Notes to the consolidated financial statements (continued)

5. Discontinued operations (continued)

Bidvest Car Rental (BCR) is a motor vehicle rental business operating in South Africa, Botswana and Namibia. As a result of declining international and domestic travel brought on by the COVID-19 pandemic and a low prospect of a short-to mid-term recovery, management took the decision to exit the business. The BCR business is an identifiable component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group. BCR represents a separate major line of business in the geographical area of Southern Africa. The relevant requirements of IFRS 5 were met for this operation to be classified as a disposal group held for sale and a discontinued operation as at 30 June 2020. BCR is a separate and major business component of the Automotive segment.

A buyer was engaged during June 2020 and the indicative purchase price remains largely unchanged. COVID-19 restrictions added additional challenges to the transaction execution. Success in obtaining financing is considered to be highly probable and some suspensive conditions exist.

BCR was not previously classified as a disposal group held for sale and as a discontinued operation. The comparative consolidated income statement and consolidated statement of cash flows and financial reporting were restated to show the discontinued operation separately from continuing operations.

6. Earnings per share

	2020	2019
Weighted average number of shares ('000)		
Weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**339 264**	337 245
Potential dilutive impact of outstanding staff share appreciation rights and conditional awards	**464**	919
Number of outstanding staff share appreciation right equivalent shares	**2 326**	4 048
Number of shares deemed to be issued at fair value	**(1 892)**	(3 255)
Contingent issuable shares in terms of conditional share plan to be issued at fair value	**30**	126
Weighted average number of shares in issue used for the calculation of diluted earnings and diluted headline earnings per share	**339 728**	338 164
Attributable earnings		
Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the Company (R'000) – continuing operations	**168 981**	3 823 768
Basic earnings per share and diluted earnings per share are based on (loss) profit attributable to shareholders of the Company (R'000) – Group	**(463 286)**	3 775 282
Basic earnings per share – continuing operations	**49.8**	1 133.8
Basic earnings per share – Group	**(136.6)**	1 119.4
Diluted basic earnings per share – continuing operations	**49.7**	1 130.7
Diluted basic earnings per share – Group	**(136.4)**	1 116.4
Dilution (%) – continuing operations	**0.1**	0.3
Dilution (%) – Group	**0.1**	0.3
Headline earnings	**R'000**	R'000
Profit attributable to shareholders of the Company – continuing operations	**168 981**	3 823 768
Impairment of property plant and equipment, right-of-use assets goodwill and intangible assets	**990 164**	10 299
Property, plant and equipment	**222 463**	9 580
Right-of-use assets	**145 144**	–
Goodwill	**496 850**	–
Intangible assets	**322 124**	1 648
Taxation effect	**(141 865)**	(196)
Non-controlling interest	**(54 552)**	(733)

	2020	2019
Net loss on disposal of interests in subsidiaries and disposal and closure of businesses	**247 181**	175 030
Loss on disposal and closure	**278 944**	202 250
Taxation effect	**(18 482)**	(23 947)
Non-controlling interest	**(13 281)**	(3 273)
Net loss on disposal and impairment of associates	**485 711**	622 900
Net change in shareholding in associates	**693**	(1 041)
Impairment of associates	**523 279**	623 941
Taxation effect	**(38 261)**	–
Net gain on disposal of property, plant and equipment and intangible assets	**(8 963)**	(19 016)
Property, plant and equipment	**29 981**	(28 192)
Intangible assets	**(30 681)**	(4 249)
Taxation effect	**(8 263)**	11 554
Non-controlling interest	**–**	1 871
Compensation received on loss or impairment of property plant and equipment	**(11 267)**	(13 630)
Compensation received	**(15 648)**	(16 835)
Taxation effect	**4 381**	3 205
Non-headline earnings items included in equity accounted earnings of associated companies	**5 121**	8 906
Headline earnings – continuing operations	**1 876 928**	4 608 257
Loss attributable to shareholders of the Company – discontinued operations	**(632 267)**	(48 486)
Impairment of property plant and equipment, right-of-use assets goodwill and intangible assets	**92 094**	–
Property, plant and equipment	**48 927**	–
Right-of-use assets	**52 790**	–
Intangible assets	**26 583**	–
Taxation effect	**(36 206)**	–
Headline earnings – Group	**1 336 755**	4 559 771
Headline earnings per share (cents) – continuing operations	**553.2**	1 366.4
Headline earnings per share (cents) – Group	**394.0**	1 352.1
Diluted headline earnings per share (cents) – continuing operations	**552.5**	1 362.7
Diluted headline earnings per share (cents) – Group	**393.5**	1 348.4
Dilution (%) – continuing operations	**0.1**	0.3
Dilution (%) – Group	**0.1**	0.3

