NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Nature of business

Super Group Limited (Registration number 1943/016107/06), the holding Company (the Company) of the Group, is a Company listed on the Main Board of the JSE Limited in the 'Industrial Transportation' sector and is incorporated and domiciled in the Republic of South Africa.

Super Group's registered address is 27 Impala Road, Chislehurston, Sandton, 2196. Super Group is a broad-based supply chain management and mobility business, headquartered in South Africa, with operations across Africa and businesses in Australia, New Zealand, the United Kingdom and Europe. Its principal operating activities include supply chain management, dealerships and fleet management activities.

1.2 Material changes

There have been no material changes in the financial or trading position of the Company and its subsidiaries (the Group) between 30 June 2017 and the date of the approval of the financial statements.

1.3 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently by Group entities. The accounting policies are relevant to both the Group (consolidated financial statements) and Company (separate financial statements).

Basis of measurement

The financial statements of the Group and Company have been prepared on the historical cost basis, except for:

- land and buildings measured using the revaluation model;
- investment property measured using the fair value model;
- financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss; and
- financial assets and financial liabilities designated as hedging instruments are measured at fair value through profit or loss or in other comprehensive income.

The financial statements are prepared on the going concern basis.

The financial statements are presented in Rand and all values are rounded to the nearest thousand R'000, except when otherwise indicated.

Statement of compliance

Basis of preparation
The financial statements are prepared in compliance with the framework concepts and the measurement and recognition requirements of IFRS and interpretations of those standards as adopted by the International Accounting Standards Board and the requirements of the Companies Act, the South African Institute of Chartered Accountants' Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

Use of estimates and judgements
The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect reported amounts. It also requires management to exercise its judgement in the process of applying the accounting policies.

Actual results may vary from these estimates. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 37. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. At reporting date the following standards and interpretations were in issue but not yet effective:

Effective for financial year commencing 1 July 2017:

- Disclosure Initiative (Amendments to IAS 7)
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Effective for financial year commencing 1 July 2018:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Transfers of Investment property (Amendments to IAS 40)
- IFRIC 22 Foreign Currency Transactions and Advance Considerations

Effective for reporting periods starting on or after 1 July 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments

The Group will adopt the above standards and interpretations when they become effective.

The Group has been holding workshops with their external auditors, KPMG, to determine the potential impact of the adoption of IFRS 15, IFRS 9 and IFRS 16 on the Financial Statements. IFRS 15 – Revenue from Contracts with Customers replaces IAS 18 – Revenue, and provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures in respect of revenue. The initial assessment indicates that only the revenue streams in respect of the Group's foreign full maintenance lease operations will result in a change in the recognition of certain revenue streams from upfront to over time. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its revenue from contracts with customers and associated assets. IFRS 9 – Financial Instruments replaces IAS 39 Financial instruments. The initial assessment indicates that the impairment allowance of receivables currently estimated on the incurred loss model will be estimated on an expected credit loss model and is not expected to have a material impact on the Group. IFRS 16 – Leases replaces IAS 17 – Leases, introduced changes to lessee accounting, in particular, the recognition of leases currently classified as operating leases. The standard requires a lessee to recognise a right-of-use asset, representing its rights to use the underlying lease asset, and a lease liability representing its obligation to make lease payments, with certain exceptions for short-term leases or leases of low-value assets, on the Statement of Financial Position. The initial assessment indicates that the present value of operating rental commitments in respect of property and rental and transport fleet disclosed in note 30 be recorded as a financial liability with a corresponding capitalised non-current asset on the Statement of Financial Position. A corresponding amortised finance cost and non-current asset depreciation will be recorded as opposed to the current operating lease expense (refer note 22.3) in the Statement of Comprehensive Income.

The Board's initial view on the other standards not yet effective is that the impact is not expected to be material.

Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested for impairment annually. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Investments in subsidiary companies are stated at cost less accumulated impairment losses in the Company's separate financial statements.

Non-controlling interest at the acquisition date is determined as the non-controlling shareholder's proportionate share of the fair value of the net assets of subsidiaries acquired. Goodwill is excluded when allocating the non-controlling shareholders proportionate share of the fair value of assets and liabilities acquired. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes these interests to have a deficit balance.

Changes in holdings while control is retained are accounted for as equity transactions. Any premium or discount on purchase or sale is recognised directly in equity. No adjustment is made to goodwill.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Associates
An associate is an entity over which the Group has the ability to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee, generally accompanying a shareholding embodying between 20% and 50% of the voting rights.

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the arrangement.

NOTES TO THE
FINANCIAL STATEMENTS > CONTINUED

1. ACCOUNTING POLICIES > CONTINUED

1.3 Principal accounting policies > continued

Equity-accounted investees (associates and joint ventures)
The Group's share of post-acquisition recognised profits or losses of equity-accounted investees is incorporated in the financial statements, using the equity method of accounting (initially recognised at cost), from the effective dates that significant influence was obtained until the effective dates that significant influence ceased, except when classified as held-for-sale where equity accounting ceases and the investment is measured at the lower of its carrying value and fair value less costs to sell.

Adjustments are made on consolidation to bring the equity-accounted investees financial statements in line with the Group's accounting policies. Accumulated profits and movements on reserves are determined from the most recent financial statements of the equity-accounted investees and available information to the latest reporting date available.

Where the Group's share of losses of an equity-accounted investee exceeds its interest in the investment, the investment is carried at nil. Additional losses are only recognised to the extent that the Group has incurred legal or constructive obligations in respect of advances and commitments made to the equity-accounted investment.

Equity-accounted investees are carried in the statement of financial position at cost adjusted by cumulative post-acquisition changes in the Group's share of the net assets of the equity-accounted investees, less any impairment in the value of individual investments. If impaired, the carrying value of the Group's share of the underlying assets of associates is written down to its estimated recoverable amount in accordance with the accounting policy on impairment.

The Group's investment in equity-accounted investees includes goodwill (net of any accumulated impairment losses) identified on acquisition.

Transactions eliminated on consolidation
Inter-company transactions, balances and unrealised gains and losses between Group entities are eliminated on consolidation.

In respect of joint ventures and associates, unrealised gains or losses are eliminated to the extent of the Group's interest in these entities. To the extent that an unrealised loss on a transaction provides evidence of impairment, that loss is recognised in profit or loss.

Goodwill
Goodwill on acquisition is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The acquisition method of accounting is used to account for the acquisition of businesses.

The consideration transferred is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date irrespective of the extent of any non-controlling interest. Any excess of the consideration transferred over the at acquisition date fair values of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred is less than the fair value at acquisition date of the Group's share of the net assets of the subsidiary acquired (ie discount on acquisition), the difference is recognised directly in profit or loss.

At acquisition date fair values of the identifiable assets and liabilities are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows to present values using a market-related discount rate. Goodwill on acquisitions of equity-accounted investees is included in the carrying value of the investment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing.

Goodwill arising on a business combination is allocated among the Group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated, are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Transaction costs
Costs related to acquisitions, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

Property, plant and equipment

Property, plant and equipment, excluding land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses. Land, buildings and leasehold improvements are measured at fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

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 repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

The depreciable amount of the asset is recognised in the profit or loss on a straight-line basis. The current estimated useful lives are as follows:

- Buildings – 20 to 50 years;
- Leasehold improvements – five to six years;
- Rental and transport fleet – four to 10 years;

- Computer equipment – three to five years.
- Furniture and fittings – three to ten years; and
- Motor vehicles and other assets – four to seven years.

Depreciation of an asset commences when it is available for use and is in the location and condition necessary for it to be capable of operating in the manner intended by management. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Fair value of land and buildings is determined by reference to market-based evidence. This is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Any revaluation surplus is recognised in other comprehensive income and presented as a revaluation reserve. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the revaluation reserve. Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any remaining revaluation reserve relating to the particular asset being sold is transferred to distributable reserves. The revaluation surplus is transferred to retained earnings annually, based on the remaining useful life of the asset.

Revaluations are performed every year ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Independent valuations are performed at a minimum, every three years, or more often if deemed necessary. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Gains or losses on the disposal of property, plant and equipment are credited or charged to the profit or loss and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss in excess of the revaluation reserve in respect of the relevant item of property, plant and equipment is recognised in profit or loss.

Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Full maintenance lease vehicles portfolio

Items of moveable assets which are leased to customers, but where the Group retains substantially all the risks and rewards of ownership, are accounted for as full maintenance lease vehicles.

Full maintenance lease vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of full maintenance lease vehicles includes the purchase cost including non-refundable purchase taxes and other expenditure that is directly attributable to the acquisition of the assets to bring the assets held-for-use in the lease asset portfolio to working condition for the intended use.

Incremental initial direct costs incurred specifically to earn revenues from a full maintenance lease (lease originating costs) are added to the carrying amount of the leased asset. Work in progress comprises vehicles and accessories where the construction or modification process is not yet complete and where the asset has not been delivered to the customer or is not ready for its intended use in the lease vehicles portfolio.

The depreciable amount of the vehicles is recognised in the profit or loss on a straight-line basis.

The current estimated useful lives are four to seven years.

The vehicles' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Work in progress is not depreciated until the asset is available for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the profit or loss.

Full maintenance lease borrowings

These borrowings relate to liabilities from financial institutions which are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

1. ACCOUNTING POLICIES > CONTINUED

1.3 Principal accounting policies > continued

Lease classification

The lease classification is determined on a contract-by-contract basis taking into consideration the substance of the transaction and the specific details of each leasing contract. Extensions to and renewals of leases are treated as new leases for classification purposes. The key factor is whether substantially all of the risks and rewards incidental to ownership are transferred to the customer.

Various criteria are used to determine lease classification. There are three main decision criteria used. These are:

- Whether the lease term is for the major part of the economic life of the asset;
- Whether the present value of minimum lease payments amounts to at least substantially all of the fair value of the asset at the inception of the lease; and
- Whether the Group carries the residual value risk exposure of the asset.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date as to whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as lessor

Finance leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The transaction is accounted for as a sale of an asset.

The selling price is recorded at the present value of the minimum lease payments receivable with a corresponding finance lease receivable recorded on the statement of financial position.

Lease payments received are allocated between capital repayments and interest income using the effective interest method to achieve a constant rate of interest on the remaining balance of the lease receivable.

Operating leases
Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments received under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Group as lessee

Finance leases
Leases where the Group assumes substantially all the benefits and risks of ownership incidental to ownership of the item are classified as finance leases.

Finance leases are capitalised as property, plant and equipment at the lower of fair value and the present value of the minimum lease payments at the inception of the lease with an equivalent amount being recognised as a finance lease borrowing.

The capitalised amount is depreciated over the asset's useful life. Where there is no reasonable certainty that ownership of the asset will be obtained at the end of the lease, the capitalised amount is depreciated over the shorter of the asset's useful life and the lease term.

Lease payments are allocated between capital repayments and borrowing costs using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the borrowing.

Operating leases
Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Lease payments, net of any incentives received from the lessor under an operating lease, are recognised in profit or loss over the lease term on a straight-line basis and the leased assets are not recognised on the Group's statement of financial position.

Intangible assets

Internally generated
No value is attributed to internally generated trademarks or similar rights and assets. Costs incurred on these items are charged to profit or loss in the year in which they are incurred.

