideration.					
RJP Maponya Property Investment Trust		**460 000**	460 000	**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 to be settled monthly.					
Repayment of loan is 27 March 2019.					
RJP Maponya Property Investment Trust		**17 780**	17 473	**17 780**	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 loan and interest is 27 March 2019.					
RJP Maponya Property Investment Trust		**167**	2 630	**167**	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.					
SA DAT Villages Proprietary Limited		**142**	–	**–**	–
The loan is unsecured, interest free and repayable from the cash generated by the initiative.					
Ingenuity Property Investments Limited		**10 081**	–	**10 081**	–
The loan is secured by a first mortgage bond over investment property and bears interest at the prime interest rate.					
Repayment of the loan is 15 January 2017.					
MA Afrika Tikkun Endowment Trust		**563 099**	549 455	**563 099**	549 455
The loan bears interest at 1% above prime per annum.					
The loan is repayable on 22 February 2018.					
Secured by 47 520 131 Redefine Properties Limited's units.					
Bondi Beachside, Bondi Beachside Holdings & Bondi Beachside Rebel (Pty) Ltd		**585 390**	504 913	**–**	–
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.					

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Redefine Share Purchase Scheme		**122 805**	179 841	**122 805**	179 841
The loan bears interest at the three month JIBAR plus 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.					
Total loans receivable		**1 772 364**	1 729 262	**4 240 832**	1 224 349
Current portion		**587 440**	2 050	**2 050**	2 050
Non-current portion		**1 184 924**	1 727 212	**4 238 782**	1 222 299

9 OTHER FINANCIAL ASSETS

	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Consist of:				
Fixed term deposits	**–**	–	**2 691 197**	–
Derivative financial assets (interest rate swaps)	**–**	23 510	**–**	–
	–	23 510	**2 691 197**	–

	Rate %	Deposit
Fixed term deposits	8.77	**417 508**
	8.77	**293 710**
	7.50	**384 652**
	8.00	**1 595 327**
		2 691 197

The fixed deposits are held with Investec SA and provide security over foreign exchange loans held by Redefine Global Proprietary Limited.

In terms of the loan agreements Redefine is entitled to net settle the loans held by Redefine Global Proprietary Limited and as such the loans and deposits are offset and disclosed on a net basis at a group level. Refer to note 21.

Interest rate swap agreements	Nominal value R000	Maturity	Rate %	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
	500 000 000	22 May 2018	5.87	–	18 636	–	–
	350 000 000	22 May 2018	6.47	–	6 693	–	–
	500 000 000	22 May 2020	7.06	–	9 841	–	–
	300 000 000	19 September 2016	6.58	–	(112)	–	–
	300 000 000	17 October 2016	6.27	–	2 132	–	–
	300 000 000	09 April 2019	7.79	–	(13 680)	–	–
					23 510		

In the prior period the interest rate swap agreements above have not been included in note 22 as they relate to Fountainhead and there is no right of set off against Redefine interest rate swap agreements. As a result of the acquisition of Fountainheads' assets and liabilities, the interest rate swaps for the current year are included in Redefine's interest rate swaps. Refer to note 22.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
10	**GUARANTEE FEE RECEIVABLE**					
	Receivable from BEE participants		73 760	50 000	73 760	50 000
	Non-current asset portion		73 760	50 000	73 760	50 000
	Present value of financial guarantee contract liability	23	(17 507)	(27 507)	(17 507)	(27 507)
			56 253	22 493	56 253	22 493

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.

		GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
11	**PROPERTY, PLANT AND EQUIPMENT**				
	Computer equipment	32 551	44 926	31 494	42 997
	– Cost	90 535	91 427	86 370	87 366
	– Accumulated depreciation	(57 984)	(46 501)	(54 876)	(44 369)
	Furniture and fittings	929	942	374	572
	– Cost	1 951	6 266	836	5 461
	– Accumulated depreciation	(1 022)	(5 324)	(462)	(4 889)
	Motor vehicles	–	–	–	–
	– Cost	127	648	–	521
	– Accumulated depreciation	(127)	(648)	–	(521)
	Buildings	1 554	1 554	1 554	1 554
	Office equipment	514	369	516	369
	– Cost	615	414	615	414
	– Accumulated depreciation	(101)	(45)	(99)	(45)
	Balance at end of year	35 548	47 791	33 938	45 492
11.1	**Movement for the year**				
	Balance at beginning of the year	47 791	49 193	45 492	47 871
	Subsidiaries acquired	–	19	–	–
	– Computer equipment	–	19	–	–
	Acquisitions	5 359	14 857	4 926	12 870
	– Computer equipment	4 635	13 803	4 512	12 230
	– Furniture and fittings	314	712	4	298
	– Office equipment	410	342	410	342
	Disposals	(19)	–	–	–
	– Computer equipment	(19)	–	–	–
	Depreciation	(17 583)	(16 278)	(16 480)	(15 249)
	– Computer equipment	(16 990)	(15 804)	(16 016)	(14 831)
	– Furniture and fittings	(327)	(381)	(202)	(326)
	– Motor vehicles	–	(49)	–	(49)
	– Office equipment	(266)	(44)	(262)	(43)
	Balance at end of year	35 548	47 791	33 938	45 492

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
12	**INTEREST IN SUBSIDIARIES**					
	Shares at cost	12.1			**8 810 845**	5 461 609
	Costs incurred less impairment				**8 824 818**	5 475 582
	Less: pre-acquisition dividends				**(13 973)**	(13 973)
	Loans to subsidiaries^				**6 002 259**	10 485 234
					14 813 104	15 946 843
	^ The loans are interest free, unsecured and repayable on demand.					
12.1	**Movement in shares at cost net of impairment**					
	Opening balance				**5 461 609**	1 872 995
	Acquisitions net of pre-acquisition dividends	12.2			**3 349 236**	3 589 054
	Disposals				**–**	(440)
	Closing balance				**8 810 845**	5 461 609
12.2	**Acquisitions during the year include:**					
	Leaf Property Fund Proprietary Limited				**2 529 873**	–
	Partridge Investments Limited				**694 293**	–
	Redefine Global Proprietary Limited*				**125 070**	2 184 000
	Annuity Properties Limited				**–**	1 307 507
	Annuity Asset Managers Proprietary Limited				**–**	80 647
	Annuity Property Managers Proprietary Limited				**–**	16 900
					3 349 236	3 589 053
	* Additional investments made during the year					
13	**PROPERTIES HELD-FOR-TRADING**					
	Properties acquired and developed for sale		**1 080**	21 349	**1 080**	21 349
14	**TRADE AND OTHER RECEIVABLES**					
	Trade receivables		**96 325**	81 869	**80 963**	49 485
	Less: allowance for doubtful debts		**(54 525)**	(39 906)	**(46 917)**	(22 758)
			41 800	41 963	**34 046**	26 727
	Deposits and prepayments		**196 217**	197 181	**175 430**	137 069
	Loans receivable		**4 239**	–	**–**	–
	Municipal recoveries		**209 571**	164 882	**195 057**	122 637
	Debtors for properties sold		**1 500**	278	**1 500**	278
	Rates clearances		**33 222**	76 079	**33 223**	58 653
	Interest/distribution receivable		**26 003**	12 147	**–**	107 862
	Tax receivable		**5 431**	1 289	**–**	–
	Other receivables		**99 981**	86 202	**43 304**	45 550
			617 964	580 021	**482 560**	498 776
15	**CASH AND CASH EQUIVALENTS**					
	For the purpose of cashflow statement, cash and cash equivalents comprise:					
	Unrestricted cash balances		**129 924**	350 606	**52 663**	43 497
			129 924	350 606	**52 663**	43 497

Material bank balances are with Standard Bank who have a Moody's credit rating of A3.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
16	**NON-CURRENT ASSETS AND LIABILITIES HELD-FOR-SALE**					
16.1	**Non-current assets held-for-sale comprise**					
			1 289 612	1 490 128	**1 196 975**	501 060
	– South African investment property	16.3	**1 289 612**	1 490 128	**1 196 975**	501 060
	Balance at end of year		**1 289 612**	1 490 128	**1 196 975**	501 060
16.2	**Movement for the year**					
	At beginning of year		**1 490 128**	3 040 397	**501 060**	1 282 214
	Disposals		**(1 490 128)**	(2 584 203)	**(501 060)**	(833 007)
	Transferred to investment property	2.2	**–**	(2 180 383)	**–**	(2 180 383)
	Transfer from investment properties	2.2	**1 289 612**	1 465 515	**1 196 975**	476 447
	Transfer to/from interest bearing liabilities		**–**	1 755 789	**–**	1 755 789
	Fair value adjustments		**–**	(6 987)	**–**	–
	Balance at end of year		**1 289 612**	1 490 128	**1 196 975**	501 060

16.3 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 22 investment properties which were included in the opening balance were transferred back to investment properties. The fair value of the properties were R2 180 million. The debt associated with these properties was R1 756 million.

16.4 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.

RIFM was accordingly disclosed as held for the sale and the effect thereof on the statement of financial position and statement of comprehensive income, for the prior period has been disclosed below.

	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Profit from discontinued operations comprises:				
Fee income	**–**	73 658		
Hotel revenue	**–**	118 337		
Operating costs	**–**	(119 257)		
Administration costs	**–**	(39 514)		
Changes in fair values of properties, listed securities and financial instruments	**–**	88 824		
Amortisation of intangibles	**–**	(12 310)		
Interest paid	**–**	(1 377)		
Interest received	**–**	8		
Foreign exchange loss	**–**	(297)		
Taxation	**–**	(1 323)		
	–	**106 749**		
Total profit from discontinued operations				
RIFM	**–**	106 749		
Madison Property Fund Managers Limited – Profit on sale of RIFM	**–**	262 709		
	–	**369 458**		

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
17	**STATED CAPITAL**					
17.1	**Authorised**					
	6 500 000 000 ordinary shares of no par value		**–**	–	**–**	–
17.2	**Issued**					
	4 754 499 789 (2014: 3 410 507 124) ordinary shares of no par value		**36 792 016**	16 642 631	**36 806 435**	16 646 768
	Conversion of debentures to stated capital		**–**	5 915 414	**–**	5 925 615
	Less: 305 876 766 treasury shares (2014: 5 876 766)		**(3 054 006)**	(6)	**–**	–
	Balance at end of year		**33 738 010**	22 558 039	**36 806 435**	22 572 383
17.3	**Reconciliation of issued stated capital**					
	In issue at beginning of year		**22 558 039**	12 979 046	**22 572 383**	12 983 189
	Issued during the year		**11 179 971**	3 663 579	**14 234 052**	3 663 579
	Conversion of debentures to stated capital		**–**	5 915 414	**–**	5 925 615
	Balance at end of year		**33 738 010**	22 558 039	**36 806 435**	22 572 383
17.4	**Reconciliation of the number of shares in issue**					
	Balance at beginning of year		**3 404 630**	2 929 702	**3 410 507**	2 935 578
	Issued during the year		**1 043 993**	474 929	**1 343 993**	474 929
	Balance at end of year		**4 448 623**	3 404 631	**4 754 500**	3 410 507

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

The following shares were issued during the course of the year under general authority:
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.
143 107 149 shares were issued at an issue price of R9.50 per share on 10 October 2014.
16 773 280 shares were issued at an issue price of R9.42 per share on 17 October 2014.
103 991 300 shares were issued at an issue price of R9.50 per share on 3 December 2014.
139 610 425 shares were issued at an issue price of R12.43 per share on 15 April 2015.
58 722 042 shares were issued at an issue price of R10.70 per share on 9 July 2015.
300 000 000 shares were issued at an issue price of R10.18 per share on 17 July 2015*.
337 078 515 shares were issued at an issue price of R11.15 per share on 3 August 2015.
154 545 455 shares were issued at an issue price of R11.00 per share on 27 August 2015.

* Treasury shares at a group level

		GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
18	**DEBENTURE CAPITAL**				
18.1	**MOVEMENT FOR THE YEAR**				
	Balance at beginning of year	**–**	5 085 419	**–**	5 095 620
	Conversion of debentures to stated capital	**–**	(5 915 414)	**–**	(5 925 615)
	Issued during the year	**–**	829 995	**–**	829 995
	Balance at end of year	**–**	–	**–**	–

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.

	Note	GROUP 2015 R000	GROUP 2014 R000
19 NON-CONTROLLING INTEREST			
Fountainhead Property Trust was consolidated until 3 August 2015, the date on which the Redefine acquired the assets and liabilities of Fountainhead Property Trust and disposed of its investment.	37		
In the prior period the non-controlling interest of R3 016 million represented 34.11% of the net asset value of Fountainhead Property Trust at 31 August 2014. Apart from Fountainhead, all other subsidiaries are 100% owned.			
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.			
Extracts from statement of comprehensive income*			
Revenue, excluding straight-line rental income adjustment		**1 381 783**	1 558 613
Profit after taxation		**809 066**	1 270 105
Attributable to equity holders		**533 149**	791 944
Attributable to non-controlling interest		**275 917**	478 161
Dividends paid to non-controlling interest during the year		**(264 910)**	(231 280)
* Extracts from the statement of comprehensive income are for 11 months in the current period due the Redefine's acquisition of the Fountainhead assets and liabilities			
Extracts from statement of financial position			
Non-current assets		**–**	12 191 591
Current assets		**–**	409 861
Non-current liabilities		**–**	(2 992 679)
Current liabilities		**–**	(767 183)
Net assets		**–**	8 841 590
Net assets attributable to non-controlling interest		**–**	3 015 595
Extracts from statement of cashflows*			
Cashflow from operating activities		**(11 616)**	(2 455)
Cashflow from investing activities		**219 218**	(419 856)
Cashflow from financing activities		**(465 192)**	361 360
Net decrease in cash and cash equivalents		**(257 590)**	(60 951)

* Extracts from the statement of cashflows are for 11 months in the current period due the Redefine's acquisition of the Fountainhead assets and liabilities

20 SHARED BASED PAYMENTS

2015

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 award of restricted shares has been made to the company's five executive directors.

Vesting will occur in four equal tranches from the date of award to 30 November of the following four years 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 and 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 7.3%
- A total number of 2 538 435 (2014: 1 937 340) of the 3 090 000 (2014: 2 115 000) 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 R8.86 (2014: 9.89) per share

The share-based payment expense recognised for the year in administration expenses is R10.8 million (2014: R11.6 million).

