

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.