Acquired both separately and as part of a business combination
Intangible assets acquired separately are measured initially at cost and those acquired through a business combination at the acquisition date fair value. Cost includes the fair value of the consideration given to acquire the asset. Intangible assets are carried at cost (or fair value at acquisition) less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortised unless they have an indefinite useful life.

Amortisation is recognised in profit or loss on a straight-line basis over the current expected useful life of the intangible asset.

An intangible asset has an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Indefinite useful life intangible assets are tested for impairment annually.

The amortisation method and amortisation period for intangible assets with a finite useful life is reviewed annually at reporting date. The current estimated useful lives are as follows:

- Software and licenses – three to seven years;
- Trade name – vary depending on trade name expected life;
- Customer relations – vary depending on assessment of relationship; and
- Customer contracts – vary depending on length of customer contract.

Software and licences
Purchased software, licences and the direct costs associated with the customisation and installation thereof are capitalised. Expenditure on internally developed software is capitalised if it meets the criteria for capitalising development expenditure and will probably generate economic benefits exceeding costs beyond one year. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software systems is recognised in profit or loss.

Trade names, customer contracts and relations
Expenditure on purchases of trade names, customer contracts and relations through a business combination is capitalised if they meet the definition of an intangible asset.

Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in discounted provisions as a result of the passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. Where the contractual residual value for motor vehicles exceeds the anticipated proceeds from the contract at reporting date, an onerous contract provision for residual risk is recognised. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected cost of continuing with the contract.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and transporting the inventory to its present location and condition.

Cost is determined as follows:

- New, used and demonstration vehicles – actual unit cost on a first-in first-out basis for homogeneous vehicles.
- Consumables and other inventory – weighted average cost.
- Parts, accessories and automotive components – actual unit cost on a first-in first-out basis.
- Retail and other inventory – actual unit cost on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion, selling expenses and provision for obsolete and damaged inventory.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to a business combination, items recognised directly in equity or other comprehensive income.

Current tax
The current tax charge is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of prior years. In situations when there is doubt regarding the tax treatment of a transaction, a provision is recognised based on the best estimate of the amount of tax payable.

Deferred tax
Deferred tax is recognised in respect of all temporary differences between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and
- temporary differences relating to interests in subsidiaries and equity-accounted investees to the extent it is probable these will not reverse in the foreseeable future.

The amount of deferred tax is determined using tax rates enacted or substantively enacted in the relevant jurisdictions at reporting date that are expected to apply when the asset is realised or liability settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income tax levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for all deductible temporary differences, including unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

1. ACCOUNTING POLICIES > CONTINUED

1.3 Principal accounting policies > continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the underlying assets and liabilities. Deferred tax liabilities have not been provided on undistributed earnings of foreign subsidiaries and associates where those earnings are not expected to be distributed.

The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Value added tax (VAT)
The net amount of VAT recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

Dividend withholding tax
Dividends withholdings tax is a tax on shareholders receiving dividends and is applicable to all dividends declared on or after 1 April 2012.

The Company withholds dividends tax on behalf of its shareholders at a rate of 20% on dividends declared. Amounts withheld are not recognised as part of the Company's tax charge, but rather as part of the dividend paid recognised directly in equity.

Where withholding tax is withheld on dividends received, the dividend is recognised as the gross amount with the related withholding tax recognised as part of the tax expense unless it is otherwise reimbursable in which case it is recognised as an asset.

Foreign currencies

Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Rand, rounded to the nearest thousand, which is the Company's functional and Company's and Group's presentation currency.

Transactions and balances
Transactions in foreign currencies are accounted for at rates of exchange ruling on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date.

Unrealised translation differences on such monetary assets and liabilities are recognised in profit or loss in the year in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign operations

The results and financial position of all the Group entities that have a functional currency different from the Group presentation currency are translated into the presentation currency.

Assets and liabilities of foreign operations are translated at rates of exchange ruling at the reporting date. Income and expenditure of foreign operations are translated at the rate of exchange at the transaction date or the average rate of exchange for the reporting period. Gains or losses arising on the translation of foreign operations are recognised in other comprehensive income and presented as foreign currency translation reserves in equity. Where the operation is not a wholly owned subsidiary, the relevant proportionate share of the translation difference is allocated to non-controlling interests.

On consolidation, exchange differences arising from the translation of a monetary item that forms part of a reporting entity's net investment in foreign operations, including the borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and presented as a foreign currency translation reserve in equity.

When a foreign operation is sold or partly sold resulting in a loss of control, the share of the related cumulative gains and losses, including taxes, previously recognised in the foreign currency translation reserve is reclassified to profit or loss on disposal as part of the gain or loss on disposal.

When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative foreign currency translation reserve is reallocated to non-controlling interests.

Impairment of assets

Non-financial assets
The Group's non-financial assets, other than inventories, property, indefinite useful life intangible assets, assets held-for-sale and deferred tax assets are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recovered. If any such indication exists then the asset's or cash-generating unit's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit (CGU) is the smallest identifiable asset group that generates cash flows which are largely independent from other assets and groups.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment losses for financial assets measured at amortised cost is recognised in profit or loss.

Financial assets are written off only when all reasonable attempts at recovery have been taken and failed.

When a financial asset moves out of its arranged trading terms, an impairment allowance is not recognised when these terms are considered renegotiated or recoverable.

Non-controlling interest put options

Non-controlling interest put options are put options over non-controlling interests accounted for using the present access method. Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognised as financial liabilities. Under this method, the non-controlling interest is not derecognised when the financial liability in respect of the put option is recognised, as the non-controlling interest still has present access to the economic benefits associated with the underlying ownership interest. Non-controlling interest put options are initially recognised at the present value of expected future cash flows and subsequently remeasured at the present value of expected future cash flows with any changes in value (accretion and interest) through equity.

Group share-based payment transactions

Transactions in which the Company grants rights to its own equity instruments directly to the employees of its subsidiaries are classified as equity settled in the Company's separate financial statements. The Company recognises the equity-settled share-based payment in equity and recognises a corresponding increase in its investment in the subsidiary.

Where rights to the parent's (or ultimate parent) equity instruments are granted by that parent directly to the employees of the subsidiary, the subsidiary classifies the transaction as equity settled where it has no obligation to settle the share-based payment transaction. The subsidiary recognises the services acquired with the share-based payment as an expense and recognises a corresponding increase in equity as a capital contribution from its parent for those services acquired.

Broad-based black economic empowerment scheme

The Group operates a broad-based black economic empowerment equity-settled share-based compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the financial risk pricing and valuation methodologies. A corresponding adjustment is made to equity over the remaining vesting period. The estimate of the level of vesting is reviewed at least annually, with any impact on the cumulative charge being recognised immediately. The scheme commenced on 2 October 2012 and has a life of 10 years. Vesting of individual options under the scheme could occur on the 10th anniversary of the scheme or upon employment termination due to death, retrenchment, retirement, or the employee no longer forming part of Super Group Holdings Proprietary Limited as a result of the business being disposed.

New participants joining the scheme are treated as new grants in terms of the scheme. In terms of this scheme, participants receive annual dividends. These dividend payments are recognised as employee benefit costs in profit or loss.

Group share scheme recharge arrangements

A recharge arrangement exists whereby the cost to the scheme of acquiring shares issued in accordance with certain share schemes granted by the parent company are funded by way of contributions from the subsidiary employer company in respect of participants who are their employees. The recharge arrangement is accounted for separately from the underlying equity-settled share-based payment on initial recognition. The parent company recognises a corresponding recharge asset at fair value and a corresponding adjustment to the carrying amount of its investment in the subsidiary. The subsidiary company recognises a recharge liability at fair value, determined using generally accepted valuation techniques, and a corresponding adjustment against equity for the capital contribution recognised in respect of the share-based payment.

1. ACCOUNTING POLICIES > CONTINUED

1.3 Principal accounting policies > continued

Subsequent to initial recognition the recharge arrangement is remeasured at fair value (as an adjustment to the net capital contribution) by the parent and subsidiary companies respectively at each subsequent reporting date until settlement date to the extent vested. The amount of the recharge in excess of the capital contribution, recognised by the parent company as an increase in the investment in subsidiary, is recognised as an adjustment to the net capital contribution through a reduction in its net investment in the subsidiary. Where the recharge amount recognised is greater than the initial capital contribution recognised by the subsidiary company in respect of the share-based payment, the excess is recognised as a net capital distribution to the parent in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, short-term money market instruments and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost. Foreign cash balances are translated using the exchange rate at the reporting date.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts.

Financial instruments

Non-derivative financial instruments comprise investment in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value.

Financial assets
All purchases and sales of financial assets are recognised on the trade date, being the date that the Group commits to purchase or sell the asset.

The Group classifies its financial assets into the following categories:

- Measured at fair value through profit or loss; and
- Loans and receivables.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets on initial recognition.

The amount recognised on initial recognition in respect of financial assets not subsequently measured at fair value through profit or loss includes transaction costs associated with the financial asset (such as advisors' and agents' fees and commissions, duties and levies by regulatory agencies).

Financial assets measured at fair value through profit or loss
Financial assets are classified as measured at fair value through profit or loss, if acquired principally for the purpose of selling in the short term, they form part of a portfolio with a pattern of short-term profit taking, or if so designated by management.

Derivatives are also categorised as financial assets at fair value through profit or loss unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

They are included in current assets, except for receivables with maturities greater than 12 months after the reporting date. These are classified as non-current assets. Current loans and receivables are included in trade and other receivables in the statement of financial position. Trade receivables, which generally have 30 to 90-day terms, are recognised and carried at amortised cost less impairment losses (generally being the original invoice amount less an allowance for any uncollectable amounts), using the effective interest method. An allowance for impairment is made when collection of the full amount is no longer probable according to the original terms of the receivables. Bad debts are written off when identified.

Other receivables are stated at amortised cost less impairment losses using the effective interest method.

Subsequent measurement
After initial recognition, financial assets, which are classified as measured at fair value through profit or loss are measured at fair value.

Gains or losses on financial assets measured at fair value through profit or loss are recognised in profit or loss.

Foreign exchange gains and losses, interest calculated in respect of interest-bearing financial assets on the effective interest method and dividends are recognised directly in profit or loss. For financial assets carried at amortised cost, gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Non-derivative financial liabilities
The Group initially recognises debt securities issued on the date that they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Derivative financial instruments
The Group uses derivative financial instruments such as foreign currency contracts (FECs) and interest rate swaps to hedge its risks associated with selected foreign currency and interest-rate fluctuations. Such derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. Where a derivative is designated as a cash flow hedge, the effective part of the gains or losses from remeasuring the hedging instruments to fair value is initially recognised in other comprehensive income and presented in the hedging reserve in equity. The ineffective part of any gain or loss is immediately recognised in profit or loss.

Transaction costs are recognised in profit or loss as incurred. Gains and losses arising from changes in fair value are included in profit or loss in the year in which the change arises.

Offset
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and financial liabilities
A financial asset is derecognised when the contractual rights to cash flows expire or there is a transfer of the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards are transferred. A financial liability is derecognised when it is legally extinguished.

Employee benefits

Short-term employee benefits
Remuneration paid to employees for services rendered is recognised in profit or loss as the services are provided. An accrual is made for accumulated leave.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-retirement benefits
The Group operates a number of defined contribution plans under which it pays fixed contributions into separate retirement funds. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The fund assets are held in separate trustee administered funds.