- These awards will vest in the next one to three years

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

	2015 Number	2014 Number
Beginning of year	**2 115 000**	2 820 000
Allotted during the year	**1 990 000**	–
Awarded during the year	**(896 560)**	(645 780)
Forfeited during the year	**(118 440)**	(59 220)
End of year	**3 090 000**	2 115 000

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 individuals 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 3 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 and 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 the vest multiplied by the share price at the date of the award less discounted by anticipated future distribution flows
- The future anticipated distributions were adjusted for annual growth of 7% and discounted by a distribution yield of 7.3%
- A total number of 2 732 795 (2014: 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 R8.13 per share

The share-based payment expense recognised for the year in administration expenses is R6.5 million (2014: 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:

	2015 Number	2014 Number
Beginning of year	**1 411 198**	–
Allotted during the year*	**1 366 212**	1 411 198
Forfeited	**(44 615)**	–
End of year	**2 732 795**	1 411 198

* Included in the total allotment figure is the allotment of 995 431 (2014: 1 000 761) shares to the directors (refer to directors report)

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
21	**INTEREST-BEARING LIABILTIES**					
	Interest bearing borrowings consist of:					
	Bank loans	21.1	**20 569 366**	16 956 529	**17 820 783**	11 640 269
	Bonds and commercial paper	21.3	**3 013 000**	2 800 000	**3 013 000**	2 800 000
	Total interest bearing borrowings		**23 582 366**	19 756 529	**20 833 783**	14 440 269
	Non-current interest bearing borrowings					
	Bank loans		**19 863 140**	13 316 324	**17 114 557**	9 199 603
	Bonds and commercial paper		**1 739 000**	1 039 000	**1 739 000**	1 039 000
	Total non-current borrowings		**21 602 140**	14 355 324	**18 853 557**	10 238 603
	Current interest bearing borrowings					
	Bank loans		**706 226**	3 640 205	**706 226**	2 440 666
	Bonds and commercial paper		**1 274 000**	1 761 000	**1 274 000**	1 761 000
	Total current borrowings		**1 980 226**	5 401 205	**1 980 226**	4 201 666

		Capital repayment date	Rate	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
21.1	**Bank loans**						
	Secured variable rate loans – South Africa						
	Nedbank			**4 735 000**	3 000 000	**3 800 000**	3 000 000
		30-Jun-18	3mth JIBAR +1.56%	**245 000**	–	**–**	–
		30-Jun-19	3mth JIBAR +1.70%	**15 000**	–	**–**	–
		20-Oct-18	3mth JIBAR +1.75%	**25 000**	–	**–**	–
		26-May-19	3mth JIBAR +1.70%	**500 000**	–	**–**	–
		26-May-19	3mth JIBAR +1.70%	**150 000**	–	**–**	–
		31-Dec-19	3mth JIBAR +1.71%	**800 000**	–	**800 000**	–
		30-Aug-17	3mth JIBAR +1.58%	**500 000**	500 000	**500 000**	500 000
		30-Aug-18	3mth JIBAR +1.61%	**500 000**	500 000	**500 000**	500 000
		03-Jun-18	3mth JIBAR +1.67%	**2 000 000**	2 000 000	**2 000 000**	2 000 000
	Standard bank			**5 875 197**	3 925 374	**5 575 197**	3 832 918
		31-Mar-2020	3mth JIBAR	**–**	290 083	**–**	290 083
		31-Mar-2020	3mth JIBAR	**–**	181 646	**–**	181 646
		31-Mar-2018	3mth JIBAR +1.67%	**393 000**	390 400	**393 000**	390 400
		31-Mar-2020	Prime less 1.8%	**277 800**	300 000	**277 800**	300 000
		31-Mar-2020	3mth JIBAR	**–**	200 000	**–**	200 000
		31-Mar-2020	3mth JIBAR +1.57%	**2 429 397**	500 000	**2 429 397**	500 000
		31-Mar-2020	3mth JIBAR	**–**	451 249	**–**	451 249
		31-Mar-2020	3mth JIBAR	**–**	584 540	**–**	584 540
		31-Mar-2020	3mth JIBAR	**–**	220 000	**–**	220 000
		30-Sep-2017	3mth JIBAR +1.61%	**150 000**	300 000	**150 000**	300 000
		30-Sep-2017	Prime less 1.75%	**–**	75 000	**–**	75 000
		30-Sep-2018	3mth JIBAR +1.67%	**150 000**	300 000	**150 000**	300 000
		30-Sep-2018	Prime less 1.70%	**–**	40 000	**–**	40 000
		31-Mar-2020	3mth JIBAR	**100 000**	–	**100 000**	–
		31-May-15	3mth JIBAR	**–**	92 456	**–**	–
		31-Oct-19	3mth JIBAR +1.63%	**575 000**	–	**575 000**	–
		31-Oct-19	3mth JIBAR +1.63%	**300 000**	–	**300 000**	–
		31-Oct-19	3mth JIBAR +1.67%	**400 000**	–	**400 000**	–
		30-Sep-17	3mth JIBAR +1.61%	**150 000**	–	**150 000**	–
		30-Sep-18	3mth JIBAR +1.67%	**150 000**	–	**150 000**	–
		01-Jun-19	3mth JIBAR +1.69%	**500 000**	–	**500 000**	–
		30-Jun-17	3mth JIBAR +1.48%	**270 000**	–	**–**	–
		30-Jun-18	3mth JIBAR +1.73%	**30 000**	–	**–**	–

	Capital repayment date	Rate	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Rand Merchant Bank			**7 907 662**	7 427 636	**7 507 662**	3 000 000
	04-Dec-20	3mth JIBAR +1.7%	**1 500 000**	875 000	**1 500 000**	875 000
	04-Sep-17	3 month JIBAR +1.85%	**1 125 000**	1 125 000	**1 125 000**	1 125 000
	04-Oct-18	3mth JIBAR +1.7%	**1 000 000**	1 000 000	**1 000 000**	1 000 000
	04-Dec-17	Prime less 1.7%	**57 000**	–	**57 000**	–
	02-Apr-18	3mth JIBAR +1.7%	**613 000**	604 241	**613 000**	–
	15-Aug-19	3mth JIBAR +1.57%	**1 900 000**	1 900 000	**1 900 000**	–
	15-Aug-19	PRIME –1.73%	**287 662**	342 679	**287 662**	–
	30-Nov-14	JIBAR +1.30%	**–**	250 000	**–**	–
	04-Feb-19	JIBAR +1.61%	**–**	225 000	**–**	–
	04-Feb-19	3mth JIBAR +1.61%	**525 000**	525 000	**525 000**	–
	18-Dec-15	3mth JIBAR +2.05%	**–**	334 649	**–**	–
	04-Feb-16	Prime less 1.5%	**–**	62 214	**–**	–
	04-Dec-16	3mth JIBAR +1.75%	**–**	18 000	**–**	–
	08-Aug-16	3mth JIBAR +2.05%	**–**	30 000	**–**	–
	07-Oct-16	3mth JIBAR +1.60%	**–**	74 939	**–**	–
	04-Feb-15	Fixed rate –8.83%	**–**	60 000	**–**	–
	04-Feb-15	Prime less 1%	**–**	914	**–**	–
	04-Dec-19	3mth JIBAR +1.75%	**500 000**	–	**500 000**	–
	03-Sep-17	3mth JIBAR +1.50%	**200 000**	–	**–**	–
	30-Oct-18	3mth JIBAR +1.70%	**200 000**	–	**–**	–
ABSA			**500 000**	1 431 000	**500 000**	1 431 000
	31-Dec-14	1month JIBAR +1.95%	**–**	931 000	**–**	931 000
	01-Jul-20	3mth JIBAR +1.75%	**500 000**	500 000	**500 000**	500 000
Total secured variable rate loans – South Africa			**19 017 859**	15 784 010	**17 382 859**	11 263 918
Secured variable rate loans – foreign						
Macquarie	17-Dec-16	BBA 3month + 3%	**932 853**	796 168	**–**	–
Investec*			**180 730**	–	**–**	–
	22-Jan-20	2.86%	**46 695**	–	**–**	–
	06-Mar-20	3.07%	**55 555**	–	**–**	–
	30-Apr-20	2.54%	**43 956**	–	**–**	–
	31-Aug-20	4.5055%	**34 524**	–	**–**	–
Total secured variable rate loans – foreign			**1 113 583**	796 168	**–**	–

Fixed deposits are held with Investec SA and provide security over foreign exchange loans held by Redefine Global Proprietary Limited.

In terms of the loan agreements Redefine is entitled to net settle the loans held by Redefine Global Proprietary Limited and as such the loans and deposits are offset and disclosed on a net basis at group level.

	Loan	Fixed deposit	Net
	2 871 927	2 691 197	**180 730**
Investec Euro Loan	**464 203**	417 508	**46 695**
Investec GBP Loan	**440 207**	384 652	**55 555**
Investec EURO Loan	**337 666**	293 710	**43 956**
Investec AUD Loan	**1 629 851**	1 595 327	**34 524**

				GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
21	**INTEREST-BEARING LIABILTIES** continued						
	Unsecured variable rate loans – South Africa						
		Capital repayment date	**Rate**				
	Standard finance isle of man			**437 924**	376 351	**437 924**	376 351
		31-Mar-20	LIBOR +3.45%	**156 698**	134 666	**156 698**	134 666
		31-May-16	LIBOR +4.54%	**281 226**	241 685	**281 226**	241 685
	Total unsecured variable rate loans – South Africa			**437 924**	376 351	**437 924**	376 351
	Total bank loans			**20 569 366**	16 956 529	**17 820 783**	11 640 269
21.2	**Other loans**						
	Vendor Loans^	22 June 2015 and 3 May 2017	Zero interest	**–**	(26 077)	**–**	–
	Ironwood Trustees#	22 June 2015 and 3 May 2017	8.95%	**–**	26 077	**–**	–
				–	–	**–**	–

^ In the prior period the loans had 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 were receivable from Ironwood Trustees Proprietary Limited

The loans were settled during the current period.

				GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
21.3	**Bonds and commercial paper**						
	Bonds			**1 739 000**	1 539 000	**1 739 000**	1 539 000
	3 year	30-Mar-15	3mth JIBAR +1.40%	**–**	500 000	**–**	500 000
	3 year	27-Nov-17	3mth JIBAR +1.60%	**199 000**	–	**199 000**	–
	5 year	27-Nov-19	3mth JIBAR +2.0%	**501 000**	–	**501 000**	–
	5 year	11-Mar-18	3mth JIBAR +1.60%	**300 000**	300 000	**300 000**	300 000
	5 year	11-Mar-18	3mth JIBAR +1.60%	**164 000**	164 000	**164 000**	164 000
	5 year	11-Mar-18	3mth JIBAR +1.60%	**150 000**	150 000	**150 000**	150 000
	3 year	22-Mar-16	3mth JIBAR +1.60%	**425 000**	425 000	**425 000**	425 000
	Commercial paper			**1 274 000**	1 261 000	**1 274 000**	1 261 000
	6 month	25-Nov-15	3mth JIBAR +0.76%	**449 000**	–	**449 000**	–
	12 month	25-May-16	3mth JIBAR +1.05%	**35 000**	–	**35 000**	–
	12 month	27-Jul-16	3mth JIBAR +1.05%	**100 000**	–	**100 000**	–
	12 month	25-Nov-15	3mth JIBAR +0.90%	**109 000**	–	**109 000**	–
	6 month	28-Sep-15	6mth JIBAR +0.35%	**305 000**	–	**305 000**	–
	12 month	24-Mar-16	3mth JIBAR +1.1%	**276 000**	–	**276 000**	–
	3 month	25-Nov-14	3mth JIBAR +0.27%	**–**	579 000	**–**	579 000
	3 month	24-Mar-15	3mth JIBAR +0.65%	**–**	682 000	**–**	682 000
	Total bonds and commercial paper			**3 013 000**	2 800 000	**3 013 000**	2 800 000

The average all-in interest rate in respect of total group borrowings is 8.35% (2014: 8.04%).

Total group borrowings (net of cash on hand) represent 36.8% (2014:38.0%) of the value of 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 R37.4 billion (2014: R33.4 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.

