Notes to the consolidated financial statements

for the year ended June 30

	2016 R'000	2015 R'000
15. Intangible assets		
Patents, trademarks, tradenames and other intangibles	**659 893**	1 344 372
Cost	**1 578 950**	2 605 203
Accumulated amortisation and impairments	**(919 057)**	(1 260 831)
Computer software	**263 899**	709 871
Cost	**831 078**	2 331 730
Accumulated amortisation and impairments	**(567 179)**	(1 621 859)
Capital work-in-progress	**6 168**	39 237
	929 960	2 093 480
Movement in intangible assets		
Carrying value at beginning of year	**2 093 480**	1 647 006
Additions	**228 936**	286 901
Patents, trademarks, tradenames and other intangibles	**41 215**	48 891
Computer software	**163 188**	249 418
Capital work-in-progress	**24 533**	(11 408)
Expenditure	**66 371**	33 904
Transfers to other categories	**(41 838)**	(45 312)
Acquisition of businesses	**133 319**	552 629
Patents, trademarks, tradenames and other intangibles	**132 306**	552 423
Computer software	**638**	206
Capital work-in-progress	**375**	–
Disposals	**(4 977)**	(8 454)
Patents, trademarks, tradenames and other intangibles	**(558)**	(5 500)
Computer software	**(3 308)**	(2 954)
Capital work-in-progress	**(1 111)**	–
Disposal and or unbundling of businesses	**(1 366 171)**	(2 458)
Patents, trademarks, tradenames and other intangibles	**(822 150)**	(2 400)
Computer software	**(479 578)**	(58)
Capital work-in-progress	**(64 443)**	–
Exchange rate adjustments	**256 994**	26 799
Patents, trademarks, tradenames and other intangibles	**152 771**	41 756
Computer software	**96 646**	(16 731)
Capital work-in-progress	**7 577**	1 774
Amortisation – continuing operations (refer note 2)	**(106 740)**	(100 523)
Amortisation – discontinued operations	**(199 010)**	(195 283)
Impairment – continuing operations	**(102 021)**	–
Impairment – discontinued operations	**(3 850)**	(113 137)
Carrying value at end of year	**929 960**	2 093 480

Subsidiaries in the Services and Automotive segments recorded impairments against portions of their ERP systems in the current year. Certain of the IT implementation project costs, previously appropriately capitalised under IFRS, have been impaired because management has taken a decision to curtail the use of the software resulting in an impairment. The Group tests intangible assets for impairment where there are indicators of potential impairment and determines a recoverable amount based on the value in use of the intangible asset. Based on the fact that portions of these ERP systems have limited further value in use, they have been impaired to the future value in use.

Indefinite life intangibles

Included in patents, trademarks, tradenames and other intangibles arising on the acquisition of businesses are multiple indefinite life intangibles totalling R580 million, R285 million relating to Bidvest Commercial Products and R295 million to Bidvest Services. These intangibles were subject to review for impairment, together with the goodwill relating to these cash-generating units (CGUs) (refer note 16). Significant surpluses were identified over the carrying values of the CGUs and thus the Directors believe that a reasonably possible change in the multiples, would not result in an impairment of the carrying value of these intangibles. The valuation method used is considered a Level 3 type valuation in accordance with IFRS 13 *Fair Value measurement*.

The amortisation and impairment charges are included in operating expenses in the consolidated income statement.