The plans are generally funded by payments from employees and the relevant group companies, taking into account recommendations of independent qualified actuaries. Contributions to defined contribution plans are recognised in profit or loss in the year to which they relate.

Equity compensation benefits
Certain senior employees (including directors) of the Group receive remuneration in the form of share-based payment transactions whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Group has an employee share incentive scheme for the granting of non-transferable options to executives and senior employees. Shares in the Group held by the employee share incentive scheme are treated as treasury shares and presented in the statement of financial position as a deduction from equity.

The Group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted adjusted for the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors of the Group at that date, based on the best available estimate of the number of equity instruments, will ultimately vest.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs is included in equity.

Net debt

Net debt is calculated as interest-bearing borrowings including full maintenance lease borrowings and bank overdraft less cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS > CONTINUED

1. ACCOUNTING POLICIES > CONTINUED

1.3 Principal accounting policies > continued

Total net gearing

Total net gearing is calculated as net debt divided by total equity.

Operating segments

The Group determines and presents operating segments based on the information that is internally provided to the executive team.

An operating segment is a component of the Group that:

- engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components;
- whose operating results are regularly reviewed by the executive team; and
- for which financial information is available.

This approach is based on the manner in which segments are organised, operated and managed as well as management's assessment that the risks and rates of return are affected predominantly by differences in the sale of products and services rendered rather than the geographical location of their activities.

Each segment represents a strategic business unit that offers different products and serves different markets.

The principal segments of the Group have been identified by the nature of operation into the four major areas of Supply Chain Management, Fleet Solutions, Dealerships and Services.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

Segment assets include all operating assets used by a segment and consist principally of property, plant and equipment, goodwill and financial assets. Segment liabilities include all operating liabilities and consist principally of financial liabilities and long-term borrowings. These assets and liabilities are all directly attributable to the segments.

Revenue

Revenue is recognised net of indirect taxes, rebates and trade discounts and represents the fair value of amounts receivable in respect of the sale of products and services rendered. Where group companies act as agents and are remunerated on a commission or fee basis, only the commission and fee income, not the value of business handled, are recognised as revenue.

Revenue is recognised when the following criteria are met:

- there is no continuing involvement in the asset;
- delivery has occurred or services have been rendered and the significant risks and rewards of ownership have been transferred to the purchaser;
- costs can be reliably measured;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

The timing of revenue recognition is as follows:

Revenue from:

- the sale of products is recognised when risks and rewards of ownership have been transferred to the buyer and the Group no longer retains continuing managerial involvement associated with ownership;
- services rendered are based on the stage of completion of the transaction, based on the proportion that costs incurred to date bear to the total cost of the project. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that expenses recognised are recoverable;
- licence fees and royalties are recognised on an accrual basis;
- dividends received are recognised when the right to receive payment is established;
- interest received is recognised on a time proportion basis using the effective interest method; and
- rental income is accounted for on a straight-line basis over the lease term on ongoing leases.

Revenue from full maintenance leases
Revenues comprise the various service components as included in the contract billings such as rental charge, maintenance, interest and fuel management fees.

The contract billings may include pass-on costs such as insurance and other fixed overhead recoveries. Rental charges from full maintenance leases are recognised in profit or loss over the period of the full maintenance lease contracts on a straight-line basis.

Where vehicle maintenance is provided as part of a full maintenance lease or managed maintenance contract, the maintenance agreement is separated from the lease agreement. The maintenance portion that has been billed but where services have not yet been rendered is recorded as a deferred income liability called fund reserves in the statement of financial position. The portion that is expected to be earned in the next 12 months is recorded as deferred income in trade and other payables.

Sales of maintenance services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual cost of services provided as a proportion of the total cost of services to be provided plus a reasonable profit on those services.

The deferred maintenance revenue fund for selected customer contracts are actuarially valued annually by determining spending patterns and applying this to forecast funding requirements and discounting to determine the present value of the deferred income. Independent valuations are obtained when necessary.

Surpluses or deficits resulting from the actuarial valuation are recognised in profit or loss.

Contract maintenance costs are recognised in profit or loss when incurred.

Trading profit

Trading profit comprises operating profit before capital items.

Capital items

Capital items are income and expenses included in profit and loss which are excluded in arriving at headline earnings in accordance with Circular 2/2013.

Operating profit

Operating profit comprises profit before net finance costs, income from investments and tax.

EBITA

EBITA is earnings before interest, tax and amortisation of PPA intangibles.

EBITDA

EBITDA is earnings before interest, tax, depreciation and amortisation.

Net interest

Net interest is calculated as finance cost after deducting interest received and income or losses from equity-accounted investees.

Interest cover

Interest cover is calculated as EBITDA divided by net interest.

Core headline earnings

Core headline earnings is calculated as headline earnings adjusted for material non-operational items after tax and NCI such as business acquisition-related costs or income, B-BBEE related expenses and the amortisation of intangible assets arising on business combinations.

Net Operating Assets

Net Operating Assets is total assets excluding cash and cash equivalents, deferred tax assets, equity-accounted investees, interest-bearing receivables less total liabilities excluding bank overdrafts, interest-bearing borrowings, FML borrowings, deferred tax liabilities and income tax payable.

Fair value hierarchy

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised in to different levels in a fair value hierarchy, based on the inputs used and the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and leasehold improvements R'000	Rental and transport fleet R'000	Computer equipment R'000	Furniture and workshop equipment R'000	Motor vehicles and other assets R'000	Total R'000
30 June 2017						
Cost or valuation	2 217 017	2 121 966	278 000	573 107	340 091	5 530 181
Accumulated depreciation and impairment losses	(96 652)	(629 717)	(197 556)	(262 588)	(126 931)	(1 313 444)
Balance at end of year	2 120 365	1 492 249	80 444	310 519	213 160	4 216 737
Movement summary						
Balance at beginning of year	1 474 689	1 496 773	56 702	262 409	140 713	3 431 286
Additions	261 213	446 516	56 760	116 595	77 026	958 110
Expand	199 925	198 271	45 232	90 331	50 607	584 366
Maintain	61 288	248 245	11 528	26 264	26 419	373 744
Acquisition of businesses (refer note 29.1)	446 492	–	1 916	23 678	96 733	568 819
Transfers	(1 264)	133	2 733	1 309	(2 911)	–
Disposals	(257)	(169 873)	(356)	(5 960)	(47 924)	(224 370)
Disposal of business (refer note 29.2)	–	–	(49)	(206)	–	(255)
Revaluation of land and buildings	(9 148)	–	–	–	–	(9 148)
Impairment (refer note 21)	(1 107)	–	(75)	(666)	(11 920)	(13 768)
Translation adjustment	(30 639)	(33 059)	(2 776)	(8 877)	(796)	(76 147)
Current year depreciation	(19 614)	(248 241)	(34 411)	(77 763)	(37 761)	(417 790)
Balance at end of year	2 120 365	1 492 249	80 444	310 519	213 160	4 216 737
Leased assets included in above comprise:						
Carrying value at end of year	1 958	70 670	29 567	8 298	33 154	143 647
Depreciation for year	734	33 777	8 996	6 747	7 697	57 951

Measurement of fair value

In June 2017 a valuation was performed on the Group's land, buildings and leasehold improvements by Onyx Valuation Services. Onyx Valuation Services is an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. A revaluation deficit of R9 148 000 (2016: surplus of R101 979 000) was recorded in the current year. Annual revaluations on Super Park are required by the funders of this property. It is the Group's policy to perform independent valuations on all properties every three years or more frequently, if deemed appropriate, to ensure that the fair value of revalued assets do not differ materially from their carrying values. The next revaluation of all properties will be performed in June 2019.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of the Group's land and buildings, as well as significant inputs used:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using a risk-adjusted yield. Among other factors, the yield estimation considers the quality of a building and its location (prime versus secondary), tenant credit quality and lease terms. This is categorised as a level 3 fair value.		The estimated fair value would increase/(decrease) if:
	Occupancy rate of 95%	Occupancy rate was higher/(lower)
	There were no rent-free periods included in the valuation	The rent-free periods were (increased)
	Yields between 10.0% and 10.3% (2016: 8.2% and 11.9%) have been used	The yield was lower/(higher)
	Rental growth between 6.0% and 10.3% (2016: 8.0% and 10.0%) have been used.	Rental growth was higher/(lower)

Impairment losses recognised in respect of property, plant and equipment in the current year amounted to R13 768 000 (2016: R3 650 000). These losses were mainly attributable to the deterioration in the value of the motor vehicles. The recoverable amount of the relevant assets has been determined on the basis of their fair value less costs to sell. These assets were used in the Group's Supply Chain Africa segment (refer note 21).

Certain assets are pledged as security for borrowings of the Group (refer note 17).

Capital commitments

Capital commitments of R941 954 000 (2016: R650 581 000) (refer note 30) include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the disclosure.

	Land, buildings and leasehold improvements R'000	Rental and transport fleet R'000	Computer equipment R'000	Furniture and workshop equipment R'000	Motor vehicles and other assets R'000	Total R'000
30 June 2016						
Cost or valuation	1 556 953	2 093 257	231 788	483 796	258 235	4 624 029
Accumulated depreciation and impairment losses	(82 264)	(596 484)	(175 086)	(221 387)	(117 522)	(1 192 743)
Balance at end of year	1 474 689	1 496 773	56 702	262 409	140 713	3 431 286
Movement summary						
Balance at beginning of year	1 312 627	1 642 181	31 252	199 033	128 255	3 313 348
Additions	105 764	280 653	41 524	100 954	62 272	591 167
Expand	33 798	142 082	33 024	65 926	57 571	332 401
Maintain	71 966	138 571	8 500	35 028	4 701	258 766
Capitalised finance costs	590	–	–	–	–	590
Acquisition of businesses (refer note 29.1)	–	14 657	4 087	21 589	34	40 367
Transfers	431	1 459	1 047	8 784	(11 721)	–
Disposals	(11 810)	(235 629)	(84)	(4 278)	(9 923)	(261 724)
Disposal of business (refer note 29.2)	(391)	–	(252)	(125)	(607)	(1 375)
Revaluation of land and buildings	101 979	–	–	–	–	101 979
Impairment (refer note 21)	–	(3 650)	–	–	–	(3 650)
Translation adjustment	3 063	64 075	2 221	2 402	1 157	72 918
Current year depreciation	(37 564)	(266 973)	(23 093)	(65 950)	(28 754)	(422 334)
Balance at end of year	1 474 689	1 496 773	56 702	262 409	140 713	3 431 286
Leased assets included in above comprise:						
Carrying value at end of year	1 906	53 792	25 304	5 723	99 370	186 095
Depreciation for year	446	9 916	4 511	2 756	16 976	34 605

	30 June 2017 R'000	30 June 2016 R'000
3. INVESTMENT PROPERTY		
Valuation	**149 800**	143 200
Movement summary		
Balance at beginning of year	**143 200**	139 200
Fair value adjustment recognised in profit or loss (Refer note 21)	**6 600**	4 000
Balance at end of year	**149 800**	143 200

The investment property comprises a commercial property occupied by a third party. The lease contains an initial non-cancellable period of 10 years expiring in August 2023. The subsequent renewal option available to the lessee is five years. The fair value of this property was increased by R6 600 000 (2016: R4 000 000).