22 INTEREST RATE SWAPS

South Africa

	Nominal value	Maturity	Rate %	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Interest rate swap agreements	230 000 000	8-Oct-18	10.48	21 764	30 109	21 764	30 109
	413 795 000	12-Nov-18	8.86	17 251	27 150	17 251	27 150
	230 000 000	12-Aug-20	7.72	1 748	5 887	1 748	5 887
	295 000 000	12-Feb-18	7.70	4 857	8 556	4 857	8 556
	140 000 000	11-Nov-18	10.64	1 488	3 229	1 488	3 229
	270 000 000	12-Aug-20	7.72	3 505	7 344	3 505	7 344
	355 000 000	14-Feb-18	7.70	13 148	18 396	13 148	18 396
	190 000 000	12-May-16	7.58	89	5 056	89	5 056
	85 000 000	5-Dec-15	6.84	4 463	8 834	4 463	8 834
	215 000 000	7-Dec-15	6.84	1 527	3 443	1 527	3 443
	100 000 000	16-Feb-17	6.94	164	533	164	533
	250 000 000	1-Jun-16	8.06	537	1 686	537	1 686
	320 000 000	20-Feb-18	6.59	–	249	–	249
	200 000 000	31-Aug-17	6.56	203	1 180	203	1 180
	500 000 000	9-Apr-18	6.57	–	(438)	–	(438)
	300 000 000	21-Aug-17	8.04	3 162	6 834	3 162	6 834
	350 000 000	21-Aug-17	8.10	(4 658)	(4 253)	(4 658)	(4 253)
	150 000 000	30-Aug-16	7.86	(1 769)	(1 423)	(1 769)	(1 423)
	750 000 000	5-Apr-18	6.66	(8 076)	(7 639)	(8 076)	(7 639)
	500 000 000	17-Oct-17	6.60	5 426	9 676	5 426	9 676
	250 000 000	21-Nov-16	6.59	(5 843)	(5 782)	(5 843)	(5 782)
	500 000 000	20-Nov-17	7.00	6 795	11 863	6 795	11 863
	250 000 000	20-Nov-19	7.57	1 689	3 443	1 689	3 443
	200 000 000	27-Nov-17	7.00	(9 960)	(9 619)	(9 960)	(9 619)
	200 000 000	25-Nov-19	7.56	(4 937)	(3 544)	(4 937)	(3 544)
	200 000 000	8-Apr-19	7.68	(583)	(456)	(583)	(456)
	200 000 000	13-May-19	7.52	(1 541)	1 453	(1 541)	1 453
	200 000 000	15-Aug-19	7.40	(731)	3 387	(731)	3 387
	400 000 000	27-Nov-17	7.10	(659)	528	(659)	528
	400 000 000	28-Jan-19	8.05	(705)	2 560	(705)	2 560
	400 000 000	28-Jan-19	8.05	1 367	4 588	1 367	4 588
	500 000 000	4-Feb-19	8.35	(113)	2 839	(113)	2 839
	500 000 000	4-Feb-19	8.35	(1 348)	1 570	(1 348)	1 570
	300 000 000	5-Feb-19	8.20	(320)	2 265	(320)	2 265
	100 000 000	18-Jul-19	7.44	(6 310)	(9 017)	(6 310)	(9 017)
	750 000 000	15-Oct-19	7.40	(6 310)	(9 017)	(6 310)	(9 017)
	675 000 000	18-Nov-19	7.25	(6 838)	(10 052)	(6 838)	(10 052)
	600 000 000	23-Jul-18	6.50	(5 864)	(7 792)	(5 864)	(7 792)
	300 000 000	9-Dec-19	6.86	(3 858)	(5 062)	(3 858)	(5 062)
	525 000 000	27-Nov-19	6.98	(327)	1 133	(327)	1 133
	500 000 000	22-May-18	5.87	(5 368)	–	(5 368)	–
	350 000 000	22-May-18	6.47	(9 765)	–	(9 765)	–
	500 000 000	22-May-20	7.06	(13 144)	–	(13 144)	–
	300 000 000	19-Sep-16	6.58	(9 270)	–	(9 270)	–
	300 000 000	17-Oct-16	6.27	(12 876)	–	(12 876)	–
	500 000 000	9-Apr-19	7.79	(7 095)	–	(7 095)	–
	50 000 000	30-Oct-15	5.73	(13 497)	–	(13 497)	–
	50 000 000	31-Oct-16	6.06	(17 578)	–	(17 578)	–
	50 000 000	30-Oct-17	6.36	(1 527)	–	(1 527)	–
	50 000 000	30-Oct-15	5.56	(163)	–	(163)	–

22 **INTEREST RATE SWAPS** continued

Nominal value	Maturity	Rate %	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
50 000 000	31-Oct-16	5.86	5 204	–	5 204	–
50 000 000	30-Oct-17	6.17	(71)	–	–	–
50 000 000	29-Jun-18	6.56	(399)	–	–	–
50 000 000	15-May-18	5.71	(771)	–	–	–
50 000 000	15-Mar-17	7.41	(92)	–	–	–
50 000 000	1-Aug-17	5.88	(519)	–	–	–
50 000 000	7-Aug-17	5.89	(969)	–	–	–
50 000 000	15-Aug-16	5.82	(977)	–	–	–
50 000 000	18-Sep-15	5.40	(1 982)	–	–	–
50 000 000	21-Sep-15	5.42	(495)	–	–	–
50 000 000	19-Sep-16	5.72	(1 061)	–	–	–
50 000 000	26-Sep-16	5.59	(1 062)	–	–	–
50 000 000	26-Sep-17	5.88	(399)	–	–	–
50 000 000	15-Mar-18	6.28	(92)	–	–	–
50 000 000	15-Mar-18	6.28	(91)	–	–	–
50 000 000	16-Oct-17	6.71	(542)	–	–	–
50 000 000	15-Mar-17	7.24	(633)	–	–	–
50 000 000	15-Oct-18	7.00	(1 191)	–	–	–
68 400 000	31-Jan-17	6.68	(1 126)	–	–	–
84 000 000	18-Dec-15	7.40	(1 126)	–	–	–
109 747 000	18-Dec-15	7.48	(360)	–	–	–
110 000 000	30-Sep-16	6.37	(353)	–	–	–
47 200 000	15-Oct-18	8.37	(554)	–	–	–
50 000 000	31-Jan-17	6.04	(127)	–	–	–
84 000 000	18-Jul-19	7.44	(392)	(1 652)	–	–
109 747 000	18-Dec-15	7.40	(446)	(1 420)	–	–
110 000 000	18-Dec-15	7.48	(186)	(343)	–	–
47 200 000	18-Dec-15	8.37	–	(63)	–	–
50 000 000	30-Jun-15	6.04	–	(101)	–	–
Balance at end of year			**(82 662)**	96 118	**(66 646)**	99 697
Reflected under:						
Non-current (assets)/liabilities			(93 150)	95 192	(78 718)	98 771
Current liabilities			10 488	926	12 072	926
Total derivatives			**(82 662)**	96 118	**(66 646)**	99 697

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
23 OTHER FINANCIAL LIABILITIES					
Consist of:					
Employee share appreciation scheme	23.1	**18 437**	22 096	**18 437**	22 096
Financial guarantee contract	10	**17 507**	27 507	**17 507**	27 507
		35 944	49 603	**35 944**	49 603
Reflected under:					
Non-current liabiliites		**17 507**	36 731	**17 507**	36 731
– Employee share appreciation scheme	23.1	**–**	9 224	**–**	9 224
– Financial guarantee contract	10	**17 507**	27 507	**17 507**	27 507
Current liabilites		**18 437**	12 872	**18 437**	12 872
– Employee share appreciation scheme	23.1	**18 437**	12 872	**18 437**	12 872
		35 944	49 603	**35 944**	49 603

23.1 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 volume weighted average price at which the share traded on the JSE for the ten business days prior to the vesting date.

	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Movement for the year				
Opening balance	**22 096**	26 173	**22 096**	26 173
Charge to profit or loss for the year	**8 873**	7 361	**8 873**	7 361
Paid during the year	**(12 531)**	(11 438)	**(12 531)**	(11 438)
Closing balance	**18 438**	22 096	**18 438**	22 096
Movement for the year – number of units				
Opening balance	**8 632 500**	13 998 750	**8 632 500**	13 998 750
Forfeited	**(230 000)**	(700 000)	**(230 000)**	(700 000)
Paid during the year	**(4 316 250)**	(4 666 250)	**(4 316 250)**	(4 666 250)
Closing balance	**4 086 250**	8 632 500	**4 086 250**	8 632 500

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:	R11.48	R11.48
Dividend yield:	6.72%	6.72%
Volatility: *(based on a combination of Redefine's historical volatility adjusted for future expectations)*	21.04%	21.04%
First Tranche of scheme payable:	September 2012	September 2013
Last Tranche of scheme payable	September 2015	September 2015
The third and fourth tranches of the share incentive scheme will be paid on 5 September 2015 and therefore R18.4 million (2014: R12.9 million) has been disclosed as a current liability.		

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
24	**DEFERRED TAXATION**					
	Arising on:					
	Revaluation of listed securities investments		**13 509**	28 588	**1 285**	783
	Other timing differences		**263 132**	484 186	**135 769**	115 000
	Assessed loss		**(1 722)**	(2 776)	**–**	–
			274 919	509 998	**137 054**	115 783
	At the beginning of the year		**509 998**	589 524	**115 783**	222 491
	Acquired through business combination	36	**9 346**	(102)	**–**	–
	Change in the capital gains tax inclusion rate		**(429)**	–	**–**	–
	Deferred capital gains tax		**(15 154)**	(57 627)	**503**	(84 383)
	Other timing differences		**(230 083)**	(24 160)	**20 768**	(22 325)
	Assessed loss		**1 241**	2 363	**–**	–
	Balance at end of year		**274 919**	509 998	**137 054**	115 783

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

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 taxation 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 0%. 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.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
25	**TRADE AND OTHER PAYABLES**					
	Trade payables		**42 631**	60 375	**44 663**	55 774
	Accrued expenses		**411 654**	322 066	**354 147**	249 993
	Tenant deposits		**168 267**	138 026	**134 701**	96 584
	Tenant receipts paid in advance		**128 818**	123 578	**109 944**	87 578
	Municipal expenses		**267 905**	250 416	**237 403**	179 636
	VAT		**14 731**	8 369	**23 408**	15 699
	Sundry creditors		**72 224**	41 399	**59 003**	42 047
	Creditors for listed securities purchased		**–**	233 883	**–**	–
	Subsidiary distribution payable to non-controlling interests		**–**	116 195	**–**	–
	Creditors for investment property sold*		**–**	–	**381 861**	–
	Balance at end of year		**1 106 230**	1 294 307	**1 345 130**	727 311

* Included in trade and other payables is an amount received in advance for the disposal of an undivided share in industrial land acquired during the year. On a group basis this amount has been offset against the land held by the underlying subsidiary to give effect to the economic substance of the transaction

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
26	**NET OPERATING INCOME**					
	Net operating income includes the following charges:					
	Amortisation and depreciation		77 684	76 376	16 483	15 249
	Auditor's remuneration		3 603	4 910	2 995	3 815
	– External auditor – audit fees		3 275	3 479	2 667	2 384
	– External auditor – non-audit fees		328	1 431	328	1 431
	Asset management fees		–	1 786	–	–
	Staff costs		128 837	108 235	100 487	83 436
	Defined contribution fund		9 094	7 608	7 843	6 216
	Property management fees		35 754	27 718	24 918	24 583
	Valuation fees paid to third parties		5 170	3 314	5 170	1 879
	Share based payment expense		17 291	14 030	17 291	14 030
	Directors emoluments (refer to directors' report page 11)		43 598	35 563	43 598	35 563
	Share appreciation rights expense	23	8 873	7 361	8 873	7 361
	Trading property cost of sales		24 888	4 238	24 888	4 238
	Internal audit fees		329	642	–	–
27	**CHANGES IN FAIR VALUES OF PROPERTIES, LISTED SECURITIES AND FINANCIAL INSTRUMENTS**					
	Property portfolio		1 935 227	1 158 864	1 437 437	507 173
	– Realised		7 171	(15 857)	13 706	(13 363)
	– Unrealised		1 928 056	1 174 721	1 423 731	520 536
	Listed securities		160 774	296 647	198 252	93 783
	– Realised		–	636 794	–	568 615
	– Unrealised		160 774	(340 147)	198 252	(474 832)
	Interest rate swaps – mark to market		143 107	(128 495)	133 021	(73 103)
	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	–	–
	Other		3 252	–	–	–
	Realised reserves on acquisition of Fountainhead assets and liabilities		–	–	417 489	–
			2 242 360	2 051 245	2 186 199	1 496 812
28	**INTEREST PAID**					
	Interest paid on interest bearing borrowings		(1 683 064)	(1 457 159)	(1 340 538)	(1 157 741)
			(1 683 064)	(1 457 159)	(1 340 538)	(1 157 741)
29	**INTEREST RECEIVED**					
	Interest received on cash invested		80 056	30 507	53 504	2 799
	Vendor loans		217 335	126 586	114 742	98 737
	Other		8 838	2 298	8 491	2 298
	Interest received from subsidiaries		–	–	216 862	221 581
			306 229	159 391	393 599	325 415
30	**FOREIGN EXCHANGE LOSS**					
	Foreign exchange loss		(223 072)	(13 638)	(83 107)	(34 200)

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
31	**TAXATION**					
	Normal		**(71 822)**	(48 553)	**(3 946)**	(11 377)
	– Current		**(71 822)**	(37 176)	**(3 946)**	–
	– Adjustment to prior year		**–**	(11 377)	**–**	(11 377)
	Deferred		**242 484**	79 856	**(21 271)**	106 708
	– Current		**242 484**	79 856	**(21 271)**	106 708
			170 662	31 303	**(25 217)**	95 331
	Reconciliation between applicable taxation rate and effective taxation rate					
	SA normal taxation rate applied to income before taxation		**(1 548 499)**	(975 974)	**(1 467 393)**	(692 716)
	Taxation effect of:					
	– Disallowable expenditure		**41 022**	28 013	**38 407**	18 485
	– Exempt income		**1 007 356**	383 152	**598 610**	351 199
	– Capital gains tax		**(386)**	(6 075)	**–**	–
	– Deferred tax asset not recognised in respect of tax losses		**(94)**	–	**–**	–
	– Assessed loss utilised		**–**	12 753	**–**	–
	– Foreign rate differential		**(1 960)**	(3 414)	**–**	–
	– Withholding tax		**(68 093)**	(6 112)	**(3 946)**	–
	– Change in the capital gains tax inclusion rate		**(2 300)**	(118)	**–**	–
	– Foreign tax credit		**3 008**	–	**–**	–
	– Change in capital gains inclusion rate – REITS		**–**	85 164	**–**	85 164
	– Prior year underprovision		**–**	(11 377)	**–**	(11 377)
	– Change in accounting estimate		**1 464**	799	**–**	–
	– Qualifying distribution		**739 144**	524 492	**809 105**	344 576
			170 662	31 303	**(25 217)**	95 331

The group has unutilised tax losses of 43.6 million (2014: R43.6 million) for which a deferred tax asset has not been recognised.

