

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

1. Results of operations continued

1.4 Finance costs and finance income

Finance costs/income are recognised in profit and loss using the effective interest rate method as the instruments to which this relates are measured at amortised cost.

	2016 R'000	2015 R'000
Finance costs		
– Bank	61	54
– Loans and facilities	33 851	60 557
– Unwinding of contingent purchase price	9 712	6 999
– Other	4 583	354
– Discounting of payables	165 903	165 201
	214 110	233 165
Finance income		
– Bank	(34 002)	(13 458)
– Loans	(4 336)	(2 522)
– Related-party loans (refer to note 8)	(25 351)	(14 486)
– Other	(577)	(255)
– Discounting of receivables	(129 633)	(142 326)
	(193 899)	(173 047)
Net finance costs	20 211	60 118

1.5 Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

(b) Headline

Headline earnings are calculated by applying the principles contained in Circular 2/2015 as issued by the South African Institute of Chartered Accountants, as required by JSE Limited.

The weighted average number of ordinary shares used is the same as that used for the basic earnings per share.

(c) Diluted – basic and headline

Diluted earnings per share are calculated by adjusting the number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are the forfeitable shares granted. For this calculation, an adjustment is made for the number of shares that would be issued on vesting under the forfeitable share plan.

(d) Core headline

Core headline earnings per share are calculated by adding back to headline earnings, the amortisation of intangible assets net of deferred taxation and non-controlling interests as a consequence of the purchase price allocations completed in terms of IFRS 3(R) – *Business Combinations*.