Rental income and associated direct operating expenses from investment property, included in profit or loss, amounted to R12 434 000 (2016: R11 513 000) and R306 000 (2016: Rnil) respectively. Operating leases in this regard are signed on a triple net lease basis, which implies that the tenant is responsible for insurance, maintenance and utility expenses of the property.

	30 June 2017 R'000	30 June 2016 R'000
Rental receivable commitments		
– Less than one year	**13 428**	12 434
– Between one and five years	**65 352**	60 510
– Thereafter	**23 060**	41 330
	101 840	114 274

Measurement of fair value

The fair value of the investment property was determined by external, independent property valuers, Onyx Valuation Services. The valuer has appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The independent valuers assess the fair value of the investment property on an annual basis.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rates, void periods, occupancy rates, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using a risk-adjusted yield. Among other factors, the yield estimation considers the quality of a building and its location (prime versus secondary), tenant credit quality and lease terms. This is categorised as a level 3 fair value.		The estimated fair value would increase/(decrease) if:
	Occupancy rate of 99%	Occupancy rate were higher/(lower)
	There are no rent free periods included in the valuation	The rent free periods were (increased)
	A yield of 9.5% (2016: 9.3%) has been used	The yield was lower/(higher)
	Rental growth of 8.5% (2016: 8.0%) has been used	Rental growth was higher/(lower)

	30 June 2017 R'000	30 June 2016 R'000
4. FULL MAINTENANCE LEASE ASSETS AND RELATED BORROWINGS		
4.1 Full maintenance lease assets		
Full maintenance lease vehicles	**1 613 868**	1 087 822
Non-current portion of finance lease receivables	**–**	56 800
	1 613 868	1 144 622
4.1.1 Full maintenance lease vehicles		
Cost	**2 072 309**	1 451 318
Accumulated depreciation and impairment losses	**(458 441)**	(363 496)
Balance at end of year	**1 613 868**	1 087 822
Movement summary		
Balance at beginning of year	**1 087 822**	993 751
Additions	**625 453**	562 897
Expand	**320 821**	248 807
Maintain	**304 632**	314 090
Disposals	**(317 096)**	(277 616)
Reversal of impairment (refer note 21)	**–**	557
Acquisition of businesses (refer note 29.1)	**564 263**	–
Current year depreciation	**(304 835)**	(217 948)
Translation adjustment	**(41 739)**	26 181
Balance at end of year	**1 613 868**	1 087 822
Analysis of balance at end of year		
Completed vehicles	**1 528 683**	1 052 454
Work in progress	**85 185**	35 368
	1 613 868	1 087 822
Currency analysis		
Rand	**920 811**	910 748
Australian dollar	**30 970**	34 990
Great British Pound	**502 244**	51 604
US dollar and other	**159 843**	90 480
	1 613 868	1 087 822
4.1.2 Non-current portion of finance lease receivables		
Gross finance lease receivables	**60 737**	78 695
Unearned finance income	**(3 667)**	(6 659)
Net finance lease receivables	**57 070**	72 036
Current portion included in trade and sundry receivables (refer note 9)	**(57 070)**	(15 236)
	–	56 800
Receivable term analysis – Gross		
Year one	**60 737**	18 229
Year two to five	**–**	60 466
	60 737	78 695
Receivable term analysis – Net		
Year one	**57 070**	15 236
Year two to five	**–**	56 800
	57 070	72 036
Currency analysis – non-current portion of finance lease receivable		
Rand	**–**	56 800

The finance lease receivables relate to future amounts to be received in respect of vehicles sold on finance lease in the SG Fleet and FleetAfrica businesses.

The FleetAfrica business charges interest on the receivables outstanding as a variable interest rate linked to prime. The length of the leases are 60 months ending in February 2018.

Capital commitments of R708 858 000 (2016: R469 758 000) includes all projects for which specific board approval has been obtained (refer note 30).

	30 June 2017 R'000	30 June 2016 R'000
4. FULL MAINTENANCE LEASE ASSETS AND RELATED BORROWINGS > CONTINUED		
4.2 Full maintenance lease borrowings		
Loan facility for the funding of vehicles exclusively utilised for full maintenance leases		
The facility bears interest at 201 basis points below prime (2016: 201 basis points below prime). Repayments occur monthly in arrears. Termination date is 1 July 2018. The borrowings are secured by assets with a carrying value of R57 070 000 (2016: R71 994 000).	**45 816**	56 809
The facility bears interest at 210 basis points below prime (2016: 210 basis points below prime). Repayments occur monthly in arrears. Termination date is 30 September 2019. The borrowings are secured by assets with a carrying value of R341 640 000 (2016: R482 400 000).	**363 517**	438 851
The facility bears interest at Kenyan Central Bank Rate (CBR) plus 400 basis points. Repayments occur quarterly in arrears. Termination date is July 2021. The borrowings are secured by assets with a carrying value of R40 302 000.	**42 681**	–
Loan facilities for the funding of vehicles in the SG Fleet management business		
The facilities bear interest at fixed rates of 402 and 463 basis points and a floating rate of 303 basis points linked to the London Interbank Offered Rate (LIBOR) (2016: fixed rates of 404 basis points and a floating rate of 416 basis points linked to LIBOR). Monthly repayments are over the period of the individual full maintenance contracts of the related vehicles and are settled on a transactional basis. The average period of the contracts is 36 months. The facility is secured over operating and finance lease assets, hire purchase receivables and restricted cash with carrying value of R652 759 000 (2016: R177 075 000).	**557 184**	130 133
Total full maintenance lease borrowings	**1 009 198**	625 793
Short-term portion reflected under current liabilities	**(337 009)**	(102 174)
Long-term portion reflected under non-current liabilities	**672 189**	523 619
Maturity profile		
Year one	**337 009**	102 174
Year two to five	**672 189**	523 619
	1 009 198	625 793
Currency analysis – full maintenance lease borrowings		
Rand	**409 333**	495 660
Australian dollar	**816**	11 756
Great British Pound	**470 403**	49 303
US Dollar and other	**128 646**	69 074
	1 009 198	625 793

Full maintenance lease borrowings relate to funding raised to finance revenue generating assets in the leasing businesses. These assets are directly on-leased to customers by way of full maintenance operating and finance leases in terms of medium-term contractual arrangements. The full maintenance liabilities are matched to customer contract terms. The cash generated by the operations is utilised to repay the obligations. Interest rate risk is passed on to customers as contracts are linked to either South African prime overdraft, Kenyan CBR, AFMA or LIBOR rates.

5. INTANGIBLE ASSETS

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2017					
Cost	234 320	265 217	534 452	773 128	1 807 117
Accumulated amortisation and impairment losses	(76 513)	(35 049)	(186 711)	(238 217)	(536 490)
Balance at end of year	157 807	230 168	347 741	534 911	1 270 627
Movement summary					
Balance at beginning of year	155 600	263 004	477 109	505 044	1 400 757
Additions	44 574	–	–	–	44 574
Expand	11 567	–	–	–	11 567
Maintain	33 007	–	–	–	33 007
Acquisition of businesses (refer note 29.1)	2 076	–	–	157 176	159 252
Current year amortisation	(32 098)	(9 696)	(88 960)	(73 678)	(204 432)
Impairment through profit or loss (refer note 21)	–	–	–	(6 836)	(6 836)
Translation adjustment	(12 345)	(23 140)	(40 408)	(46 795)	(122 688)
Balance at end of year	157 807	230 168	347 741	534 911	1 270 627
Analysis of balance at end of year					
Purchased	157 807	230 168	347 741	534 911	1 270 627
Intangible assets with indefinite useful life	–	137 324	–	–	137 324
Intangible assets with definite useful life	157 807	92 844	347 741	534 911	1 133 303
	157 807	230 168	347 741	534 911	1 270 627

During the year the acquisition of customer contracts arose from the acquisitions of Fleet Hire Holdings Limited (Fleet Hire), Motiva Group Limitied (Motiva) and ABF Legend Logistics Proprietary Limited (Legend). The balance of the customer contracts relates to nlc, Phola and Digistics and forms part of the SG Fleet and Supply Chain Africa operating segments.

The balance of the trade name and customer relationships relates to nlc, IN tIME, Allen Ford, SG Coal and Phola and forms part of the SG Fleet, Supply Chain Europe, Dealerships UK and Supply Chain Africa operating segments.

The indefinite useful life intangible asset relates to the IN tIME trade name. The trade name has been used in the European marketplace for over 20 years and will continue to be used into the foreseeable future. The trade name was tested for impairment at year end as an "umbrella" trade name and used the Relief from Royalty valuation method by applying 97% of net sales and an applied royalty rate of 0.6% of revenues.

During the year the Group impaired intangible assets, in respect of the Supply Chain Africa operating segment, amounting to R6 836 000 (2016: R16 622 000). The impairments were as a result of the loss of customer contracts and brand distribution rights resulting in the carrying value exceeding its value in use. Except for the impairment recognised, no further impairments were required for the cash generating units to which the intangible assets belong.

5. INTANGIBLE ASSETS > CONTINUED

	Software R'000	Trade names R'000	Customer relations R'000	Customer contracts and other R'000	Total R'000
30 June 2016					
Cost	207 933	289 192	579 680	667 606	1 744 411
Accumulated amortisation and impairment losses	(52 333)	(26 188)	(102 571)	(162 562)	(343 654)
Balance at end of year	155 600	263 004	477 109	505 044	1 400 757
Movement summary					
Balance at beginning of year	65 599	45 539	82 479	81 686	275 303
Additions	36 912	–	–	–	36 912
Expand	3 502	–	–	–	3 502
Maintain	33 410	–	–	–	33 410
Acquisition of businesses (refer note 29.1)	58 499	221 465	433 277	455 115	1 168 356
Current year amortisation	(19 203)	(6 560)	(70 467)	(50 827)	(147 057)
Impairment through profit or loss (refer note 21)	–	(12 425)	–	(4 197)	(16 622)
Translation adjustment	13 793	14 985	31 820	23 267	83 865
Balance at end of year	155 600	263 004	477 109	505 044	1 400 757
Analysis of balance at end of year					
Purchased	155 600	263 004	477 109	505 044	1 400 757
Intangible assets with indefinite useful life	–	150 114	–	–	150 114
Intangible assets with definite useful life	155 600	112 890	477 109	505 044	1 250 643
	155 600	263 004	477 109	505 044	1 400 757

6. GOODWILL

	30 June 2017 R'000	30 June 2016 R'000
Cost	**7 140 049**	6 478 174
Accumulated impairment losses	**(149 419)**	(144 898)
Balance at end of year	**6 990 630**	6 333 276
Movement summary		
Balance at beginning of year	**6 333 276**	2 420 989
Acquisition of businesses (refer note 29.1)	**1 173 906**	3 474 968
Impairment (refer note 21)	**(4 521)**	–
Translation adjustment	**(512 031)**	437 319
Balance at end of year	**6 990 630**	6 333 276
Segmental goodwill per cash-generating unit		
Supply Chain	**2 311 988**	2 420 001
South Africa	**578 667**	522 423
African Logistics	**58 224**	66 467
Europe	**1 675 097**	1 831 111
Fleet Solutions	**3 529 541**	3 314 609
FleetAfrica	**87 822**	87 822
SG Fleet	**3 441 719**	3 226 787
Dealerships	**1 149 101**	598 666
Dealerships SA	**554 978**	159 705
Dealerships UK	**594 123**	438 961
	6 990 630	6 333 276

Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill is subject to annual impairment tests using forecasts of future cash flows and the value-in-use method. An impairment of R4 521 000 (2016: Rnil) was recognised in the current year. Write down of other assets' carrying values in the relevant cash generating unit was not required. These calculations use projected earnings based on historic operating results.