	Note	GROUP 2015 R000	GROUP 2014 R000
32 EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS			
Reconciliation of basic earnings, headline earnings and distributable earnings			
Profit for the year attributable to Redefine shareholders		5 425 097	3 407 818
Changes in fair values of properties including associates (net of deferred taxation and NCI)		(2 111 739)	(1 108 787)
Profit on deemed disposal of interest in an associate (net of deferred tax)		–	(726 919)
Profit on disposal/deemed disposal of subsidiary		–	(340 949)
Insurance proceeds received		(119 420)	–
Headline profit attributable to shareholders		3 193 938	1 231 163
Debenture interest		–	1 115 697
Headline earnings attributable to shareholders/linked unit holders		3 193 938	2 346 860
Changes in fair values of listed securities and financial instruments (net of deferred taxation)		(532 016)	(238 302)
Changes in fair values of listed securities and financial instruments		(307 133)	(168 398)
Deferred taxation		(224 883)	(69 904)
Amortisation of intangibles (net of deferred taxation)		45 256	45 256
Amortisation of intangibles		62 856	62 856
Deferred taxation		(17 600)	(17 600)
Transactions costs relating to business acquisitions		4 874	14 423
Antecedent distribution		209 474	77 446
Unrealised interest received		–	(25 682)
Emira distribution accrual for July and August 2015 (conversion to a REIT)		13 751	–
Straight-line rental income accrual		(163 305)	(61 721)
Unrealised foreign exchange loss		233 848	29 945
Fair value adjustments of associates and NCI (other than investment property)		160 558	63 966
NCI portion of Fountainheads's distributable income for the period 1 March 2015 to 3 August 2015		101 917	(10 517)
Debt restructure costs		–	136 095
Pre-acquisition distribution received from Annuity		–	36 454
Pre-acquisition distribution received from Leaf		14 955	–
Pre-acquisition listed security income		6 565	–
Distributable earnings		3 289 815	2 414 223
Actual number of shares in issue (000)*		4 448 623	3 404 630
Weighted number of shares in issue (000)*		3 798 575	3 090 599
Diluted number of shares in issue (000)*		3 798 575	3 654 675
Basic earnings per share (cents)		142.82	146.36
– Continuing operations per share (cents)		142.82	134.53
– Discontinued operations per share (cents)		–	11.83
Diluted earnings per share (cents)^		142.82	123.78
– Continuing operations per share (cents)		142.82	113.77
– Discontinued operations per share (cents)		–	10.01
Headline earnings per share (cents)		84.08	75.94
– Continuing operations per share (cents)		84.08	75.48
– Discontinued operations per share (cents)		–	0.46
Diluted headline earnings per share (cents)		84.08	64.22
– Continuing operations per share (cents)		84.08	63.83
– Discontinued operations per share (cents)		–	0.39
Distribution per share (cents)		80.00	74.54

* Excludes 305 876 766 (2014: 5 876 766) treasury shares

The diluted number of shares in issue in the prior period is as a result 250 044 927 shares issued subsequent to year-end but prior to the dividend declaration date.

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
33	**CASH GENERATED FROM OPERATIONS**					
	Profit before taxation		**5 530 353**	3 485 624	**5 240 690**	2 473 988
	Adjusted for:					
	Non cashflow items		**(2 670 411)**	(2 426 826)	**(2 095 452)**	(1 449 758)
	Interest paid		**1 683 064**	1 457 159	**1 340 538**	1 157 741
	Interest received		**(306 229)**	(159 391)	**(393 599)**	(325 415)
	Debenture interest		**–**	1 115 697	**–**	1 117 836
	Operating income before working capital changes		**4 236 777**	3 472 263	**4 092 177**	2 974 392
	Working capital changes		**62 581**	149 762	**494 299**	(18 813)
	Trade, listed security income and other receivables		**(59 197)**	(81 999)	**28 413**	(140 435)
	Properties held-for-trading		**20 269**	2 601	**20 268**	2 600
	Trade and other payables		**101 509**	229 160	**445 618**	119 022
			4 299 358	3 622 025	**4 586 476**	2 955 579
	Non-cashflow items					
	Depreciation and amortisation		**78 619**	76 376	**16 481**	15 249
	Fair value adjustments		**(2 242 360)**	(2 051 245)	**(2 186 199)**	(1 496 812)
	Straight line lease accrual		**(163 305)**	(61 721)	**(105 847)**	(30 736)
	Foreign exchange loss		**223 072**	13 638	**83 107**	34 200
	Guarantee fee income		**(10 000)**	(10 000)	**(10 000)**	(10 000)
	Equity accounted results of associate		**(453 053)**	(439 766)	**–**	–
	Other non-cashflow items		**(8 241)**	(16 618)	**10 354**	(20 061)
	Lease commissions and amortised tenant installations		**75 599**	62 510	**70 552**	58 402
	Realised reserves on acquisition of Fountainhead assets and liabilities		**(170 742)**	–	**26 100**	–
			(2 670 411)	(2 426 826)	**(2 095 452)**	(1 449 758)
34	**DISTRIBUTIONS PAID**					
	Distribution payable at beginning of the year		**–**	1 025 396	**–**	1 027 453
	Distributions declared		**2 859 144**	1 115 697	**2 864 306**	1 117 836
			2 859 144	2 141 093	**2 864 306**	2 145 289
35	**TAXATION PAID**					
	Taxation payable at beginning of year		**(47 672)**	(6 390)	**(16 194)**	(6 374)
	Amounts charged to profit or loss	31	**(71 822)**	(48 553)	**(3 946)**	(11 377)
	Foreign withholding tax accrual		**(340)**	(2 421)	**–**	–
	Taxation payable at end of year		**22 392**	47 672	**–**	16 194
			(97 442)	(9 692)	**(20 140)**	(1 557)

	Note	GROUP 2015 R000	GROUP 2014 R000

36 BUSINESS COMBINATIONS

2015

Leaf Property Fund Proprietary Limited and its subsidiaries

On 15 April 2015 the group acquired 100% of the share capital and the loan claims of Leaf Property Fund Proprietary Limited and its subsidiaries. The Leaf Property Fund share capital was acquired for an aggregate consideration of R2.4 billion, comprising Redefine shares and cash.

The acquired businesses contributed revenues of R163.6 million and net loss after tax of R20.4 million to the group for the five months since acquisition. These amounts have been calculated using the group's accounting policies.

If the businesses had been acquired on 1 September 2014, management estimates that the revenue and profit after tax from the businesses would have been R421.2 million and R245.1 million respectively.

	Note	2015 R000	2014 R000
Purchase consideration :			
Cost of shares acquired		2 529 873	
Loan claims acquired		(164 146)	
Total purchase consideration		2 365 727	
The assets and liabilities as at 15 April 2015 arising from the acquisition are as follows :			
Investment properties		4 059 921	
Straight-line rental income accrual		59 472	
Property, plant and equipment		863	
Loans receivable		142	
Shareholders loan		164 146	
Interest rate swaps		12 163	
Trade and other receivables**		24 323	
Cash and cash equivalents		65 678	
Interest-bearing liabilities – non-current		(1 899 724)	
Deferred taxation		(9 346)	
Trade and other payables		(48 623)	
Tax payable		(368)	
Fair value of net assets		2 428 647	
Goodwill*		101 227	
Shareholders loans acquired		(164 146)	
Total purchase consideration		2 365 728	
Purchase consideration:		2 365 728	
– Settled in Redefine shares		1 735 358	
– Settled in cash		630 370	
Cash and cash equivalents in subsidiary acquired		(65 678)	
Cash outflow on acquisition		564 692	

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

** Gross contractual amounts receivable are R24.9 million, the group's best estimate of the contractual cashflow not expected to be collected is R0.5 million

The distributions received from the sellers amounting to R54.4 million, relating to the accounting period before they obtained Redefine shares, were reimbursed to Redefine per the acquisition agreements.

	Note	GROUP 2015 R000	GROUP 2014 R000

36 BUSINESS COMBINATIONS continued

2014

Annuity Properties Limited, Annuity Asset Managers Proprietary Limited and Annuity Property Managers Proprietary Limited

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.

	Note	2015 R000	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 loan			(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 cashflow not expected to be collected is R1.5 million

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
37 COMMON CONTROL TRANSACTIONS					
2015					
Fountainhead Property Trust					
On 3 August 2015 Redefine acquired the assets and liabilities of Fountainhead Property Trust.					
The transaction did not result in a change in control of Fountainhead and was therefore accounted as a common control transaction. The excess of the cost of the acquisition over the group's interest in the carrying value of the identifiable assets and liabilities, R391 million, was recognised in equity.					
The assets and liabilities as at 3 August 2015 arising from the acquisition are as follows:					
Investment properties				11 436 589	–
Straight-line rental income accrual				394 881	–
Interest rate swaps				33 322	–
Trade and other receivables				109 889	–
Cash and cash equivalents				67 210	–
Non-current assets held-for-sale				190 000	–
Goodwill*				893 280	–
Interest bearing borrowings				(2 777 486)	–
Trade and other payables				(159 667)	–
Fair value of net assets				10 188 018	–
				10 188 018	–
Net asset value held prior to acquisition				6 820 982	–
Shares issued to minorities				3 758 425	–
Excess cost of acquisition				(391 389)	–

* The goodwill recognised on the original business combination date of Fountainhead, is recognised in Redefine as a result of the transaction

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
38 COMMITMENTS					
38.1 Capital commitments					
Property acquisitions		741 153	2 973 020	741 153	2 958 200
Property under development		1 416 983	1 538 385	1 392 653	1 203 961
Capital improvements on investment properties		812 765	979 725	675 131	572 314
– Approved and committed		812 765	979 725	675 131	572 314
		2 970 901	5 491 130	2 808 937	4 734 475
38.2 Operating expense commitments					
Contractual commitments are in respect of general maintenance of lifts, escalators and air conditioning installations					
– Due within one year		162 350	124 112	154 127	104 440
– Due within two to five years		133 663	80 235	122 545	57 389
– Due beyond five years		–	4 707	–	4 707
		296 013	209 054	276 672	166 536

		Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
38	**COMMITMENTS** continued					
38.3	**Operating lease commitments**					
	Commitments due in respect of leases entered into by Redefine on leasehold property					
	– Due within one year		**15 443**	11 520	**15 443**	11 520
	– Due within two to five years		**34 287**	32 267	**34 287**	32 267
	– Due beyond five years		**231 661**	311 277	**231 661**	311 277
			281 391	355 064	**281 391**	355 064
39	**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		**4 546 499**	3 907 446	**3 769 253**	2 547 445
	– Receivable within two to five years		**11 546 638**	9 319 775	**9 456 346**	5 865 490
	– Receivable beyond five years		**7 549 891**	5 169 810	**6 494 487**	3 767 574
			23 643 028	18 397 031	**19 720 086**	12 180 509

40 CONTINGENT LIABILITIES AND GUARANTEES

Suretyships of R175 million (2014: 198 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 (2014: R20.0 million).

Redefine has undertaken to underwrite R1.4 billion of RI PLC's planned capital raise to fund part of the second phase of the Aegon portfolio acquisition. Should the equity raise not proceed, Redefine has provided a R2.8 billion loan facility to RI PLC, which may be utilised to fully fund this phase of the transaction. The loan facility must be repaid within three months of drawdown, or it will convert into a 50% equity interest in the RI PLC.

41 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: and
- 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 committee reports regularly to the board of directors.

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
41.1 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 8. 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.					
The group/company held tenant cash deposits and guarantees with a fair value of R7.1 million and R4.9 million respectively (2014: R12.5 million and R3.4 million) at 31 August 2015.		**7 090**	12 491	**4 936**	3 365
The group/company impairment allowance at 31 August 2015 was R54.5 million and R46.9 million respectively (2014: R39.9 million and R22.7 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		**11 518**	6 229	**10 595**	3 079
More than 30 days but not more than 60 days		**4 982**	6 730	**4 159**	3 810
More than 60 days but not more than 90 days		**5 786**	5 159	**4 948**	2 294
More than 90 days		**32 239**	21 788	**27 215**	13 575
Total		**54 525**	39 906	**46 917**	22 758
Movements on the allowance for the impairment of trade receivables are as follows:					
Opening balance		**39 906**	30 049	**22 758**	21 177
Impairment losses recognised on receivables		**38 722**	36 268	**41 458**	20 532
Impairment losses reversed on receivables		**(24 103)**	(26 411)	**(17 299)**	(18 951)
Closing balance		**54 525**	39 906	**46 917**	22 758

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 2015 group/company trade receivables of R86.2 million and R62.8 million respectively (2014: R37.7 million and R33.6 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 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
Not more than 30 days	**28 787**	26 560	**19 133**	23 964
More than 30 days but not more than 60 days	**13 942**	9 928	**7 984**	9 141
More than 60 days but not more than 90 days	**7 124**	736	**5 837**	491
More than 90 days	**36 324**	491	**29 891**	–
Total	**86 177**	37 715	**62 845**	33 596

41 FINANCIAL RISK MANAGEMENT continued

41.2 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 cashflows and the maturity profile of financial liabilities.

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

	Less than one year	One – five years	More than five years	Total
GROUP				
Year ended 31 August 2015				
Financial assets				
Listed securities	–	–	988 793	988 793
Loans receivable	587 440	1 062 120	122 804	1 772 364
Derivatives	–	93 150	–	93 150
Guarantee fees receivable	–	73 760	–	73 760
Trade and other receivables	617 964	–	–	617 964
Listed security income receivable	86 368	–	–	86 368
Cash and cash equivalents	129 924	–	–	129 924
Total financial assets	1 421 696	1 229 030	1 111 597	3 762 323
Interest payments relating to loans receivable above	102 713	102 881	11 741	217 335
Financial liabilities				
Interest-bearing liabilities	1 980 226	20 102 140	1 500 000	23 582 366
Derivatives	10 488	–	–	10 488
Other financial liabilities	17 507	18 437	–	35 944
Trade and other payables	1 106 230	–	–	1 106 230
Total financial liabilities	3 114 451	20 120 577	1 500 000	24 735 028
Interest payments relating to interest-bearing liabilities above	277 933	1 486 716	86 957	1 851 606
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	152 281	–	–	152 281
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	38 671	–	–	38 671
Cash and cash equivalents	350 606	–	–	350 606
Total financial assets	971 348	1 620 882	2 930 740	5 522 970
Interest payments relating to loans receivable above	6	99 682	13 788	113 476
Financial liabilities				
Interest-bearing liabilities	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 liabilities 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

Financial instruments by category

	Financial assets		Financial liabilities			
	At amortised cost^	At fair value through profit or loss	At amortised cost^	At fair value through profit or loss	Financial instruments beyond the scope of IFRS 7 and non-financial instruments	Total
Year ended 31 August 2015						
Financial assets						
Listed securities	–	988 793	–	–	–	988 793
Loans receivable	1 772 364	–	–	–	–	1 772 364
Derivatives#	–	93 150	–	–	–	93 150
Guarantee fees receivable	73 760	–	–	–	–	73 760
Trade and other receivables	173 522	–	–	–	444 442	617 964
Listed security income	86 368	–	–	–	–	86 368
Cash and cash equivalents	129 924	–	–	–	–	129 924
Total financial assets	**2 235 938**	**1 081 943**	**–**	**–**	**444 442**	**3 762 323**
Financial liabilities						
Interest-bearing liabilities	–	–	23 582 366	–	–	23 582 366
Derivatives#	–	–	–	10 488	–	10 488
Other financial liabilities	–	–	–	17 507	18 437	35 944
Trade and other payables	–	–	1 049 748	–	56 482	1 106 230
Total financial liabilities	**–**	**–**	**24 632 114**	**27 995**	**74 919**	**24 735 028**

