

Notes to the consolidated financial statements

for the year ended 30 June

	2017 R'000	2016 R'000
1. Revenue		
Sale of goods	48 078 961	46 521 243
Rendering of services	20 591 417	19 294 729
Commissions and fees earned	4 037 805	3 505 763
Net billings relating to clearing and forwarding transactions	1 911 866	3 140 949
Insurance	446 214	420 729
	75 066 263	72 883 413
Inter-group eliminations	(4 068 262)	(4 642 312)
Revenue	70 998 001	68 241 101
2. Operating profit		
<i>Determined after charging (crediting)</i>		
Auditor's remuneration (Deloitte & Touche)	72 292	61 592
Audit fees	64 472	56 884
Audit-related expenses	1 021	705
Consulting fees	3 836	1 665
Taxation services	570	401
Other attest services	2 393	1 937
Auditors' remuneration (other auditors)	8 191	5 909
Audit fees	5 685	3 415
Audit-related expenses	47	22
Consulting fees	332	120
Taxation services	625	842
Other attest services	1 502	1 510
Depreciation of property, plant and equipment	1 328 915	1 342 801
Buildings	350	1 367
Leasehold premises	72 584	71 037
Plant and equipment	361 967	364 172
Office equipment, furniture and fittings	260 050	250 305
Vehicles, vessels and craft	251 490	243 029
Rental assets	185 746	163 223
Capitalised leased assets	453	472
Full maintenance lease assets	196 275	249 196
Depreciation of vehicle rental fleet	217 449	137 399
Amortisation of intangible assets	95 204	106 740
Patents, trademarks, tradenames and other intangibles	16 710	23 984
Computer software	78 494	82 756
Impairment of assets	91 749	287 955
Property, plant and equipment [#]	(1 147)	34 995
Intangible assets [#]	–	102 021
Goodwill [#]	–	52 111
Banking and other advances	11 429	2 325
Trade receivables	81 467	96 503
Remeasurement to recoverable fair value of associates [#]	(1 144 633)	760 764
Gain on a bargain purchase [#]	(11 374)	(9 310)
Directors' emoluments [*]		
Executive directors	41 870	54 000
Basic remuneration	21 587	29 532
Retirement and medical benefits	1 975	3 580
Other benefits and costs	1 395	2 938
Cash incentives	16 913	17 950
Non-executive directors	11 535	10 132
Fees – Company	5 887	7 026
– subsidiaries	5 648	3 106
Employer contributions to	1 048 153	988 448
Defined contribution pension funds	50 195	48 593
Provident funds	627 910	593 612
Retirement funds	56 894	55 925
Social securities	6 448	6 712
Medical aids	306 706	283 606

^{*} Refer directors' report for detailed disclosure

Notes to the consolidated financial statements

for the year ended 30 June

	2017 R'000	2016 R'000
2. Operating profit <i>(continued)</i>		
Determined after charging (crediting) <i>(continued)</i>		
Net expense related to post-retirement obligations for current service costs	4 485	40 552
Defined benefit pension plans	4 713	35 971
Post-retirement medical aid obligations	(228)	948
Defined benefit early retirement plan	–	3 633
Share-based payment expense	143 145	139 698
Staff	126 908	109 441
Executive directors	16 237	30 257
Fees for administrative, managerial and technical services	7 293	5 057
Research and development expenditure	1 578	1 041
Foreign exchange losses (gains) on hedging activities	2 827	9 309
Forward exchange contracts	(2 525)	10 338
Foreign bank accounts	5 352	(1 029)
Other foreign exchange losses (gains)	58 543	(100 303)
Realised	13 943	(66 141)
Unrealised	44 600	(34 162)
Income from investments	(210 776)	(156 694)
Dividends received from listed investments	(30 796)	(41 048)
Dividends received from unlisted investments	(12)	(700)
Profit on disposal	(81 374)	(47 851)
Fair value adjustments on investments held-for-trading	(98 594)	(67 095)
Net capital loss [#]	129 566	234 659
Net (profit) loss on disposal of property, plant and equipment	(8 446)	5 601
Net loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	147 383	228 171
Net (profit) loss on disposal of intangible assets	(9 371)	887
Operating lease charges	1 464 665	1 400 323
Land and buildings	1 259 850	1 188 203
Equipment and vehicles	204 815	212 120
[#] Items above included as capital items on consolidated income statement	(1 027 588)	1 175 240
3. Net finance charges		
Finance income	575 607	426 462
Interest income on banking and other advances	460 712	343 687
Interest income on bank balances	81 751	56 126
Interest imputed on post-retirement assets	16 950	12 217
Interest income on available-for-sale financial investments	16 194	14 432
Finance charges	(1 502 458)	(1 263 188)
Interest expense on amounts owed to bank depositors	(270 625)	(181 900)
Interest expense on bank overdrafts	(73 858)	(100 829)
Interest expense on listed bonds and commercial paper	(240 032)	(277 338)
Interest expense on financed assets	(4 273)	(8 972)
Interest expense on vehicle lease creditors and floorplan creditors	(91 909)	(104 160)
Interest expense on other borrowings	(618 372)	(392 037)
Interest imputed on post-retirement obligations	(6 189)	(7 000)
Unwinding of discount on puttable non-controlling interest liabilities	(3 147)	(2 124)
Dividends on preference shares included in borrowings	(216 691)	(200 789)
Less: Borrowing costs capitalised to property, plant and equipment	22 638	11 961
	(926 851)	(836 726)
Less: Net finance income from banking operations included in operating profit	(132 709)	(85 388)
Income	(343 538)	(231 845)
Charges	210 829	146 457
	(1 059 560)	(922 114)

The applicable weighted average interest rate is used to determine the amount of borrowing costs eligible for capitalisation.