The most significant portion of the Group's goodwill, R3 441 719 000 (2016: R3 226 787 000), relates to operations in SG Fleet.

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The impairment test was based on a value-in-use approach.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the business and was based on the following key assumptions:

Supply Chain – South Africa

- Cash flows were projected based on actual operating results and a five-year forecast assuming no revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 12.8% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Supply Chain – African Logistics

- Cash flows were projected based on actual operating results and a five-year forecast assuming between 5.0% and 16.9% revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 16.7% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Supply Chain – Europe

- Cash flows were projected based on actual operating results, a five-year forecast assuming revenue growth between 5.7% and 6.7% and a terminal value assuming a 1.0% revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 7.7% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Fleet Solutions – FleetAfrica

- Cash flows were projected based on actual operating results and a five-year forecast assuming between 4.2% and 6.0% revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business after taking into account the refleeting that occurred in the current year.
- A pre-tax discount rate of 12.8% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Fleet Solutions – SG Fleet

- Cash flows were projected based on actual operating results and the four-year business plan. Cash flow beyond Year 5 was projected at a growth rate of 0% for both CGUs.
- Revenue growth was projected at 6.4% per annum for the Australian CGU and 5.2% per annum for the United Kingdom CGU.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for inflationary increases.
- The Company's pre-tax weighted average cost of capital was applied in determining the recoverable amount. The discount rate of 10.44% was used for the Australian CGU and 7.53% for the United Kingdom CGU.

Dealerships – Dealerships SA

- Cash flows were projected based on actual operating results and a five-year forecast assuming between 1.5% and 4.0% revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on the margins historically achieved by the business adjusted for once off expenditure required.
- A pre-tax discount rate of 12.8% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Dealerships – Dealerships UK

- Cash flows were projected based on actual operating results and a five-year forecast assuming 1.5% revenue growth.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on the margins historically achieved by the business adjusted for once off expenditure required.

6. **GOODWILL** > CONTINUED

- A pre-tax discount rate of 13.0% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

7. DEFERRED TAX (ASSETS)/LIABILITIES

	30 June 2017 R'000	30 June 2016 R'000
Movement summary		
Balance at beginning of year	**298 772**	(111 811)
– Deferred tax liabilities	**583 254**	230 233
– Deferred tax assets	**(284 482)**	(342 044)
Current year profit or loss charge	**35 209**	75 475
Revaluation of land and buildings	**6 215**	23 237
Acquisition of businesses (refer note 29.1)	**55 503**	335 874
Deferred tax recorded directly in equity on movement in options	**33 327**	(21 752)
Deferred tax raised on effective portion of hedge through equity	**2 467**	(4 423)
Translation adjustment	**(23 019)**	2 172
Balance at end of year	**408 474**	298 772
– Deferred tax liabilities	**621 854**	583 254
– Deferred tax assets	**(213 380)**	(284 482)
Analysis of balance at end of year by type of temporary difference		
Accelerated depreciation	**615 037**	670 427
Tax losses	**(59 169)**	(103 990)
Revaluation of land and buildings and investment property fair value adjustment	**100 388**	70 766
Provisions and fund reserves	**(166 908)**	(224 341)
Working capital items	**(53 635)**	(43 398)
Unexercised options	**(1 549)**	(48 180)
Other	**(25 690)**	(22 512)
	408 474	298 772

Deferred tax assets have been recognised only to the extent that the amount of unused tax losses relating to the Group's operations can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise tax losses carried forward.

The Group has not recognised a deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's foreign subsidiaries and equity-accounted investees as the Group has determined that undistributed profits of foreign subsidiaries and equity-accounted investees will not be distributed in the foreseeable future.

	30 June 2017 R'000	30 June 2016 R'000
Deferred tax assets not recognised		
The unrecorded deferred tax assets comprise	**160 817**	84 063
– Tax losses	**40 936**	43 327
– Capital gains tax (CGT) and other	**119 881**	40 736

	30 June 2017 R'000	30 June 2016 R'000
8. INVENTORIES		
New vehicles	**1 573 815**	1 716 779
Used and demo vehicles	**1 399 315**	889 922
Retail inventory – SG Convenience and Consumer	**250 704**	287 784
Consumables	**16 137**	11 308
Parts, accessories and automotive components	**88 123**	88 872
Other inventory	**71 064**	59 329
	3 399 158	3 053 994
Inventory carried at net realisable value		
Inventory carried at net realisable value included above	**1 121 768**	1 083 091
Write down of inventory to net realisable value recognised as an expense	**80 482**	133 654
Inventory expensed during the year included in cost of sales	**16 417 723**	13 081 500
Included in inventory is a provision for obsolete inventory	**93 731**	74 275
Reserved inventories		
Ownership of certain inventory is reserved by the suppliers until such time as the related payables have been settled.		
Carrying value of reserved inventory	**1 303 511**	1 173 869
Carrying value of other secured inventory	**1 206 505**	1 010 116

Reserved inventory is inventory that secures an interest-free floorplan liability.

Secured inventory is inventory that secures an interest-bearing floorplan liability.

Floorplan liabilities are reflected as trade payables in note 19.

The Group has a general banking facility which is secured by general notarial bonds amounting to R95 000 000 (2016: R95 000 000) over inventory.

9. TRADE AND SUNDRY RECEIVABLES

	30 June 2017 R'000	30 June 2016 R'000
Trade receivables	**3 034 492**	2 610 871
Sundry receivables	**1 153 277**	1 142 318
Prepayments	**245 942**	171 696
VAT receivables	**28 656**	84 909
Deposits	**14 785**	17 896
Lease straight-line debtors	**16 572**	24 096
Foreign exchange contract (FEC) assets	**1 378**	206
Agency debtors	**592 946**	557 983
Trade finance debtors	**71 434**	30 698
Insurance-related assets	**–**	14 250
Short-term portion of finance lease receivables (refer note 4)	**57 070**	15 236
Deferred contingent purchase consideration	**60 000**	57 462
Short-term portion of proceeds receivable on sale of SG Coal	**–**	72 673
Other receivables	**64 494**	95 213
	4 187 769	3 753 189

Trade receivables are reported after an impairment allowance of R131 951 000 (2016: R170 811 000).

Certain businesses act as agents on behalf of their customers. Being an agent, the businesses do not take title of the goods and have no responsibility in respect of goods sold. Revenue is recognised based on the fee received for services rendered. The agency debtor balance includes the net receivable outstanding in respect of services rendered and inventory in the warehouses and in transit.

Currency analysis		
Rand	**2 425 866**	2 332 494
Australian dollar	**656 022**	503 864
Great British Pound	**562 377**	329 969
Euro	**387 336**	400 656
US dollar and other	**156 168**	186 206
	4 187 769	3 753 189

Refer to note 35 for disclosure relating to the Group's interest rate, foreign exchange and credit risk.

	30 June 2017 R'000	30 June 2016 R'000
10. CASH AND CASH EQUIVALENTS		
Cash on hand and in banks, earning interest at floating rates based on daily bank deposit rates	**2 727 133**	3 127 910
Analysis of cash on hand balances by restriction		
Insurance company cash held for solvency	**43 657**	175 467
Cash deposits held as collateral	**–**	188 935
SG Fleet cash	**845 150**	896 735
Agency related cash	**31 325**	–
Unrestricted cash	**1 807 001**	1 866 773
	2 727 133	3 127 910
Currency analysis		
Rand	**1 059 849**	1 666 708
Australian dollar	**766 004**	493 538
Great British Pound	**473 610**	626 689
Euro	**238 698**	125 832
US dollar and other	**188 972**	215 143
	2 727 133	3 127 910

Restricted cash

Restricted cash is classified as cash and cash equivalents that cannot be used for the running of the day-to-day South African operations and does not impact the Group's liquidity risk. The Group has 4 categories of restricted cash, namely:

– Insurance company cash held for solvency
– Cash deposits held as collateral
– SG Fleet cash
– Agency related cash

The Financial Services Board (FSB) supervises and regulates the insurance industry. In terms of the FSB's legislation, the Insurance operations of the Group are required to hold a minimum capital/solvency requirement, which includes cash and cash equivalents. This requirement results in the cash and cash equivalents not being available for use by the other South African operations.

Cash deposits are held throughout the Group. The Group is not legally entitled to use deposits held as collateral other than what they were intended for and therefore have been included in restricted cash.

SG Fleet is separately listed on the Australian Stock exchange, and has NCI, and therefore its cash cannot easily be remitted to Super Group without declaring dividends, and therefore has been included in restricted cash.

Cash held on behalf of customers in respect of agency agreements is not available for use in day-to-day operations, and is therefore included in restricted cash.

Bank funding facilities

The borrowing powers of the Group are limited to the facilities provided by its financiers.

The Group has a general banking facility totalling R95 000 000 of which R22 140 000 has been utilised.

These facilities are secured by a general notarial bond over non-floorplan inventories within South Africa, and a cession of non-Full Maintenance Lease South African debtors, except for certain debtors that cannot be ceded, together with related insurance policies.

The Group has a revolving credit facility of R365 000 000 for five years. This revolving credit facility is secured by a bond over the Super Park Property (refer note 2). The facility is unutilised at year end.

The Group has a revolving credit facility of R250 000 000 for two years. This revolving credit facility is unsecured and R130 756 000 has been utilised at year-end.

There are three financial covenants in place for the banking facilities:

– A minimum Capital adequacy ratio of 18% (excluding SG Fleet).

– A net interest cover ratio of 2.7 times must be maintained for the Group (excluding SG Fleet).

– A net debt to EBITDA ratio of less than 2.5 times must be maintained for the Group (excluding SG Fleet).

Refer to note 35.4 for the calculation of the covenants.

	30 June 2017 R'000	30 June 2016 R'000
Total banking facilities excluding the SG Fleet facilities	**10 653 114**	11 457 058
Utilised	**(6 518 435)**	(7 004 138)
Unutilised	**4 134 679**	4 452 920
SG Fleet banking facilities	**3 073 811**	2 203 095
Utilised	**(2 254 070)**	(1 803 956)
Unutilised	**819 741**	399 139

Refer to note 35 for disclosure relating to the Group's interest rate, foreign exchange and credit risk.

11. CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF SUPER GROUP

Stated capital (refer note 12)	**3 256 491**	3 256 491
Retained earnings	**4 452 645**	3 496 689
Share buyback reserve	**(201 196)**	(297 071)
Other reserves (refer note 13)	**847 874**	1 158 011
	8 355 814	7 614 120

	30 June 2017 R'000	30 June 2016 R'000

12. ORDINARY SHARE CAPITAL

Authorised

The Group has 700 000 000 (2016: 700 000 000) authorised ordinary shares with no par value (2016: no par value) and 54 857 377 (2016: 54 857 377) authorised redeemable preference shares with no par value (2016: no par value).