^ 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 are classified as held-for-trading in terms of IAS 39

	At amortised cost^	At fair value through profit or loss	At amortised cost^	At fair value through profit or loss	Financial instruments beyond the scope of IFRS 7 and non-financial instruments	Total
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	38 671	–	–	–	–	38 671
Cash and cash equivalents	350 606	–	–	–	–	350 606
Total financial assets	**2 309 130**	**2 774 410**	–	–	**439 430**	**5 522 970**
Financial liabilities						
Interest-bearing liabilities	–	–	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**

^ 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 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

41 FINANCIAL RISK MANAGEMENT continued

41.2 Liquidity risk continued

	Less than one year	One – five years	More than five years	Total
COMPANY				
Year ended 31 August 2015				
Financial assets				
Listed securities	–	–	1 749 490	1 749 490
Loans receivable	2 050	2 588 977	1 649 805	4 240 832
Other financial assets	–	2 691 197	–	2 691 197
Derivatives	–	78 718	–	78 718
Guarantee fees receivable	–	73 760	–	73 760
Trade and other receivables	482 560	–	–	482 560
Listed security income	97 692	–	–	97 692
Cash and cash equivalents	52 663	–	–	52 663
Total financial assets	634 965	5 432 652	3 399 295	9 466 912
Interest payments relating to loans receivable above	120	102 881	11 741	114 742
Financial liabilities				
Interest-bearing liabilities	1 980 226	17 353 557	1 500 000	20 833 783
Derivatives	12 072	–	–	12 072
Other financial liabilities	17 507	18 437	–	35 944
Trade and other payables	1 345 130	–	–	1 345 130
Total financial liabilities	3 354 935	17 371 994	1 500 000	22 226 929
Interest payments relating to interest-bearing liabilities above	226 329	1 059 108	86 957	1 372 394
Issued guarantees (the maturity has been assumed as the first potential date of drawdown)	152 281	–	–	152 281
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 liabilities	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 liabilities 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

Financial instruments by category

	Financial assets At amortised cost^	Financial assets At fair value through profit or loss	Financial liabilities At amortised cost^	Financial liabilities At fair value through profit or loss	Financial instruments beyond the scope of IFRS 7 and non-financial instruments	Total
Year ended 31 August 2015						
Financial assets						
Listed securities	–	1 749 490	–	–	–	1 749 490
Loans receivable	4 240 832	–	–	–	–	4 240 832
Other financial assets	2 691 197	–	–	–	–	2 691 197
Derivatives#	–	78 718	–	–	–	78 718
Guarantee fees receivable	73 760	–	–	–	–	73 760
Trade and other receivables	78 849	–	–	–	403 711	482 560
Listed security income	97 692	–	–	–	–	97 692
Cash and cash equivalents	52 663	–	–	–	–	52 663
Total financial assets	7 234 993	1 828 208	–	–	403 711	9 466 912
Financial liabilities						
Interest-bearing liabilities	–	–	20 833 783	–	–	20 833 783
Derivatives#	–	–	–	12 072	–	12 072
Other financial liabilities	–	–	–	17 507	18 437	35 944
Trade and other payables	–	–	1 287 679	–	57 451	1 345 130
Total financial liabilities	–	–	22 121 462	29 579	75 888	22 226 929

^ 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 are classified as held-for-trading in terms of IAS 39

	Financial assets At amortised cost^	Financial assets At fair value through profit or loss	Financial liabilities At amortised cost^	Financial liabilities At fair value through profit or loss	Financial instruments beyond the scope of IFRS 7 and non-financial instruments	Total
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 liabilities	–	–	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

^ 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 are classified as held-for-trading in terms of IAS 39

41 FINANCIAL RISK MANAGEMENT continued

41.3 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 66% of its local borrowings. This is achieved by entering into agreements to receive variable and pay fixed interest rate swaps.

An increase/decrease of 1% in interest rates for the year ending 31 August 2015 would have increased/decreased the interest expense by approximately R53.1 million (2014: R42.9 million) and therefore the profit would decrease by this amount.

These amounts are determined by calculating 1% on the amount of effective floating interest rate liabilities (i.e. 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 unit holders. 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 R51.5 million (2014: R137 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 from RI PLC, a R1.00 increase/decrease in the spot exchange rate to GBP would increase/ decrease the Group's expected profit before taxation by R13.6million (2014: R5.7 million).

Cromwell Partners Trust

It is estimated that for the distributions from CPT, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/ decrease the Group's expected profit before taxation by R6.3 million (2014: R4.4 million).

Macquarie loan

It is estimated that for the interest expense from Macquarie, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/ decrease the Group's expected profit before taxation by R4.8 million (2014: R3.2 million).

It is estimated that for the loan balance from Macquarie, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/ decrease the loan balance by R98 million (2014: R80 million).

Isle of Man loan

It is estimated that for the interest expense from Isle of Man, a R1.00 increase/decrease in the spot exchange rate to GBP would increase/decrease the Group's expected profit before taxation by R1.1 million (2014: R1.1 million).

It is estimated that for the loan balance from Isle of Man, a R1.00 increase/decrease in the spot exchange rate to GBP would increase/ decrease the loan balance by R21.3 million (2014: R21.3 million).

Cromwell Property Group

It is estimated that for the distributions from Cromwell, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/ decrease the Group's expected profit before taxation by R30.5 million (2014: R12.7 million).

Investec loans

It is estimated that for the interest expense from Investec, a R1.00 increase/decrease in the spot exchange rate to GBP would increase/decrease the Group's expected profit before taxation by R0.3 million (2014: R0).

It is estimated that for the interest expense from Investec, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/decrease the Group's expected profit before taxation by R5.5 million (2014: R0).

It is estimated that for the interest expense from Investec, a R1.00 increase/decrease in the spot exchange rate to EUR would increase/decrease the Group's expected profit before taxation by R0.7 million (2014: R0).

It is estimated that for the loan balance from Investec, a R1.00 increase/decrease in the spot exchange rate to GBP would increase/ decrease the loan balance by R21.4 million (2014: R0).

It is estimated that for the loan balance from Investec, a R1.00 increase/decrease in the spot exchange rate to AUD would increase/ decrease the loan balance by R269.7million (2014: R0).

It is estimated that for the loan balance from Investec, a R1.00 increase/decrease in the spot exchange rate to EUR would increase/ decrease the loan balance by R53.5 million (2014: R0).

41.4 Fair value hierarchy for financial instruments and investment property

IFRS 13 requires that an entity disclose 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.

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 (i.e. as prices) or indirectly (i.e. 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 2015	Designated at fair value	Level 1	Level 2	Level 3
GROUP				
Assets				
Investment property	51 188 481	–	–	51 188 481
Listed securities	988 793	988 793	–	–
Derivatives	93 150	–	93 150	–
Total assets	52 270 424	988 793	93 150	51 188 481
Liabilities				
Derivatives	10 488	–	10 488	–
Other financial liabilities	17 507	–	17 507	–
Total liabilities	27 995	–	27 995	–
COMPANY				
Assets				
Investment property	42 052 761	–	–	42 052 761
Listed securities	1 749 490	1 749 490	–	–
Derivatives	78 718	–	78 718	–
Total assets	43 880 969	1 749 490	78 718	42 052 761
Liabilities				
Derivatives	12 072	–	12 072	–
Other financial liabilities	17 507	–	17 507	–
Total liabilities	29 579	–	29 579	–

41.4.1 Details of changes in valuation technique

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

41.4.2 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.

41 FINANCIAL RISK MANAGEMENT continued

41.4.3 Level 3 Reconciliation

Year ended 31 August 2015	Opening balance	Gain/(loss) in profit or loss for the year and other comprehensive income	Acquisition/ (disposal)	Closing balance
GROUP				
Investment property	38 924 030	1 640 656	7 461 793	48 026 479
Properties under development	1 982 047	(271 596)	161 939	1 872 390
	40 906 077	1 369 060	7 623 732	49 898 869
Investment property – held-for-sale	1 490 128	–	(200 516)	1 289 612
	42 396 205	1 369 060	7 423 216	51 188 481
COMPANY				
Investment property	23 939 071	2 138 366	13 244 647	39 322 084
Properties under development	1 251 831	(287 686)	569 557	1 533 702
	25 190 902	1 850 680	13 814 204	40 855 786
Investment property – held-for-sale	501 060	–	695 915	1 196 975
	25 691 962	1 850 680	14 510 119	42 052 761

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 2014	Designated at fair value	Level 1	Level 2	Level 3
GROUP				
Assets				
Investment property	42 396 205	–	–	42 396 205
Listed securities	2 750 900	2 750 900	–	–
Other financial assets	23 510	–	23 510	–
Total assets	45 170 615	2 750 900	23 510	42 396 205
Liabilities				
Interest rate swaps	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				
Interest rate swaps	99 697	–	99 697	–
Other financial liabilities	27 507	–	27 507	–
Total liabilities	127 204	–	127 204	–

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

41.4.4 Details of changes in valuation techniques

There were no significant changes in valuation techniques during the prior year.

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

There were no significant transfers between level 1, level 2 and level 3 during the prior year.

41.4.6 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.

42 CAPITAL MANAGEMENT

In terms of the articles of association and the trust deed, which was still effective 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 2015, represented 36.8% (2014: 38.0%), 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.

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
South African property portfolio and listed investments		**58 365 779**	51 070 888	**54 035 430**	33 550 772
45% (2014:45%) thereof		**26 264 601**	22 981 899	**24 315 944**	15 097 847
Borrowings utilised (net of cash on hand)		**20 833 783**	19 756 529	**20 833 783**	14 440 269
		5 430 818	3 225 370	**3 482 161**	657 578

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
43 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		122 805	179 840	122 805	179 840
Leaf Property Fund Proprietary Limited					
Debenture interest		–	–	85 326	–
Loan receivable		–	–	135 417	–
Relationship: subsidiary company					
Madison Property Fund Managers Limited					
Income comprising interest distributions		–	–	62 589	112 701
Loan payable		–	–	522 355	490 280
Relationship: subsidiary company					–
Freedom Square Proprietary Limited					
Interest received		–	–	–	1 828
Development fee income		–	–	–	1 500
Relationship: subsidiary company					
Redefine Pacific Proprietary Limited					
Interest received		–	–	41 455	26 941
Loan receivable		–	–	525 488	506 596
Relationship: subsidiary company					
Fountainhead Property Trust					
Development fee		–	–	7 021	6 792
Relationship: subsidiary trust					
Fountainhead Property Trust Management Limited					
Dividend received		–	–	6 000	8 000
Relationship: subsidiary company					
Redefine Retail Proprietary Limited					
Income comprising dividend/interest distributions		–	–	664 035	569 811
Loan receivable		–	–	2 923 226	8 320 103
Relationship: subsidiary company					
Evening Star 768 Proprietary Limited					
Interest received		–	–	27 491	29 007
Loan receivable		–	–	272 475	290 145
Relationship: subsidiary company					

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
43 RELATED-PARTY TRANSACTIONS continued					
Madison Property Fund Managers Holdings Limited					
Dividend received		–	–	61 470	28 018
Loan receivable		–	–	931 793	870 323
Relationship: subsidiary company					
Redefine Global Proprietary Limited					
Dividend received		–	–	259 241	97 627
Relationship: subsidiary company					
Annuity Asset Managers Proprietary Limited					
Loan receivable		–	–	5 552	5 552
Relationship: subsidiary company					
Redefine International PLC					
Asset management fees		4 154	–	–	–
Dividend received		246 461	112 074	40 005	28 018
Directors fees received by repay		635	559	635	559
Relationship: Associate company					
Annuity Properties Limited					
Income comprising interest distributions		–	–	151 142	51 104
Loan receivable		–	–	689 115	2 234
Relationship: subsidiary company					
Redefine Property Management Proprietary Limited					
Loan receivable		–	–	2 945	–
Development fees		–	–	7 785	–
Management fees					
Rental income		–	–	26 494	–
Relationship: subsidiary company					
Black River Park Investments Proprietary Limited					
Loan payable		–	–	10 000	–
Relationship: subsidiary company					
S&J Land Investments Proprietary Limited					
Loan receivable		–	–	3 893	–
Relationship: subsidiary company					
Directors' emoluments					
Non-executive directors (refer to directors report)		2 758	2 780	2 758	2 780
Executive directors (refer to directors report)		40 841	32 783	40 841	32 783

44 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.