Normalised headline earnings per share

Normalised headline earnings per share is a measurement used by the chief operating decision maker, Lindsay Ralphs. The calculation of normalised headline earnings per share excludes acquisition costs and amortisation of acquired customer contracts and is based on the normalised headline earnings attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. The Group's non-cash share of Comair's SAA travel agent incentive scheme settlement and COVID-19 pandemic expenses (refer *note 43 Accounting estimates and judgements* for further details) relating to abnormal receivables provisioning, inventory obsolescence, restructuring costs and COVID-19 compliance regulatory costs have been excluded for the first time as a change in policy in the calculation of normalised headline earnings in the current period. The presentation of normalised headline earnings is not an IFRS requirement.

6. Earnings per share (continued)

	2020 R'000	2019 R'000
Headline earnings – continuing operations	**1 876 928**	4 608 257
Acquisition costs	**178 179**	22 940
Amortisation of acquired customer contracts	**70 120**	42 918
Fair value uplift of Adcock Ingram inventory	**96 930**	–
Non-cash share of Comair's SAA travel agent incentive scheme settlement	**122 191**	(167 950)
COVID-19 pandemic expenses (refer *note 43*)	**1 200 644**	–
COVID-19 pandemic impact on MIAL investment (refer *note 43*)	**351 442**	–
Taxation effect	**(333 513)**	(5 883)
Non-controlling interest	**(74 193)**	–
Normalised headline earnings – continuing operations	**3 488 728**	4 500 282
Normalised headline earnings – discontinued operations	**(540 173)**	(48 486)
Normalised headline earnings – Group	**2 948 555**	4 451 796
Normalised headline earnings per share (cents) – continuing operations	**1 028.3**	1 334.4
Normalised headline earnings per share (cents) – Group	**869.1**	1 320.0

7. Dividends per share

Interim distribution (cents)		
Dividend paid to shareholders on 30 March 2020 (2019: Dividend paid to shareholders on 25 March 2019)	**282.0**	282.0
Final dividend (cents)		
Dividend paid to shareholders on 23 September 2019	**–**	318.0
	282.0	600.0

8. Cash generated by operations

	R'000	R'000
Profit before taxation	**1 296 953**	5 284 195
Costs incurred in respect of acquisitions	**178 179**	22 940
Net finance charges	**1 429 627**	924 585
Share of current year earnings of associates	**216 160**	(427 309)
Depreciation and amortisation	**2 947 696**	1 513 700
Share based payment expense	**216 348**	188 840
Impairment of property, plant and equipment, right-of-use and intangible assets	**689 731**	11 228
Impairment of goodwill	**496 850**	–
Impairment of associates	**523 279**	623 941
Loss on disposal of interests in subsidiaries and associates, and disposal and closure of businesses	**279 637**	201 209
Other non-cash items	**67 847**	(373 488)
Remeasurement of post-retirement obligations	**(5 015)**	(20 501)
Decrease in life assurance fund	**(32 013)**	(22 851)
Working capital changes	**874 428**	(1 282 468)
(Increase) decrease in inventories	**(740 413)**	45 211
Decrease (increase) in trade and other receivables	**2 623 679**	(273 472)
Increase in banking and other advances	**(449 541)**	(764 085)
Decrease in trade and other payables and provisions	**(1 438 571)**	(1 076 470)
Increase in amounts owed to bank depositors	**879 274**	786 348
	9 179 707	6 644 021