Issued

	30 June 2017 R'000	30 June 2016 R'000
359 085 434 (2016: 359 085 434) ordinary shares of no par value (2016: no par value)	**3 256 491**	3 256 491
	3 256 491	3 256 491

Rights and restrictions related to share capital

All shares rank equally with regard to the Company's residual assets. Unissued preference shares do not participate.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. In respect to the Company's shares that are held by the Group as treasury shares, all rights are suspended until those shares are reissued.

Changes in authorised and issued share capital

During the prior year a special resolution was passed at the AGM, increasing the authorised share capital to 700 000 000 shares, converting the authorised and issued shares to no par value and converting the preference shares to no par value.

During the prior year the Group concluded a fully-underwritten renounceable rights offer effective October 2015 for R900 000 000. The rights offer consisted of 35 019 470 rights offer shares (33 751 353 new shares and 1 268 117 treasury shares) at a price of R25.70. The statement of financial position was impacted by an increase in stated capital of R870 438 000 (after share issue expenses).

During the prior year the Group raised an amount of R360 000 000 through the placement of 10 000 000 ordinary shares, through an accelerated bookbuild at a price of R36.00 per share. The statement of financial position was impacted by an increase in stated capital of R356 512 000 (after share issue expenses).

	Number of ordinary shares	Number of treasury shares
Movement summary of issued shares		
Balance at 30 June 2015	**315 334 081**	16 495 107
Ordinary share balance	**315 334 081**	–
Share balance held by subsidiaries	**–**	1 558 066
Share balance held by share option scheme	**–**	14 937 041
Rights offer shares	**33 751 353**	(1 268 117)
Bookbuild shares	**10 000 000**	–
Share purchases	**–**	30 871
Share options exercised and other treasury shares movement	**–**	(2 842 945)
Balance at 30 June 2016	**359 085 434**	12 414 916
Ordinary share balance	**359 085 434**	–
Share balance held by subsidiaries	**–**	289 949
Share balance held by share option scheme	**–**	12 124 967
Share options exercised and other treasury shares movement	**–**	(2 343 151)
Balance at 30 June 2017	**359 085 434**	10 071 765
Ordinary share balance	**359 085 434**	–
Share balance held by subsidiaries	**–**	289 949
Share balance held by share option scheme	**–**	9 781 816

	30 June 2017 R'000	30 June 2016 R'000
13. OTHER RESERVES		
Translation reserve	**15 127**	312 137
General reserve	**556 036**	556 036
Revaluation reserve	**274 794**	290 241
Capital redemption reserve fund	**5 486**	5 486
Hedging reserve	**(3 569)**	(5 889)
	847 874	1 158 011
Movement summary		
13.1 Translation reserve		
Balance at beginning of year	**312 137**	72 157
Translation adjustment	**(297 010)**	239 980
Balance at end of year	**15 127**	312 137
The translation reserve comprises all foreign exchange differences arising from the translation of entities reporting in currencies other than the presentation currency of the Group.		
13.2 General reserve		
The general reserve comprises capital profits on the disposal of investments in prior years	**556 036**	556 036
13.3 Revaluation reserve		
Balance at beginning of year	**290 241**	212 735
Depreciation of buildings (net of tax)	**(84)**	(1 236)
Revaluation of land and buildings (net of tax)	**(15 363)**	78 742
Balance at end of year	**274 794**	290 241
The revaluation reserve relates primarily to revaluation surpluses on the revaluation of land and buildings to their fair values.		
13.4 Capital redemption reserve fund		
The capital redemption reserve fund is the excess equity resulting from the conversion and redemption of the "A" ordinary shares	**5 486**	5 486
13.5 Hedging reserve		
Balance at beginning of year	**(5 889)**	(36)
Effective portion of hedge (net of tax)	**2 320**	(5 853)
Balance at end of year	**(3 569)**	(5 889)

14. NON-CONTROLLING INTERESTS

The following table summarises the reported information relating to each of the Group's subsidiaries that have a material NCI

	SG Fleet R'000	Digistics R'000	Legend R'000	SG Coal R'000	Phola Coaches R'000	Thenga-shep R'000	IN tIME R'000	Other individually immaterial sub-sidiaries R'000	Intergroup elimi-nations and re-allocations R'000	Total R'000
30 June 2017										
Non-current assets	5 055 988	197 788	131 848	–	64 639	27 178	2 225 367	4 180	(25 321)	7 681 667
Current assets	1 771 917	723 343	113 236	–	65 885	77 844	626 413	15 822	(191 827)	3 202 633
Non-current liabilities	(2 336 970)	(97 095)	(29 205)	–	(6 436)	–	(1 557 729)	(5 970)	628 418	(3 404 987)
Current liabilities	(2 207 027)	(654 106)	(99 833)	–	(17 932)	(59 351)	(255 573)	(12 726)	80 738	(3 225 810)
Net assets	2 283 908	169 930	116 046	–	106 156	45 671	1 038 478	1 306	492 008	4 253 503
Revenue[1]	2 985 856	681 575	375 426	1 881 686	193 510	–	1 997 915	45 580	(90 846)	8 070 702
Profit/(loss) after tax	610 562	30 777	43 641	93 268	14 200	7 828	29 661	(6 226)	–	823 711
OCI[2]	(11 613)	–	–	–	–	–	–	–	–	(11 613)
Total comprehensive income	598 949	30 777	43 641	93 268	14 200	7 828	29 661	(6 226)	–	812 098
Cash flows from operating activities	888 163	(58 596)	44 183	–	26 916	(24 015)	123 319	(5 835)	(51 576)	942 559
Cash flows from investing activities	(617 081)	(40 794)	(38 370)	–	(19 420)	–	(16 642)	(1 010)	–	(733 317)
Cash flows from financing activities	(239 655)	2 756	7 525	–	(92)	15 775	19 900	636	396 864	203 709
Net change in cash and cash equivalents	31 427	(96 634)	13 338	–	7 404	(8 240)	126 577	(6 209)	345 288	412 951
NCI percentage (%)	47.6	45.0	25.0	49.2	25.0	49.0	25.0			
Carrying amount of NCI	1 087 825	76 469	29 012	–	26 539	22 379	259 620	(2 323)	–	1 499 521
Profit/(loss) allocated to NCI	291 636	13 850	10 910	12 356	3 550	3 836	7 415	(3 566)	–	339 987
OCI allocated to NCI[2]	(95 960)	–	–	–	–	–	(23 423)	–	–	(119 383)
Dividend paid to NCI	(187 983)	(16 280)	–	(17 744)	–	–	–	(400)	–	(222 407)

[1] *Revenue per SG Fleet's published results is higher due to the different accounting treatment in respect of certain finance income.*

[2] *The difference between OCI in SG Fleet and IN tIME of (R11 613 000) and Rnil respectively and the OCI allocated to the NCI of SG Fleet and IN tIME of (R95 960 000) and (R23 423 000) respectively is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different to SG Fleet and IN tIME.*

SG Fleet has a target dividend yield of 60% to 70% of profit after tax.

The principal place of business and incorporation for all NCI excluding SG Fleet and IN tIME is South Africa. SG Fleet's principal place of business and incorporation is Australia, IN tIME's place of business is the Eurozone and incorporation is Germany.

SG Fleet issued 1 239 043 shares to the sellers of Fleet Hire and Motiva as part payment for the acquisitions, resulting in a dilution of 0.25% of the Group's shareholding.

During the year the Group purchased an additional 0.42% in SG Fleet and the NCI of 49.17% in SG Coal.

	SG Fleet R'000	Digistics R'000	SG Coal R'000	Phola Coaches R'000	Thenga-shep R'000	IN tIME R'000	Other individually immaterial subsidiaries R'000	Intergroup eliminations and reallocations R'000	Total R'000
30 June 2016									
Non-current assets	4 172 558	210 697	435 871	60 201	56 275	2 508 448	8 175	(41 096)	7 411 129
Current assets	1 524 138	774 308	411 367	56 349	86 524	523 326	24 667	(94 324)	3 306 355
Non-current liabilities	(2 009 649)	(99 746)	(201 524)	(5 394)	–	(1 698 208)	(5 373)	611 180	(3 408 714)
Current liabilities	(1 478 233)	(708 035)	(174 441)	(18 791)	(104 955)	(231 329)	(18 137)	22 164	(2 711 757)
Net assets	2 208 814	177 224	471 273	92 365	37 844	1 102 237	9 332	497 924	4 597 013
Revenue[1]	2 203 072	670 332	1 177 616	180 708	54 338	1 400 007	48 849	(3 737)	5 731 185
Profit after tax	492 938	35 130	1 505	12 680	36 633	36 340	1 292	–	616 518
OCI[2]	(28 027)	–	–	–	–	–	–	–	(28 027)
Total comprehensive income	464 911	35 130	1 505	12 680	36 633	36 340	1 292	–	588 491
Cash flows from operating activities	591 312	101 351	9 288	29 078	(10 753)	23 870	6 484	21 741	772 371
Cash flows from investing activities	(1 439 171)	(71 257)	(90 172)	(11 422)	–	(14 720)	(970)	–	(1 627 712)
Cash flows from financing activities	787 744	(3 653)	(18 352)	(6 191)	(32 456)	951 080	554	286 860	1 965 586
Net change in cash and cash equivalents	(60 115)	26 441	(99 236)	11 465	(43 209)	960 230	6 068	308 601	1 110 245
NCI percentage (%)	47.8	45.0	49.2	25.0	49.0	25.0			
Carrying amount of NCI	1 056 697	79 751	231 725	23 091	18 544	275 559	2 306	–	1 687 673
Profit/(loss) allocated to NCI	232 424	15 809	(5 860)	3 170	17 950	9 085	220	–	272 798
OCI allocated to NCI[2]	116 995	–	–		–	17 998	–	–	134 993
Dividend paid to NCI	(143 167)	(13 914)	–	–	(29 400)	–	–	–	(186 481)

[1] *Revenue per SG Fleet's published results is higher due to the different accounting treatment in respect of certain finance income.*

[2] *The difference between OCI in SG Fleet and IN tIME of (R28 027 000) and Rnil respectively and the OCI allocated to the NCI of SG Fleet and IN tIME of R116 995 000 and R17 998 000 respectively is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different to SG Fleet and IN tIME.*

SG Fleet has a target dividend yield of 60% to 70% of profit after tax.

The principal place of business and incorporation for all NCI excluding SG Fleet and IN tIME is South Africa. SG Fleet's principal place of business and incorporation is Australia, IN tIME's place of business is the Eurozone and incorporation is Germany.

As a result of the purchase of NLC by SG Fleet, the Group's shareholding decreased by 1.8% from 54% to 52.16%. During the year the Group purchased the 25% NCI in SG Coal and subsequently sold 49.17% of the entity decreasing the holding from 100% to 50.83%.

	30 June 2017 R'000	30 June 2016 R'000

15. FUND RESERVES

	30 June 2017 R'000	30 June 2016 R'000
Balance at beginning of year	**536 175**	370 432
Movement in fund reserves	**(42 398)**	(1 898)
Acquisition of business (refer note 29.1)	**71 548**	111 117
Translation adjustment	**(42 317)**	56 524
Balance at end of year	**523 008**	536 175

Fund reserves principally relate to amounts received in advance in respect of maintenance for full maintenance lease vehicles, to be recognised in profit or loss over the period of the maintenance service of the underlying vehicles.