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
45 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		**1 187 000**	1 108 500	**–**	–
Current assets		**13 256**	17 212	**–**	–
Current liabilities		**6 069**	13 445	**–**	–
Income		**94 379**	90 243	**–**	–
Expenses		**14 116**	11 719	**–**	–
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		**765 412**	815 699	**765 412**	815 699
Current assets		**2 455**	3 878	**2 455**	3 878
Current liabilities		**1 096**	476	**1 096**	476
Income		**57 174**	3 461	**57 174**	3 461
Expenses		**356**	59	**356**	59
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		**702 780**	688 500	**–**	–
Current assets		**7 173**	7 141	**–**	–
Current liabilities		**6 529**	6 296	**–**	–
Income		**61 279**	24 710	**–**	–
Expenses		**14 868**	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	**–**	47 000
Current assets		**–**	1	**–**	1
Current liabilities		**–**	30	**–**	30
Income		**–**	383	**–**	383
Expenses		**–**	475	**–**	475

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
45 JOINTLY CONTROLLED ASSETS continued					
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		**251 878**	31 513	**251 878**	31 513
Current liabilities		**1**	–	**1**	–
Income		**–**	–	**–**	–
Expenses		**4**	–	**4**	–
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		**52 000**	42 200	**52 000**	42 200
Current assets		**663**	438	**663**	438
Current liabilities		**619**	100	**619**	100
Income		**3 828**	3 542	**3 828**	3 542
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	**–**	42 500
Current assets		**–**	–	**–**	–
Current liabilities		**–**	311	**–**	311
Income		**–**	3 266	**–**	3 266
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		**300 500**	279 500	**300 500**	279 500
Current assets		**1 445**	3 586	**1 445**	3 586
Current liabilities		**–**	–	**–**	–
Income		**30 393**	28 327	**30 393**	28 327
Expenses		**2 545**	2 868	**2 545**	2 868
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		**240 000**	225 000	**240 000**	225 000
Current liabilities		**1**	432	**1**	432
Income		**19 624**	18 170	**19 624**	18 170

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
16 Fredman (50%) interest					
Undivided half share of the immovable property and letting enterprise with Sycom Property Fund. Effect date 1 October 2014.					
Non-current assets		224 925	–	224 925	–
Current assets		4 192	–	4 192	–
Current liabilities		2 661	–	2 661	–
Income		18 455	–	18 455	–
Expenses		1 694	–	1 694	–
JD Dwaarsloop (25%) interest					
Undivided 25% share of the immovable property and letting enterprise with Twin City Bosbokrand Proprietary Limited and Strongwood Investments Proprietary Limited. Effective date 8 June 2015.					
Non-current assets		8 750	–	8 750	–
Expenses		66	–	66	–
N1 City Mall (58%) interest					
Undivided 58% share of the immovable property and letting enterprise with Sycom Property Fund. Effective date 3 August 2015.					
Non-current assets		843 900	–	843 900	–
Current assets		5 358	–	5 358	–
Non-current liabilities		330	–	330	–
Current liabilities		18 120	–	18 120	–
Income		71 644	–	71 644	–
Expenses		8 608	–	8 608	–
Sunridge (75%) interest					
Undivided 75 % share of the immovable property and letting enterprise with Klensat Investments Proprietary Limited. Effective date 3 August 2015.					
Non-current assets		43 515	–	43 515	–
Current assets		664	–	664	–
Current liabilities		849	–	849	–
Income		7 163	–	7 163	–
Expenses		1 035	–	1 035	–
Constantia Kloof 3 (80%) interest					
Undivided 80% share of the immovable property and letting enterprise with Constantia Call Centre Trust. Effective date 3 August 2015.					
Non-current assets		282 000	–	282 000	–
Current assets		1 821	–	1 821	–
Current liabilities		2 673	–	2 673	–
Income		24 505	–	24 505	–
Expenses		127	–	127	–

	Note	GROUP 2015 R000	GROUP 2014 R000	COMPANY 2015 R000	COMPANY 2014 R000
45 JOINTLY CONTROLLED ASSETS continued					
S & J Land Investments Proprietary Limited (45%) interest					
Undivided 45% share of the immovable property and letting enterprise with The Pivotal Fund Limited and Abland Proprietary Limited. Effective date 10 July 2015.					
Non-current assets		656 685	–	–	–
Current assets		42	–	–	–
Simmer & Jack Land Development Company Proprietary Limited (45%) interest					
Undivided half share of the immovable property and letting enterprise with Fin Properties 107 (Proprietary) Limited. Effective date 10 July 2015.					
Non-current assets		42 539	–	–	–
Current assets		–	–	–	–
Non-current liabilities		–	–	–	–

46 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.

2015	Office R000's	Retail R000's	Industrial R000's	Specialised R000's	Foreign R000's	Fountain-head R000's	Total R000's
Contractual rental income	2 009 643	1 859 390	886 976	3 646	–	1 381 782	6 141 437
Property expenses	(669 542)	(733 126)	(230 003)	(5)	–	(452 033)	(2 084 709)
Net property income	1 340 101	1 126 264	656 973	3 641	–	929 749	4 056 728

	Redefine	Foreign	Fountain-head	Total
Net property income	3 126 979	–	929 749	4 056 728
Straight-line rental income	167 343	–	(4 038)	163 305
Listed securities portfolio	138 541	205 688	–	344 229
Fee Income	44 800	–	–	44 800
Property trading income	(1 946)	–	–	(1 946)
Revenue net of property expenses	3 475 717	205 688	925 711	4 607 116
Administration costs	(129 054)	(15 263)	(66 932)	(211 249)
Depreciation	(17 585)	–	–	(17 585)
Segment profit from operations	3 329 078	190 425	858 779	4 378 282
Changes in fair values of properties, listed securities and financial instruments	1 977 409	106 454	158 497	2 242 360
Amortisation of intangibles	(62 856)	–	–	(62 856)
Insurance proceeds	119 420	–	–	119 420
Interest in associates	–	453 053	–	453 053
Income from operations	5 363 051	749 932	1 017 276	7 130 259

46 SEGMENTAL REPORT continued

	Redefine	Foreign	Fountain-head	Total
Investment properties and non-current assets held-for-sale	49 316 091	–	–	49 316 091
Other assets	10 533 656	10 328 051	–	20 861 707
Total assets	59 849 747	10 328 051	–	70 177 798
Total liabilities	(28 897 736)	3 865 398	–	(25 032 338)

	Office	Retail	Industrial	Other	Foreign	Fountain-head	Total
Investment properties (excluding development properties)	18 162 095	19 929 872	9 514 412	420 100	–	–	48 026 479
Non-current assets held-for-sale	193 525	692 950	403 137	–	–	–	1 289 612
	18 355 620	20 622 822	9 917 549	420 100	–	–	49 316 091

2014	Office R000's	Retail R000's	Industrial R000's	Foreign R000's	Fountain-head R000's	Total R000's
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**

	Local	Foreign	Fountain-head	Total
Net Property Income	2 397 559	–	1 005 345	3 402 904
Straightline 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**
Admin and corporate 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**

	Office	Retail	Industrial	Other	Foreign	Fountain-head	Total
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

	Local	Foreign	Other	Total
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 (excl debenture capital)	(19 170 145)	1 175 780	(3 759 862)	(21 754 227)

PROPERTY INFORMATION

SECTORAL SUMMARY AS AT 31 AUGUST 2015 – R'000

	Office	Retail	Industrial	Specialised	Total
Investment property	18 162 095	19 929 872	9 514 412	420 100	48 026 479
Non-current assets held-for-sale	193 525	692 950	403 137	–	1 289 612
Development	1 102 028	192 424	577 938	–	1 872 390
Properties held-for-trading	–	1 080	–	–	1 080
	19 457 648	20 816 326	10 495 487	420 100	51 189 561

OFFICE

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Black River Office Park	Western Cape	1 054 000	52 603	6 021 097	115	127
Multi	The Towers	Western Cape	878 000	54 316	5 678 418	117	5 616
Single	115 West Street (50%)	Sandton	765 412	20 546	3 946 407	192	–
Single	155 West Street	Sandton	536 400	24 501	3 952 320	161	–
Multi	90 Grayston Drive	Sandton	482 000	19 651	2 547 877	146	2 194
Single	Thibault Square	Western Cape	438 000	30 480	3 828 295	141	3 421
Multi	Silver Stream Business Park	Sandton	425 000	20 657	2 632 210	130	355
Multi	Convention Tower	Western Cape	401 000	17 854	3 208 963	259	5 450
Multi	Commerce Square	Sandton	380 000	16 893	2 263 242	141	868
Multi	Boulevard Office Park F&G	Western Cape	361 000	16 251	1 836 443	115	341
Multi	Observatory Business Park	Western Cape	358 000	18 772	2 221 416	119	70
Multi	Wembley 2	Western Cape	353 000	17 098	2 168 272	128	144
Multi	Poyntons	Pretoria	352 000	65 184	5 247 481	82	1 017
Multi	Hampton Office Park	Sandton	322 000	21 314	2 374 688	121	1 638
Multi	Jewel City	Greater JHB	316 000	42 360	3 111 084	91	8 063
Single	Douglas Roberts Centre	Greater JHB	287 000	19 166	2 445 472	128	–
Single	Pier Place	Western Cape	284 000	14 746	2 418 408	164	–
Single	Constantia Kloof 3 (80%)	Greater JHB	282 000	12 821	1 855 029	145	–
Single	22 Fredman Drive	Sandton	260 000	10 974	2 019 308	184	–
Multi	Clearwater Office Park	Other	255 000	18 825	1 697 428	98	1 499
Single	Centurion Gate	Other	253 000	11 541	1 456 297	126	–
Single	300 Middel Street	Pretoria	250 500	11 404	2 136 067	187	–
Single	Ericsson Woodmead	Greater JHB	233 398	11 245	1 680 212	149	–
Multi	Isivuno House	Pretoria	227 000	23 694	2 843 245	120	–
Single	16 Fredman Drive (50%)	Sandton	224 925	11 263	1 748 336	155	–
Multi	Wembley 1	Western Cape	224 400	10 805	1 333 059	123	–
Multi	111 Commissioner Street	Greater JHB	210 000	29 799	3 066 292	109	1 693
Multi	82 Maude	Sandton	210 000	10 004	2 113 559	213	84
Single	Sasfin Head Office Building	Greater JHB	207 038	8 028	1 752 526	218	–
Multi	The Old Match Factory	Western Cape	204 850	12 160	1 211 563	100	–
Single	De Beers House	Greater JHB	193 000	11 919	1 009 473	85	–
Multi	Esher Place	Sandton	190 000	9 667	–	–	9 667
Multi	Redefine Towers (320 West Street Durban)	KwaZulu-Natal	124 975	24 988	2 234 047	131	7 980
Multi	Boulevard Office Park A	Western Cape	179 500	6 725	1 062 257	158	–
Single	CIB Insurance	Greater JHB	176 000	7 513	1 056 581	141	–
Multi	Thabakgolo	Other	154 000	13 625	1 443 536	114	927
Multi	Boulevard Office Park B&C	Western Cape	152 000	7 749	824 732	118	764
Single	AMR Office Park	Greater JHB	146 600	10 563	870 097	104	2 211
Single	Knowledge Park II	Western Cape	145 800	7 181	1 018 285	142	–
Single	61 Jorrisen Street	Greater JHB	141 600	18 181	1 365 490	75	–
Multi	Fedsure Forum	Pretoria	140 000	28 967	672 883	115	23 121
Multi	The Atrium Building	Greater JHB	136 690	13 555	655 420	53	1 280

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Grayston Ridge Office Park	Sandton	123 955	11 573	845 770	109	3 834
Single	ABSA Investments Campus	Greater JHB	119 130	10 469	1 544 474	148	–
Multi	Nedbank Centre Nelspruit	Other	118 100	15 367	1 215 416	111	4 429
Multi	Hatfield Square	Pretoria	115 500	–	53 880	–	–
Multi	Rosebank Corner	Greater JHB	114 265	9 625	992 729	123	1 562
Single	Accenture	Greater JHB	113 300	6 520	831 439	128	–
Multi	Cross Place	Greater JHB	111 983	5 281	930 160	177	26
Multi	Opera Plaza Pretoria	Pretoria	103 700	14 912	1 376 122	94	199
Multi	Thornhill Office Park	Greater JHB	101 500	9 506	960 467	110	798
Multi	150 Rivonia Road Office Park	Greater JHB	99 562	6 021	775 607	137	353
Single	Glenrand M I B House	Greater JHB	98 888	12 832	1 384 847	108	–
Multi	Essex Gardens	KwaZulu-Natal	98 000	8 374	844 500	121	1 417
Single	240 Justice Mohamed Street	Pretoria	97 571	13 087	1 566 815	120	–
Single	Heron Place	Western Cape	95 000	4 734	672 080	142	–
Single	Wheat Board	Pretoria	94 200	13 109	873 608	67	–
Multi	222 Smit Street	Greater JHB	93 200	21 433	984 359	58	4 428
Multi	Knowledge Park	Western Cape	92 300	6 210	703 918	113	–
Multi	2 Fricker Road	Greater JHB	92 000	4 135	605 871	163	408
Single	Batho Pele House	Pretoria	92 000	14 258	1 491 244	105	–
Single	Shell House	KwaZulu-Natal	90 236	14 022	1 379 022	98	–
Multi	Shorburg	Pretoria	89 800	14 044	1 034 752	81	1 214
Multi	Kimberley-Clark House	Greater JHB	89 500	6 037	705 741	117	–
Multi	Mineralia Building	Greater JHB	89 000	13 605	1 454 103	107	–
Multi	17 Harrison Street	Greater JHB	87 600	12 379	1 308 279	107	207
Multi	Surrey Place	Greater JHB	85 084	12 006	710 414	80	3 178
Multi	Matlotlo House	Greater JHB	81 400	13 853	1 428 276	106	326
Multi	Wembley 3	Western Cape	80 000	4 765	573 421	121	11
Single	18 The Boulevard	KwaZulu-Natal	78 576	5 232	727 310	148	324
Multi	Redefine Place	Greater JHB	78 072	4 567	3 920	1	–
Multi	Stonewedge	Sandton	74 416	7 084	654 841	107	992
Single	2 Pybus Road	Sandton	73 929	4 531	534 764	118	–
Multi	Hollard House & Parkade	Greater JHB	72 600	10 414	819 377	86	927
Multi	Silver Point Office Park	Sandton	71 000	4 188	593 400	142	–
Multi	Dunkeld Office Park	Greater JHB	70 580	5 631	693 445	128	234
Single	260 Justice Mohamed Street	Pretoria	68 284	1	–	–	–
Multi	Cedarwood House	Greater JHB	67 995	4 624	629 919	136	–
Multi	Curator	Pretoria	66 000	8 928	729 294	121	2 887
Multi	Parliament Towers	Western Cape	64 200	8 620	940 097	109	–
Multi	Outspan House	Pretoria	62 800	7 480	510 628	103	2 543
Single	Hyde Park Manor	Greater JHB	59 620	4 688	505 759	108	–
Multi	Ethos Building	Greater JHB	59 406	2 496	379 112	152	–
Multi	7 Sturdee Avenue	Greater JHB	58 153	4 011	493 452	123	–
Multi	West End Shopping Centre	Other	57 500	20 971	892 412	61	6 298
Single	Emanzeni	Pretoria	56 100	9 340	945 955	101	–
Multi	Treasury House	KwaZulu-Natal	52 797	9 762	824 344	85	87
Single	Nashua House	Greater JHB	51 900	7 551	–	–	7 551
Multi	Delmat House	KwaZulu-Natal	51 600	4 499	389 924	120	1 259
Multi	Wedgefield	Sandton	51 006	4 109	431 006	116	405
Multi	66 Peter Place	Sandton	50 849	4 273	470 898	120	358
Multi	Boskruin Village Office Park	Greater JHB	50 840	6 495	582 032	95	382

