45. FINANCIAL RISK MANAGEMENT continued

45.6 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's policy is to seek to minimise its exposure to liquidity risk by balancing its exposure to interest rate risk and to refinance risk. In effect the Group seeks to borrow for as long as possible at the lowest acceptable cost. The Group regularly reviews the maturity profile of its financial liabilities and seeks to avoid concentration of maturities through the regular replacement of facilities, and by using a selection of maturity dates.

The tables below set out the maturity analysis of the Group's financial liabilities based on the undiscounted contractual cash flows.

	Within 1 year Rm	1 – 2 years Rm	2 – 5 years Rm	Over 5 years Rm	Totals Rm
30 June 2015					
Interest-bearing borrowings	**7 889**	**7 128**	**11 810**	**7 096**	**33 923**
Non-current and current liabilities – GOZ	**1 114**	**269**	**7 719**	**2 008**	**11 110**
Trade and other payables	**679**	**–**	**–**	**–**	**679**
Linked unitholders for distribution	**186**	**–**	**–**	**–**	**186**
	9 868	**7 397**	**19 529**	**9 104**	**45 898**
30 June 2014					
Interest-bearing borrowings	5 247	4 748	7 432	7 110	24 537
Non-current and current liabilities – GOZ	2 080	461	9 679	–	12 220
Trade and other payables	516	–	–	–	516
Linked unitholders for distribution	171	–	–	–	171
	8 014	5 209	17 111	7 110	37 444

Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet the funding requirements of the Group.

In terms of covenants with certain banks, the nominal value of long-term interest-bearing borrowings may not exceed 50% of the value of investment property (including investment property reclassified as held for sale, the equity-accounted investments and the unlisted investments):

	2015 Rm	2014 Rm
Value of investment property (including investment property reclassified as held for sale)	**93 574**	69 913
Equity-accounted investment – V&A Waterfront and other	**6 464**	5 722
Listed investments	**380**	4 457
Total	**100 418**	80 092
50% thereof	**50 209**	40 046
Nominal value of borrowings utilised at year end	**31 950**	22 697
Potential borrowing capacity	**18 259**	17 349
Facilities available in terms of existing agreements at year end	**6 596**	5 072

46. CAPITAL MANAGEMENT

In terms of its Memorandum of Incorporation, Growthpoint has unlimited borrowing capacity. Growthpoint is funded partly by owners' capital and partly by external borrowings. In terms of various covenants that Growthpoint is committed to in terms of its external borrowings, the maximum value of external borrowings as a percentage of the value of property assets is 50% (including the investment in the V&A Waterfront, other equity-accounted investments and listed investments). In practice, Growthpoint aims to keep gearing levels between 30% and 40% over the long term. At 30 June 2015, the nominal value of borrowings, net of cash, was equal to 33.2% (FY14: 30.8%) of the value of property assets. excluding Australia, the ratio decreases to 32.1% (FY14: 27.3%). The Group complied fully with the covenants in respect of all loan facilities during the year.

The following issues of new shares were effected during the financial year ended 30 June 2015:

- 1 September 2014: 3 792 120 shares at R25.00 per share as consideration for the acquisition of the remaining 50% interest in two entities, with effect from 1 September 2014.
- 23 September 2014: 42 221 311 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the final 2014 cash dividend of 82.80 cents per share for the financial year ended 30 June 2014. These shares were issued at a price of R24.20 per share, at a 1.71% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 4 September 2014.
- 1 April 2015: 46 472 377 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the interim cash dividend of 84.40 cents per share for the period ended 31 December 2014. These shares were issued at a price of R26.25 per share, at a 3.94% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 12 March 2015.
- 28 April 2015: 317 370 060 shares, at R28.66 per share as part-consideration for the remaining interest in the issued shares of Acucap Properties Limited with effect from 1 April 2015.
- 30 April 2015: 16 292 139 shares, pursuant to elections of the dividend re-investment alternative offered in respect of the second interim cash dividend of 44.50 cents per share for the period ended 31 March 2015. These shares were issued at a price of R27.25 per share, at a 2.97% discount to the five-day volume weighted average price (ex-distribution) as at the close of business on Thursday, 9 April 2015.

The Board's policy is to maintain a strong capital base, comprising its shareholders' interest, so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the Group's stated purpose to deliver long-term sustainable growth in distributions per share. The Board of Directors monitors the level of distributions to shareholders and ensures compliance with the Income Tax Act, JSE Listings Requirements and that no profits of a capital nature are distributed. There were no changes in the Group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.