The amounts are recognised in profit or loss by reference to the stage of completion based on the proportion that the maintenance costs incurred to date compared to the estimated costs of completion of the lease contract. The fund reserves are recognised based on the differences in maintenance fees derived in accordance with the contract billing cycle and income based on stage of completion by reference to costs incurred.

16. NON-CONTROLLING INTEREST PUT OPTIONS AND OTHER LIABILITIES

The Group entered into business combinations which included clauses whereby the non-controlling interest equity holders are able to put 100% of their shareholding to the Group for a limited time period at the expiry date of the respective options.

	30 June 2017 R'000	30 June 2016 R'000
16.1 Non-controlling interest put options	**270 784**	302 990

Digistics Proprietary Limited

The put option available to the non-controlling interest expires on 1 October 2017. The non-controlling interests have 30 days from 1 October 2017 to exercise the option available to them. The value of the put option is based on the average non-controlling interest proportionate share of the profit after tax, adjusted for dividends paid, of Digistics Proprietary Limited for the last three financial years preceding the expiration of the put option at a price earnings ratio of 6.5.

In arriving at the option value at 30 June 2017, an average profit after tax estimated at R40 665 000 (2016: R41 915 000) and a dividend paid of R36 177 000 (2016: nil) was used. This is a level 3 fair value valuation.

	30 June 2017 R'000	30 June 2016 R'000
Digistics Proprietary Limited	**102 665**	113 374

IN tIME Holding GmbH

The put option available to the non-controlling interest is exercisable from 30 June 2020 to 30 June 2025. The value of the put option is based on an estimation of the enterprise value at the initial exercise date. The agreement indicates that the enterprise value is calculated by applying a price earnings multiple of 7.5 to the average of the preceding 3 years audited EBITDA of IN tIME and adjusting the result by adding cash and deducting the debt on the specific date.

In arriving at the option value at 30 June 2020, an average EBITDA of €15 913 000 (2016: €17 979 000) and a pre-tax discount rate of 7.7% (2016: 7.3%) was used. This is a level 3 fair value valuation.

The discount rate used is adjusted to reflect the most affordable funding available to the Group at the reporting date.

	30 June 2017 R'000	30 June 2016 R'000
IN tIME Holding GmbH	**138 375**	189 616

ABF Legend Logistics Proprietary Limited

The put option is calculated as the fair value of the business at exercise date of the option, by present valuing the free cash flows for a ten year period post the date of exercise. The option can be exercised on 1 October 2019.

In arriving at the option value at 1 October 2019, an average profit after tax of R13 174 000 and a pre-tax discount rate of 9.5% was used. This is a level 3 fair value valuation.

The discount rate used is adjusted to reflect the most affordable funding available to the Group at the reporting date.

	30 June 2017 R'000	30 June 2016 R'000
ABF Legend Logistics Proprietary Limited	**29 744**	–

16.2 Non-current portion of deferred income

The Group recognises deferred income on a servicing contract that it has entered into. Income from this contract is recognised on the percentage of completion method. Payments received from the client to the extent that the income cannot be recognised under this model is therefore deferred until the percentage of completion allows for recognition.

	30 June 2017 R'000	30 June 2016 R'000
Non-current portion of deferred income	**19 981**	28 341

16.3 Non-current portion of straight-line leases

The Group recognises the non-current portion of straight-line leases as the straight-line balance which will not be recognised in profit and loss in the next 12 months.

	30 June 2017 R'000	30 June 2016 R'000
Non-current portion of straight-line leases	**55 477**	71 418

	30 June 2017 R'000	30 June 2016 R'000
16.4 Deferred contingent purchase consideration		
An obligation exists at acquisition date resulting from the possibility of the acquiree's aggregate profit after tax for the three-year period ending 30 June 2019 exceeding R60 million. The deferred contingent purchase consideration is calculated by applying 75% to every R1 excess over the R60 million aggregate profit after tax. The present value of this obligation is determined using a pre-tax discount rate of 9.5%. The date of exercise is the second business date after the aggregate profit after tax is agreed.	**24 501**	–
Total non-controlling interest put options and other liabilities	**370 743**	402 749
Short-term portion reflected under current liabilities	**(102 665)**	–
Long-term portion reflected under non-current liabilities	**268 078**	402 749
Currency analysis		
Rand	**212 366**	184 792
Australian Dollar	**20 002**	28 341
Euro	**138 375**	189 616
	370 743	402 749
The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value:		
Financial liabilities – Put option liabilities		
Balance at the beginning of the year	**302 990**	176 684
Movement of NCI liability in statement of changes in equity	**(32 206)**	126 306
Subsidiary acquired	**36 802**	170 576
Exercised/settled	**–**	(65 000)
Fair value and foreign currency translation adjustment	**(69 008)**	20 730
Balance at the end of the year	**270 784**	302 990
Financial liabilities – Deferred contingent purchase consideration		
Balance at the beginning of the year	**–**	–
Subsidiary acquired – Legend	**35 547**	–
Fair value adjustment through profit and loss	**(11 046)**	–
Balance at the end of the year	**24 501**	–

Sensitivity analysis:

Financial liabilities – Put option liabilities

The significant assumption included in the fair value measurement of the put option liabilities relates to the projected earnings that is not observable in the market. The following table shows how the fair value of the liabilities would change if the earnings assumption was increased by 100bps:

	Fair value R'000	Increase in liability R'000
Digistics	**102 665**	*****
Legend	**29 997**	**253**
IN tIME	**141 918**	**3 543**

**The put option value has been finalised.*

Financial liabilities – Deferred contingent purchase consideration

The significant assumption included in the fair value measurement of the deferred contingent purchase consideration for Legend is based on the projected earnings that is not observable in the market. The following table shows how the fair value would change if the projected earnings assumption was increased by 100 bps:

	Fair value R'000	Increase in liability R'000
Legend	**25 177**	**676**

	30 June 2017 R'000	30 June 2016 R'000
17. INTEREST-BEARING BORROWINGS		
17.1 Secured asset-based borrowings	**789 977**	653 210
Suspensive sale creditors and capitalised finance lease obligations bearing interest at rates fluctuating between 220 basis points below and 50 basis points above prime (2016: between 200 and 150 basis points below) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by vehicles with a carrying value of R428 952 000 (2016: R378 315 000).	**411 050**	350 484
Asset-based borrowings bearing interest at between 175 and 90 basis points below prime (2016: between 175 and 90 basis points below prime) and repayable in monthly instalments, including interest, over periods up to 60 months. The liabilities are secured by plant, equipment and vehicles with a carrying value of R215 506 000 (2016: R319 313 000).	**274 378**	218 745
Asset-based borrowings and finance lease obligations bearing interest at between 115 and 100 basis points below prime (2016: between 115 and 100 basis points below prime) and repayable in monthly instalments, including interest over periods up to 60 months. The liabilities are secured by vehicles and equipment with a carrying value of R68 926 000 (2016: R53 792 000).	**104 549**	83 981
17.2 Secured property borrowings	**914 564**	507 730
Property borrowings bearing interest at three-month JIBAR plus 225 basis points (2016: three-month JIBAR plus 225 basis points) is secured by land, buildings and investment property with a carrying value of R861 700 000 (2016: 867 821 000) and repayable in full on 8 October 2020.	**367 971**	367 965
Property borrowings bearing interest at three-month JIBAR plus 225 basis points and is secured by land and buildings with a carrying value of R190 000 000 and repayable in full on 29 January 2022.	**200 000**	–
Property borrowings bearing interest at three-month LIBOR plus 175 basis points (2016: three-month LIBOR plus 175 basis points) is secured by land, buildings and property with a carrying value of R336 542 000 (2016: R251 216 000) and repayable in quarterly payments with the final bullet payment due in May 2020.	**176 235**	139 765
Bridging finance, bearing interest at three-month LIBOR plus 210 basis points, secured by shares in EAG, shareholder guarantees and property with a carrying value of R262 714 000 is payable in full on 13 March 2018.	**170 358**	–
17.3 Acquisition borrowings	**1 189 147**	1 372 394
The credit facility bears interest at three-month LIBOR plus 300 basis points (2016: three-month LIBOR plus 300 basis points) and is payable quarterly with the final bullet payment due in December 2018. The facility is secured by shares in Allen Ford UK.	**283 816**	466 667
The credit facility bears interest at three-month LIBOR plus 300 basis points and is secured by shares in EAG and Allen Ford. Payments are made quarterly, with a 25% bullet payment in March 2021.	**136 286**	–
The credit facility bears interest at three-month Euro Interbank Offered Rate (EURIBOR) plus 250 basis points (2016: three-month EURIBOR plus 250 basis points) and is repayable every six months with the final payment in September 2020. The facility is secured by the shares in IN tIME.	**223 462**	322 341
The credit facility bears interest at three-month EURIBOR plus 300 basis points (2016: three-month EURIBOR plus 300 basis points), quarterly interest payments with the final bullet payment due at the end of October 2021. The facility is secured by the shares in IN tIME.	**545 583**	583 386
17.4 SG Fleet borrowings	**1 592 338**	1 479 144
The SG Fleet borrowings relate to business acquisition funding and bears interest at a fixed rate of 634 basis points (2016: fixed rate of 634 basis points).	**327 291**	354 007
The SG Fleet borrowings relate to business acquisition funding and bears interest at fixed rates of 382 and 473 basis points (2016: fixed rates of 425 and 473 basis points).	**962 236**	1 125 137
The liabilities are repayable in instalments of AUD5 000 000 for the next nine quarters and a bullet payment of AUD82 100 000 on maturity being 17 November 2019. The borrowings are secured by guarantees and indemnities as well as the assets of SG Fleet.		
The SG Fleet borrowings relate to business acquisition funding and bear interest of 227 basis points. The borrowings are repayable in instalments of £625 000 per quarter followed by a bullet payment of £12 150 000 on maturity being 17 November 2019.	**302 811**	–

		30 June 2017 R'000	30 June 2016 R'000
17.5	**Corporate bond**	**206 881**	478 398
	The listed Corporate bond was unsecured and bore interest at three-month Johannesburg Interbank Average Rate (JIBAR) plus 180 basis points (2016: JIBAR plus 180 basis points). This liability was settled in the current year.	**–**	478 398
	The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 230 basis points. Interest is payable quarterly. This liability matures on 9 September 2019.	**50 291**	–
	The listed Corporate bond is unsecured and bears interest at three-month JIBAR plus 225 basis points. Interest is payable quarterly. This liability matures on 31 October 2019.	**156 590**	–
17.6	**Revolving credit facility** The revolving credit facility is unsecured and bears interest at three-month JIBAR plus 155 basis points. Interest is payable quarterly. This facility expires on 15 October 2018.	**130 756**	–
	Total interest-bearing borrowings	**4 823 663**	4 490 876
	Short-term portion reflected under current liabilities	**(845 837)**	(863 046)
	Long-term portion reflected under non-current liabilities	**3 977 826**	3 627 830
	Secured asset-based borrowings	**511 512**	440 763
	Secured property borrowings	**741 235**	504 764
	Acquisition borrowings	**1 052 308**	1 367 813
	SG Fleet borrowings	**1 338 771**	1 314 490
	Corporate bond	**204 000**	–
	Revolving credit facility	**130 000**	–
	Repayment terms		
	Year one (short-term interest-bearing borrowings)	**845 837**	863 046
	Year two	**926 073**	672 707
	Year three to five	**2 958 277**	2 362 760
	Longer than five years	**93 476**	592 363
		4 823 663	4 490 876
	Currency analysis		
	Rand	**1 695 585**	1 499 574
	Australian Dollar	**1 289 527**	1 479 144
	Great British Pound	**1 069 506**	606 431
	Euro	**769 045**	905 727
		4 823 663	4 490 876

Refer to note 35 for disclosure relating to the Group's liquidity, interest rate and foreign exchange.