OFFICE continued

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Single	2 Rissik Street	Greater JHB	48 000	6 110	410 730	69	169
Single	Kernick House	Greater JHB	47 000	3 564	411 020	115	–
Multi	BCX	Greater JHB	46 015	3 047	5 400	675	3 039
Multi	The Avenues	Greater JHB	45 480	6 318	144 684	81	4 538
Multi	Hatfield Forum East	Pretoria	44 000	5 943	382 613	77	1 004
Single	Delpen Building	Greater JHB	43 800	5 550	509 407	92	–
Single	Sunridge (50%)	Sandton	43 515	2 921	537 737	184	–
Multi	Knowledge Park III	Western Cape	43 200	3 779	374 343	103	135
Multi	The Ambridge Office Park	Greater JHB	42 000	4 784	399 521	94	547
Multi	Domus	Pretoria	41 600	5 452	450 757	110	1 364
Multi	Warich Close Office Park	Greater JHB	41 422	3 318	372 008	129	429
Multi	Allhart Park	Sandton	41 100	4 666	320 300	110	1 744
Multi	5 Sturdee Avenue	Greater JHB	40 632	3 518	178 315	92	1 579
Multi	Commisioner House Bellville	Western Cape	40 000	4 019	456 998	114	–
Multi	3 Sturdee Avenue	Greater JHB	39 236	3 459	552 427	160	–
Multi	2 Devonshire Place	KwaZulu-Natal	39 000	7 969	621 634	78	50
Multi	NBS Building	Greater JHB	37 000	11 276	152 487	150	10 262
Multi	Accord House	KwaZulu-Natal	35 100	3 960	397 727	103	115
Multi	Glenashley Views	KwaZulu-Natal	30 000	2 807	328 204	133	345
Multi	Hartmann & Keppler	Greater JHB	30 000	2 014	262 511	130	–
Multi	Cosmopolitan House	Greater JHB	28 800	3 140	234 583	88	469
Multi	Crawford House	Sandton	28 500	1 907	190 001	124	380
Multi	Yellowwood House	Greater JHB	28 335	2 814	137 851	107	1 524
Single	Duncan Street	Pretoria	28 200	1 310	245 716	188	–
Multi	Standard Bank Nelspruit Branch	Other	24 200	2 374	285 971	120	–
Single	Nosa	Pretoria	24 000	3 770	344 916	91	–
Single	Embassy House	Pretoria	23 600	3 419	–	–	3 419
Multi	Kent House	KwaZulu-Natal	20 600	2 769	180 877	110	1 122
Multi	Lakeside Place	Greater JHB	18 500	3 629	171 859	91	1 732
Multi	Odyssey Place	KwaZulu-Natal	15 800	2 052	201 757	110	216
Multi	BDO House	KwaZulu-Natal	15 600	2 208	204 093	92	–
Single	ABSA Centurion	Pretoria	14 900	1 306	110 923	85	–
Parkade/ vacant land	Boulevard Annex-CPT	Western Cape	12 500	–	–	–	–
Multi	RPA Centre	Greater JHB	12 377	1 493	104 227	78	159
Multi	The Ridge	KwaZulu-Natal	11 000	1 014	107 827	108	12
Multi	Sevenfold	KwaZulu-Natal	6 700	670	74 255	111	–
Multi	Lakeside Building A	Pretoria	298	13 061	601 119	131	8 463
Parkade/ vacant land	Kay Street Parking	Greater JHB	–	–	–	–	–
			18 162 095	1 384 649			167 983

HELD-FOR-SALE

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	6 Durban Club Place	KwaZulu-Natal	57 000	8 842	765 686	90	296
Multi	Redefine Towers (320 West Street Durban)	KwaZulu-Natal	64 025	–	–	–	–
Single	74 Lorne Street	KwaZulu-Natal	26 000	4 162	378 623	91	–
Single	Clarins – Waverley	Greater JHB	25 000	1 442	258 991	180	–
Multi	Lakeside 2	Greater JHB	14 000	4 115	56 391	63	3 213
Multi	Chesan	Greater JHB	7 500	1 019	–	–	1 019
			193 525	19 580			4 528

DEVELOPMENT

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
	90 Rivonia Road	Sandton	775 800	35 636	–	–	9 500
	Rosebank Towers (42.5%)	Greater JHB	251 878	–	–	–	–
	15 Baker Street	Greater JHB	74 350	–	–	–	–
			1 102 028	35 636			9 500
			19 457 648	1 439 865			182 011

RETAIL

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Centurion Mall	Pretoria	3 814 702	119 089	21 750 687	193	6 583
Multi	Blue Route Mall	Western Cape	1 256 000	55 501	9 230 008	168	588
Multi	East Rand Mall (50%)	Greater JHB	1 097 000	31 257	10 496 007	336	–
Multi	Golden Walk	Greater JHB	898 000	45 129	7 343 605	165	631
Multi	Matlosana Mall	Other	893 000	64 624	7 284 681	129	8 094
Multi	Kenilworth Centre	Western Cape	868 500	48 947	7 490 409	157	1 103
Multi	N1 City Mall (58%)	Western Cape	843 900	37 241	6 082 740	163	
Multi	The Boulders Shopping Centre	Greater JHB	765 000	49 203	6 797 679	145	2 183
Multi	Maponya Mall (51%)	Greater JHB	704 093	36 393	10 460 895	303	1 835
Multi	Sammy Marks Square	Pretoria	668 000	34 124	5 264 254	155	188
Multi	Benmore Gardens Shopping Centre	Sandton	637 000	24 091	4 385 195	211	3 352
Multi	Park Meadows	Greater JHB	484 300	27 370	3 878 214	145	627
Multi	Stoneridge Centre	Greater JHB	480 000	52 475	4 761 931	98	3 833
Multi	Langeberg Mall	Western Cape	430 000	30 089	3 507 359	123	1 566
Single	Chris Hani Crossing (50%)	Greater JHB	300 500	20 325	2 508 391	123	–
Multi	Bryanston Shopping Centre	Greater JHB	291 000	13 686	2 494 513	188	412
Multi	Ottery Centre	Western Cape	282 000	30 781	2 256 103	75	631
Multi	Standard Bank Centre Pretoria	Pretoria	245 200	23 715	2 891 330	141	3 188
Multi	The Village @ Horizon	Greater JHB	240 000	19 767	2 080 236	113	1 388
Multi	Maynard Mall	Western Cape	236 000	23 629	2 467 629	105	76
Multi	Southcoast Mall	KwaZulu-Natal	227 000	31 513	2 872 886	104	3 947
Multi	Shoprite Park	Western Cape	206 500	27 800	1 764 373	68	1 895
Multi	Ermelo Mall	Other	180 300	19 463	1 638 947	87	536
Multi	Oakfields Shopping Centre	Greater JHB	170 500	11 428	1 501 318	133	172
Multi	Alberton Mall	Greater JHB	151 000	16 883	1 608 824	103	1 291
Multi	Monument Commercial Centre	Greater JHB	147 200	19 562	1 280 599	65	–
Single	Jetmart Pretoria	Pretoria	133 600	11 008	1 399 944	127	–
Multi	Witbank Medical Centre	Other	133 400	13 896	1 150 431	93	1 536
Multi	Besterbrown	Other	132 000	14 176	1 384 405	103	787
Multi	The Pritchard Street Trust	Greater JHB	130 000	15 039	1 623 947	108	–
Multi	The Mall @ Scottsville	KwaZulu-Natal	127 000	14 205	1 534 820	118	1 161
Multi	Makhado Crossing Shopping	Other	117 000	14 459	1 036 565	86	2 444
Multi	Riverhorse Valley	KwaZulu-Natal	113 818	12 490	1 776 722	142	–
Single	Festival Square	Greater JHB	108 600	11 041	765 450	69	–
Multi	Rosebank Mews	Greater JHB	105 000	7 294	986 187	153	851
Multi	Finpark	Pretoria	105 000	2 957	131 006	72	1 140
Multi	Riverside Mall	Western Cape	99 000	9 589	966 092	103	235
Multi	Botshabelo Shopping Centre	Other	96 800	15 318	1 560 372	105	438
Multi	Moreleta Plaza	Pretoria	92 700	8 856	942 282	115	674
Multi	Capital Centre Pietermaritzburg	KwaZulu-Natal	90 000	11 074	1 058 429	98	312
Multi	Turfloop Plaza	Other	87 000	6 837	693 153	106	328
Multi	Blue Downs	Western Cape	84 900	8 651	859 675	100	19
Multi	China Town	Western Cape	84 000	8 227	847 473	103	–

RETAIL continued

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Riverside Junction	Other	79 000	10 169	652 466	70	867
Multi	Matsamo Plaza	Other	75 700	7 568	706 717	96	207
Multi	Pine Parkade	KwaZulu-Natal	71 000	2 983	405 330	180	731
Single	Shoprite Polokwane	Other	67 000	10 150	244 062	24	–
Multi	66 Smal Street	Greater JHB	66 100	2 152	598 372	278	–
Multi	Argyle Centre	KwaZulu-Natal	65 400	5 299	659 293	133	354
Multi	McCarthy Audi Centre West Rand	Greater JHB	60 745	4 309	633 170	147	–
Single	Pro Shop Woodmead	Greater JHB	59 000	5 190	540 833	104	–
Multi	Klerksdorp Game Store	Other	58 000	10 455	734 697	77	867
Multi	Bryanston Carvenience	Greater JHB	58 000	3 886	542 241	140	20
Single	Unitrans Nissan Clearwater	Greater JHB	57 101	4 000	553 727	138	–
Multi	Posthouse Link	Greater JHB	56 000	4 586	500 208	133	822
Multi	City Centre Eersterivier	Western Cape	55 000	6 582	616 171	96	180
Multi	Isipingo Junction	KwaZulu-Natal	54 263	5 382	703 408	137	254
Multi	Post House	Greater JHB	49 000	3 228	452 285	149	202
Multi	Vaal Walk	Greater JHB	48 500	13 968	811 011	68	2 119
Multi	Ellerines Pinetown 1	KwaZulu-Natal	48 100	4 209	529 501	144	530
Multi	Shoprite Claremont	Western Cape	48 000	4 687	302 444	65	–
Single	Standard Bank Centurion	Pretoria	41 000	2 732	339 245	145	386
Multi	Acornhoek Shopping Centre	Other	40 000	5 403	560 450	104	–
Multi	CCMA House Rustenburg	Other	36 500	6 398	481 148	98	1 486
Single	Williams Hunt Randburg	Greater JHB	36 000	3 351	355 270	106	–
Single	Jet Polokwane	Other	35 000	3 289	260 181	79	–
Multi	Standerton Centre	Other	34 600	6 496	294 712	69	2 211
Multi	101 Market Street	Greater JHB	32 000	5 177	404 388	78	–
Multi	African City	Greater JHB	31 700	6 594	533 615	88	549
Multi	Kemsquare	Greater JHB	29 900	7 390	240 103	36	767
Multi	Nunnerleys	Greater JHB	26 700	778	322 592	415	–
Multi	Nedbank Mall	Greater JHB	23 000	1 211	632 581	522	–
Single	Southern Motors	Greater JHB	20 700	3 863	237 375	61	–
Multi	Kine Centre	Greater JHB	19 200	1 156	409 633	354	–
Single	Standard Bank George	Western Cape	15 500	1 199	171 109	143	–
Multi	Ellerines Pinetown 2	KwaZulu-Natal	15 100	1 742	177 564	102	–
Single	Edgars Wynberg	Western Cape	14 700	2 606	128 671	49	–
Multi	Leonita – Mallinick	Greater JHB	13 400	1 504	273 196	225	288
Multi	Schreiner Chambers	Greater JHB	9 900	662	297 675	450	–
Multi	Tamlea – Arundel	Greater JHB	9 600	685	294 058	429	–
Parkade/ vacant land	JD Dwarsloop (25%)	Mpumalanga	8 750	–	–	–	–
Multi	Small Street Mall	Greater JHB	4 200	119	84 208	708	–
			19 929 872	1 270 360			66 884

HELD-FOR-SALE

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Cleary Park Shopping Centre	Other	456 500	36 291	4 533 426	131	1 777
Multi	Kempton Square Shopping Centre	Greater JHB	166 450	16 850	1 685 536	107	1 169
Multi	Die Anker	Pretoria	70 000	12 575		–	12 575
			692 950	65 716			15 521
DEVELOPMENT							
Multi	East Rand Mall (50%)	Greater JHB	90 000				
Multi	Wilgespruit	Greater JHB	102 424	–	–	–	–
			192 424	–			
HELD-FOR-TRADING							
Multi	Buchanan Square	Pretoria	1 080	–		–	
			1 080				
			20 816 326	1 336 076			82 405

INDUSTRIAL

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Multi	Pepkor Isando	Greater JHB	730 000	107 017	5 201 365	49	–
Single	Robor	Greater JHB	616 800	120 277	4 388 136	36	–
Single	Macsteel Lilianton Boksburg	Greater JHB	502 187	73 071	3 432 922	47	–
Single	Ellerines Cato Ridge	KwaZulu-Natal	312 525	50 333	1 675 804	53	18 503
Single	Macsteel VRN Roodekop	Greater JHB	296 685	57 645	2 028 119	35	–
Single	Macsteel Coil Processing Wadeville	Western Cape	281 407	52 886	1 923 678	36	–
Multi	Wingfield Park	Greater JHB	270 000	56 486	2 760 603	52	3 822
Single	Macsteel Tube & Pipe Usufruct	Greater JHB	260 683	68 822	1 846 503	27	–
Single	Macsteel Trading Germiston South	Greater JHB	251 992	56 495	1 722 602	30	–
Single	Dawn (50%)	Greater JHB	240 000	22 069	1 666 218	76	–
Single	GM Coega	Other	211 500	38 000	1 505 757	40	–
Single	Macsteel Cape Town	Greater JHB	191 086	38 340	1 306 254	34	–
Multi	190 Barbara Road	Greater JHB	170 000	32 157	1 266 684	39	18
Single	Heron Industrial	Western Cape	163 500	23 803	1 351 475	57	–
Multi	Mifa Industrial Park	Greater JHB	160 000	34 197	1 603 156	47	–
Single	East Balt	Pretoria	136 000	9 471	256 972	58	5 055
Single	Macsteel Trading Durban	KwaZulu-Natal	129 065	21 540	882 278	41	–
Multi	Strydom Industrial Park	Greater JHB	128 100	24 600	1 469 591	60	–
Multi	CTX Business Park	Western Cape	127 000	18 484	1 018 287	55	–
Single	29 Springbok Road	Greater JHB	126 673	20 067	1 149 727	57	–
Single	Macsteel Trading Wadeville	Greater JHB	121 241	24 128	828 799	34	–
Single	Edcon	Greater JHB	120 000	23 308	854 797	37	–
Single	Macsteel Roofing Wadeville	Greater JHB	117 877	23 729	805 803	34	–
Single	8 Jansen Road	Greater JHB	116 300	24 147	1 388 734	58	–
Multi	Pepsi	Greater JHB	109 700	15 575	814 604	52	–
Multi	Supreme Industrial Park	Greater JHB	105 200	29 370	1 125 695	42	2 408
Multi	Freeway Centre	Greater JHB	101 000	41 827	752 105	28	14 722
Single	BMG	KwaZulu-Natal	100 000	12 355	823 635	67	–
Single	2 Lake Road	Greater JHB	99 585	13 547	917 369	68	–
Single	Macsteel Special Steels Dunswart	Greater JHB	97 385	19 334	665 715	34	–
Multi	Murrayfield	KwaZulu-Natal	92 500	16 822	1 113 781	66	–
Single	Moresport DC	Western Cape	91 100	12 991	666 426	51	–
Single	Coricraft – Stormill	Greater JHB	87 046	19 369	796 878	41	–
Multi	12 Piet Rautenbach Street	Pretoria	82 000	26 947	1 398 636	53	650
Multi	Berg River Park	Western Cape	80 900	35 664	918 557	26	292
Multi	Golf Air Park	Western Cape	80 097	14 800	518 019	35	–

