

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

4. Non-financial instruments continued

4.3 Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost, being the purchase cost plus any cost to prepare the assets for their intended use. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment is subsequently carried at historical cost less accumulated depreciation and any accumulated impairment losses.

Major leasehold improvements are amortised over the shorter of their respective lease periods and estimated useful lives.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year-end. Where the assets' residual value is higher than the carrying value, no depreciation is provided.

Gains and losses on disposal of property, plant and equipment are determined as the difference between the carrying amount and the fair value of the sale proceeds, and are included in operating profit.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

	Computer equipment R'000	Furniture and fittings R'000	Motor vehicles R'000
Year ended 31 May 2016			
Opening carrying amount	23 047	2 560	7 843
Additions	15 812	683	6 445
Disposals	(81)	(6)	(1 198)
Disposal of subsidiary	(1 735)	(466)	—
Depreciation charge	(14 188)	(845)	(3 046)
Closing carrying amount	22 855	1 926	10 044
At 31 May 2016			
Cost	77 940	7 922	16 747
Accumulated depreciation	(54 915)	(5 292)	(6 703)
Accumulated impairments	(170)	(704)	—
Carrying amount	22 855	1 926	10 044
Year ended 31 May 2015			
Opening carrying amount	16 561	2 245	7 342
Additions	17 834	1 202	3 992
Acquisition of subsidiary	1 428	89	—
Disposals	(116)	—	(875)
Disposal of subsidiary	(64)	—	—
Depreciation charge	(12 596)	(976)	(2 616)
Closing carrying amount	23 047	2 560	7 843
At 31 May 2015			
Cost	72 529	10 835	14 974
Accumulated depreciation	(49 312)	(7 571)	(7 131)
Accumulated impairments	(170)	(704)	—
Carrying amount	23 047	2 560	7 843

There are no property, plant and equipment assets that are encumbered.

The residual values of buildings are estimated to be higher than the carrying value and therefore there is no depreciation charge.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

4. Non-financial instruments continued

4.3 Property, plant and equipment continued

Depreciation is calculated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives as follows:

Computer equipment	25% – 33.3%
Furniture and fittings	16.67% – 25%
Motor vehicles	20% – 25%
Office equipment	25%
Terminals and vending machines	16.67%
Media equipment	33.33%
Plant and machinery	20%
Buildings	8.33%

Office equipment R'000	Leasehold improvements R'000	Terminals and vending machines R'000	Media equipment R'000	Plant and machinery R'000	Buildings R'000	Total R'000
984	11 960	52 202	3 225	764	4 099	106 684
558	175	15 112	3 167	4	—	41 956
(270)	(17)	(1 513)	—	—	—	(3 085)
(102)	(80)	—	—	—	—	(2 383)
(356)	(6 622)	(16 814)	(669)	(198)	—	(42 738)
814	5 416	48 987	5 723	570	4 099	100 434
7 081	47 333	124 892	6 409	1 030	4 099	293 453
(5 847)	(41 479)	(72 318)	(686)	(460)	—	(187 700)
(420)	(438)	(3 587)	—	—	—	(5 319)
814	5 416	48 987	5 723	570	4 099	100 434
1 033	17 447	46 713	106	798	4 955	97 200
338	1 145	25 516	3 128	163	—	53 318
50	12	—	—	—	—	1 579
(23)	—	(2 666)	—	—	(856)	(4 536)
—	—	—	—	—	—	(64)
(414)	(6 644)	(17 361)	(9)	(197)	—	(40 813)
984	11 960	52 202	3 225	764	4 099	106 684
7 254	48 275	124 391	3 242	1 026	4 099	286 625
(5 850)	(35 877)	(68 602)	(17)	(262)	—	(174 622)
(420)	(438)	(3 587)	—	—	—	(5 319)
984	11 960	52 202	3 225	764	4 099	106 684