PROPERTY INFORMATION continued

INDUSTRIAL continued

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Single	City Deep 45 & 46	Greater JHB	76 000	13 407	676 023	50	–
Single	Macsteel Trading Klerksdorp	North West	74 953	15 263	512 372	34	–
Single	Schneider Electric South Africa	Greater JHB	73 471	9 788	626 123	64	–
Single	Schneider Midrand	Greater JHB	73 000	11 924	596 109	50	–
Multi	Spearhead Business Park	Western Cape	72 400	13 549	745 811	55	–
Single	Aveng Stormill	Greater JHB	69 040	5 965	579 196	97	–
Single	Macsteel Roofing Harvey	Greater JHB	68 222	14 133	466 364	33	–
Multi	Ferreiras North Riding	Greater JHB	67 000	27 144	867 766	32	–
Multi	Eagle Park	Western Cape	66 000	7 102	523 476	74	15
Single	Macsteel Trading Witbank	Mpumalanga	63 353	5 018	433 080	86	–
Single	Le Sel 1	Greater JHB	61 724	11 606	554 209	48	–
Single	Le Sel 2	Greater JHB	61 309	10 680	550 635	52	–
Single	GNLD International	Greater JHB	60 503	5 477	601 758	110	–
Single	Buco	Greater JHB	59 100	27 000	730 000	27	–
Single	BAT	Greater JHB	57 547	6 748	463 317	69	–
Single	Trentyre Spartan	Greater JHB	57 200	12 344	566 257	46	–
Multi	Platinum Park	Western Cape	56 000	9 362	617 772	66	–
Multi	18 Halifax Road	KwaZulu-Natal	54 867	15 853	448 489	54	7 584
Single	56 Rigger Road	Greater JHB	54 000	16 216	608 096	37	–
Single	S Burde	Greater JHB	54 000	19 047	526 690	28	–
Multi	101 Lawley	KwaZulu-Natal	53 499	33 249	669 512	20	–
Multi	Amalgamated Inv – Tedelex	Greater JHB	52 000	17 512	475 281	27	–
Single	14 Piet Rautenbach Street (50%)	Pretoria	52 000	7 834	359 797	46	–
Single	SSAB	Greater JHB	50 952	9 473	542 239	57	–
Single	ITT Flygt	Greater JHB	50 420	5 941	557 307	94	–
Single	Macsteel Trading Rustenburg	North West	48 904	7 860	343 854	44	–
Single	11 Galaxy Avenue	Greater JHB	48 789	6 217	436 269	70	–
Single	Erf 681 – Alrode	Greater JHB	48 400	20 935	465 221	22	–
Single	Macsteel VRN Pinetown	KwaZulu-Natal	48 054	7 517	328 491	44	–
Multi	Creation	Other	47 500	28 723	460 886	25	10 342
Single	26-28 Christiaan Avenue	Western Cape	45 900	13 727	422 452	31	–
Multi	Ohm Street Industrial Park	Greater JHB	43 800	12 773	508 790	40	180
Single	Jupiter Ext. 1	Greater JHB	42 700	11 507	379 838	33	–
Single	Macsteel Trading Bloemfontein	Free State	39 445	4 947	269 644	55	–
Single	Macsteel Trading Nelspruit	Mpumalanga	39 075	5 262	284 919	54	–
Single	Trencor	Western Cape	39 000	6 861	293 767	43	–
Single	Macsteel Special Steels Meyerton	Greater JHB	37 203	11 693	254 314	22	–
Single	African Glass – Denver	Greater JHB	35 900	7 768	344 870	44	–
Single	Macsteel VRN Richards Bay	KwaZulu-Natal	34 952	4 117	238 928	58	–
Multi	77 & 78 Plane Road	Greater JHB	33 000	8 686	371 291	43	–
Single	21 Wrench Road	Greater JHB	33 000	–	–	–	–
Multi	Denver Industrial Park	Greater JHB	32 700	12 830	419 015	36	1 286
Multi	12 Nourse Avenue	Western Cape	32 200	10 581	308 227	29	–
Single	52 Mimetes Road	Greater JHB	29 900	7 567	265 891	35	–
Single	Macsteel Kimberley	Free State	27 528	6 822	188 179	28	–
Multi	2 Sterling Road	Greater JHB	27 500	7 144	343 344	48	–
Single	Macsteel Trading Pretoria	Pretoria	27 395	7 698	187 273	24	–
Single	66 Mimetes Road	Greater JHB	27 000	5 903	312 737	53	–
Single	64 Mimetes Road	Greater JHB	22 000	5 136	243 950	47	–
Single	Macsteel VRN Rustenburg	North West	21 789	4 724	148 949	32	–
Single	Macsteel VRN Vaal	Greater JHB	21 510	6 943	147 044	21	–
Single	HK Manufacturing Parow	Western Cape	21 000	9 041	278 525	31	–
Single	5 Laub Street	Greater JHB	20 000	10 063	–	–	10 063

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Single	Aviz Labs	Greater JHB	18 800	2 871	202 048	70	–
Single	Aristocrat Tech	Greater JHB	16 959	2 158	197 595	92	–
Single	Macsteel Roofing Queenstown	KwaZulu-Natal	13 685	4 674	93 547	20	–
Single	Trentyre Spartan 2	Greater JHB	12 500	3 138	118 196	38	–
Single	Macsteel Trading Welkom	Free State	10 826	5 550	83 134	15	–
Single	Macsteel VRN Klerksdorp	North West	9 923	2 370	67 832	29	–
Single	Macsteel Trading Newcastle	KwaZulu-Natal	4 605	2 060	31 479	15	–
Single	Precision House	Greater JHB	2 500	604	34 028	56	–
Multi	Erf 755 Denver	Greater JHB	1 507	–	–	–	–
Parkade/ vacant land	Erf 4462 Clayville	Greater JHB	1 268	–	–	–	–
			9 514 412	1 887 779			74 940

HELD-FOR-SALE

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Single	Premier Milling – Durban	KwaZulu-Natal	315 000	38 926	2 097 866	54	–
Multi	S&J Land	Greater JHB	67 637	–	–	–	–
Single	16th Street	Greater JHB	20 500	3 598	186 958	52	–
			403 137	42 524			–

DEVELOPMENT

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
	S&J Land Investment	Greater JHB	248 688		–	–	
	Cornubia	KwaZulu-Natal	200 000	–	–	–	–
	Isando DC	Greater JHB	96 250	–	–	–	–
	Fabric Park	Greater JHB	33 000	–	–	–	–
	Waltloo DC	Pretoria	–	25 175	–	–	25 175
			577 938	25 175			25 175
			10 495 487	1 955 478			100 115

SPECIALISED

Multi/Single	Property	Province	Valuation R000	GLA m²	GMR R	GMR R/m²	Vacancy m²
Single	Bedford Gardens Hospital	Greater JHB	331 600	12 817	2 259 604	176	–
Single	Southern Sun OR Thambo International Airport	Greater JHB	88 500	14 153	1 496 015	106	–
			420 100	26 970			

PROPERTY INFORMATION continued

PROPERTY PORTFOLIO

TENANT GRADING OF TOTAL PORTFOLIO

2015 Grade	Sector	GMR %	GLA m²	GLA %	Tenant count
Grade A		60.9	2 413 055	50.7	1 295
	Office	23.6	773 722	16.3	222
	Retail	27.2	779 111	16.4	1 019
	Industrial	9.1	833 252	17.5	52
	Specialised	0.9	26 970	0.6	2
Grade B		24.7	1 612 329	33.9	624
	Office	9.1	345 311	7.3	202
	Retail	6.3	343 752	7.2	215
	Industrial	9.2	923 266	19.4	207
	Specialised	–	–	–	–
Grade C		14.4	368 472	7.7	3 094
	Office	3.3	138 820	2.9	1036
	Retail	10.0	130 808	2.7	1816
	Industrial	1.1	98 844	2.1	242
	Specialised	–	–	–	–
Total excluding vacancy			4 393 857	92.3	5 013
	Office	–	194 586	4.1	
	Retail	–	69 830	1.5	
	Industrial	–	100 115	2.1	
	Specialised	–	–	–	
Total vacancy			364 531	7.7	
Total		100.0	4 758 388	100.0	5 013

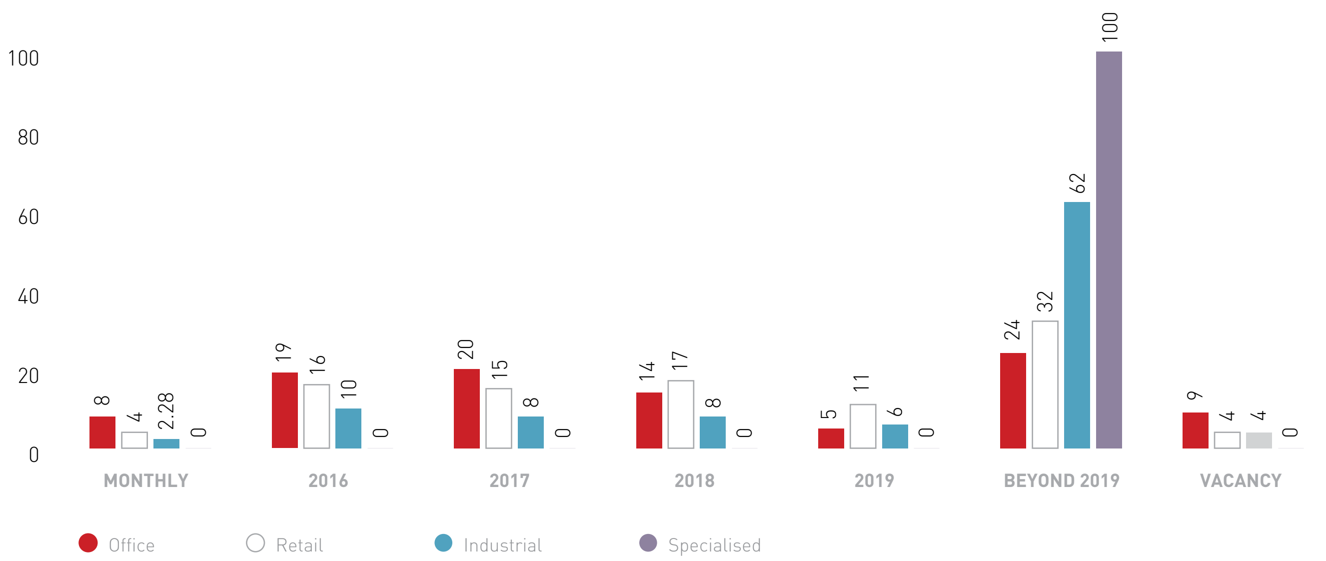
Redefine's policy is to lease space to quality tenants with a high likelihood of renewal. Redefine classifies its tenants across all sectors as follows:

Grade A: Companies that trade out of multiple geographic locations and/or serve a diverse customer base and generally occupying more than 2 000 m^2

Grade B: Companies that have multiple offices although these may not be geographically dispersed, serve a reasonably diverse customer base, and generally occupying more than 1 000 m^2 of space

Grade C: Comprises individuals and sole proprietorships as well as other legal entities that trade out of one or very few locations occupying less than 200 m^2

LEASE EXPIRY PROFILE BY SECTOR
(% of GLA)



SHAREHOLDERS' DIARY

Integrated Report posted to shareholders	4 January 2016
Annual General Meeting	18 February 2016
Half year-end	29 February 2016
Interim dividend declaration	5 May 2016
Interim financial results (published)	5 May 2016
Financial year-end	31 August 2016
Final dividend declaration	3 November 2016
Summarised annual financial results (published)	3 November 2016

DEFINITIONS

AAM	Annuity Asset Managers Proprietary Limited
Acres	African Corporate Real Estate Solutions
APL	Annuity Properties Limited
APM	Annuity Property Managers Proprietary Limited
ASX	Australian Securities Exchange
AUD	Australian dollar
BBBEE	Broad based black economic empowerment
BEE	Black economic empowerment
CA	Chartered accountant
CBD	Central business district
CPT	Cromwell Partners Trust
DCF	Discounted cashflow
EMIRA	Emira Property Fund
FCTR	Foreign currency translation reserve
GBP	British pound
GLA	Gross leasable area
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IT	Information technology
JHB	Johannesburg
JSE	Johannesburg Stock Exchange
KPMG	A global network of professional financial services firms providing audit, tax and advisory services
KZN	KwaZulu-Natal
LSE	London Stock Exchange
NAV	Net asset value
NCI	Non-controlling interest
Northpoint	Northpoint Tower
NPT	Northpoint Trust
PLC	Public limited company
REIT	Real Estate Investment Trust
RIFM	Redefine International Fund Managers
RI PLC	Redefine International PLC
SA	South Africa/South African
SAICA	South African Institute of Chartered Accountants
SAPOA	South African Property Owners Association

ADMINISTRATION

REDEFINE PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1999/018591/06)
(JSE share code: RDF ISIN: ZAE000190252)
(Approved as a REIT by the JSE)

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