18. PROVISIONS

	Employee-related provisions R'000	Warranty and residual value provisions R'000	Onerous lease provisions R'000	Other provisions R'000	Total 30 June 2017 R'000
Movement summary					
Balance at beginning of year	92 086	113 418	17 400	87 920	310 824
Increase in and additional provisions	141 990	10 830	3 930	58 276	215 026
Provisions utilised	(19 792)	–	(143)	(15 208)	(35 143)
Payments against provision	(102 220)	(899)	(16 015)	(42 984)	(162 118)
Acquisitions of businesses (refer note 29.1)	2 876	6 006	–	–	8 882
Disposal of business (refer note 29.2)	(22)	–	–	–	(22)
Translation adjustment	(150)	(9 763)	(84)	(5 208)	(15 205)
Balance at end of year	114 768	119 592	5 088	82 796	322 244
Current	114 768	74 153	5 088	70 375	264 384
Non-current	–	45 439	–	12 421	57 860
Total provisions	114 768	119 592	5 088	82 796	322 244

Employee-related provisions relate to bonuses. The bonus provisions are estimated based on the expected payment which will be made in respect of the services provided in the current financial year.

Warranty provisions relate to after sales costs in respect of warranties given on sale of certain vehicles. The provision has been estimated based on historical warranty data associated with similar products and services. The residual value provision is the shortfall between the carrying and the settlement value of the vehicle at the termination date of the lease. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset. Assumptions in these models include future projected interest rates and market value data published in the relevant countries.

The Group provided for lease obligations in terms of non-cancellable property and equipment lease agreements that the Group had ceased to use. The provisions have been raised at the lower of net unavoidable costs of fulfilling the contract or penalties the Group will incur if lease obligations are not fulfilled.

Other provisions includes provisions such as long service awards earned in terms of legislation in some foreign jurisdictions, pending legal and employee claims, dilapidation provisions and audit fee provisions. These provisions are calculated based on the expected future outflow of funds from the Group.

19. TRADE AND OTHER PAYABLES

	30 June 2017 R'000	30 June 2016 R'000
Trade payables	5 603 134	4 947 394
Accruals	1 055 486	1 025 891
Outstanding cheques	37 549	26 779
Insurance creditor	12 973	10 608
Lease straight-line payable	18 759	24 063
Deferred income	211 281	157 347
Value added tax payables	91 674	87 231
Customs and excise	–	79 230
Interest rate swaps	24 817	42 688
FEC liabilities	4 343	5 692
Insurance-related liabilities	1 483	42 689
Sundry payables	172 956	41 619
	7 234 455	6 491 231
Currency analysis		
Rand	3 291 611	2 786 278
Australian Dollar	1 316 093	1 189 938
Great British Pound	2 314 407	2 157 881
Euro	215 695	202 641
US Dollar and other	96 649	154 493
	7 234 455	6 491 231

Refer to note 35 for disclosure relating to the Group's liquidity, interest rate and foreign exchange.

	30 June 2017 R'000	30 June 2016 R'000
20. REVENUE		
Sale of products	**20 095 641**	17 467 999
Services rendered	**9 778 215**	8 481 005
	29 873 856	25 949 004
Turnover	**37 295 934**	34 325 091
Costs incurred on behalf of customers or as an agent	**(7 422 078)**	(8 376 087)
	29 873 856	25 949 004
21. OPERATING INCOME – CAPITAL ITEMS		
Impairment of property, plant and equipment	**13 768**	3 650
Reversal of impairment of full maintenance lease vehicles	**–**	(557)
Impairment of intangible assets	**6 836**	16 622
(Reversal of impairment)/impairment of equity-accounted investee	**(1 305)**	22 620
Impairment of goodwill	**4 521**	–
Profit on sale of business	**–**	(39 629)
Loss/(profit) on sale of property, plant and equipment	**254**	(8 840)
Fair value adjustment to investment property	**(6 600)**	(4 000)
	17 474	(10 134)
22. OPERATING PROFIT		
Operating profit is arrived at after taking into account the following:		
22.1 Depreciation and amortisation		
Depreciation of property, plant and equipment	**417 790**	422 334
– Buildings and leasehold improvements	**19 614**	37 564
– Rental and transport fleet	**248 241**	266 973
– Computer equipment	**34 411**	23 093
– Furniture and workshop equipment	**77 763**	65 950
– Motor vehicles and other assets	**37 761**	28 754
Amortisation of intangible assets	**204 432**	147 057
– Software	**32 098**	19 203
– Trade names	**9 696**	6 560
– Customer relations	**88 960**	70 467
– Customer contracts and other	**73 678**	50 827
Depreciation of full maintenance lease assets	**304 835**	217 948
	927 057	787 339
Amortisation of PPA intangibles included in amortisation of intangible assets	**176 360**	130 517
– Software	**4 026**	2 900
– Trade names	**9 696**	6 560
– Customer relations	**88 960**	70 467
– Customer contracts and other	**73 678**	50 590
22.2 Cost of sales	**21 687 692**	18 891 447

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	30 June 2017 R'000	30 June 2016 R'000
22. OPERATING PROFIT > CONTINUED		
22.3 Operating expenditure – excluding capital items and cost of sales		
Auditors' remuneration	**37 399**	32 010
– Audit fees	**22 436**	21 883
– Expenses	**550**	500
– Other services	**14 413**	9 627
Operating leases	**389 485**	332 113
– Buildings	**338 063**	278 045
– Plant and equipment	**45 181**	30 517
– Motor vehicles and other assets	**39 503**	35 265
– Lease straight-lining income	**(33 262)**	(11 714)
Net translation losses/(gains)	**3 454**	(210 491)
Bad debts written off	**22 177**	20 712
Impairment reversed against doubtful trade debtors	**(32 273)**	(21 488)
Share-based payment expense (Refer note 36)	**42 942**	43 957
Employee benefit costs excluding directors' emoluments and employer contributions	**3 007 601**	2 534 241
Employer contributions to	**215 160**	195 925
– Defined contribution funds	**150 916**	143 334
– Medical aid funds	**64 244**	52 591
Directors' emoluments (refer note 38)		
Executive directors' emoluments	**20 675**	19 586
– Basic remuneration	**7 916**	7 135
– Performance bonus	**10 430**	9 885
– Employer contributions to defined contribution funds	**693**	937
– Other benefits	**1 636**	1 629
Non-executive directors' emoluments	**3 808**	3 692
– Chairman's fees	**652**	544
– Directors' fees	**3 156**	3 148
Fair value adjustment on deferred proceeds receivable/payable	**(13 584)**	(12 232)
Other operating expenses	**1 428 736**	1 390 324
	5 125 580	4 328 349
Operating expenditure – excluding capital items	**26 813 272**	23 219 796
23. FINANCE COST, INTEREST RECEIVED AND INCOME FROM EQUITY-ACCOUNTED INVESTEE		
23.1 Finance costs	**(441 171)**	(394 921)
– Full maintenance lease borrowings	**(63 595)**	(49 015)
– SG Fleet borrowings	**(80 586)**	(40 131)
– Property borrowings	**(47 756)**	(38 190)
– Instalment sale agreements	**(67 161)**	(70 575)
– Floorplan creditors	**(83 238)**	(61 765)
– Interest rate swaps	**-**	(23 771)
– Long tem loans	**(46 406)**	(59 814)
– Corporate bond	**(28 137)**	(39 820)
– Bank accounts	**(8 353)**	(8 134)
– Capitalised finance costs	**–**	590
– Other	**(15 939)**	(4 296)
23.2 Interest received	**152 498**	142 029
– Bank accounts	**92 522**	91 606
– SG Fleet interest received	**14 698**	20 725
– Finance lease and long-term receivables	**6 877**	7 888
– Interest rate swaps	**5 830**	–
– Trade finance and other debtors	**21 474**	10 986
– Other	**11 097**	10 824
23.3 Income/(loss) from equity-accounted investees	**8 673**	(1 765)
	(280 000)	(254 657)

	30 June 2017 R'000	30 June 2016 R'000

24. INCOME TAX EXPENSE

	30 June 2017 R'000	30 June 2016 R'000
Income tax comprises:		
South African normal taxation		
– Current tax	**128 128**	109 725
– Prior year current tax	**(25 801)**	(27 539)
– Deferred tax	**80 178**	92 213
– Prior year deferred tax	**(10 282)**	(26 790)
Foreign taxation		
– Current tax	**360 746**	280 860
– Prior year current tax	**5 040**	73
– Deferred tax	**(35 140)**	6 469
– Prior year deferred tax	**453**	3 583
	503 322	438 594

	30 June 2017 %	30 June 2016 %
Reconciliation of rate of income tax:		
The reconciliation of the rate of income tax is based on profit before income tax.		
Standard rate of income tax	**28.0**	28.0
Adjusted for:		
Prior year over provisions	**(1.7)**	(3.0)
Permanent differences – non-deductible expenses and non-taxable income	**(0.3)**	0.6
Foreign income tax rate differential and tax credits	**(0.4)**	(1.2)
Previously unrecognised deferred tax asset, recognised in current year	**0.3**	–
Unrecognised temporary difference	**0.2**	0.1
Deferred tax charge on options exercised	**0.7**	1.2
Capital gains tax differential and other	**0.6**	0.1
Effective income tax rate	**27.4**	25.8

	30 June 2017 R'000	30 June 2016 R'000
Tax losses available for set off against future taxable income utilised in the deferred tax computation	**213 942**	380 366
Tax losses not utilised in deferred tax computation	**203 878**	220 309
Total tax losses	**417 820**	600 675

25. EARNINGS PER SHARE

Basic earnings per share is derived by dividing profit or loss attributable to the equity holders of Super Group Limited for the year by the weighted average number of shares in issue after taking treasury shares into account. Appropriate adjustments are made in calculating diluted and headline earnings per share.

No adjustments were made to reported earnings attributable to shareholders in the computation of diluted earnings per share.

	30 June 2017 R'000	30 June 2016 R'000
Headline earnings are determined as follows:		
Profit attributable to equity holders of Super Group Limited	**992 744**	985 954
Capital items before tax and non-controlling interest	**17 474**	(10 134)
Impairment of property, plant and equipment, intangible assets and full maintenance lease vehicles	**20 604**	19 715
(Reversal of impairment)/impairment of equity-accounted investee	**(1 305)**	22 620
Impairment of goodwill	**4 521**	–
Profit on sale of business	**–**	(39 629)
Loss/(profit) on sale of property, plant and equipment	**254**	(8 840)
Fair value adjustment to investment property	**(6 600)**	(4 000)
Tax effect of capital items	**(5 064)**	(2 297)
Impairment of property, plant and equipment, intangible assets and full maintenance lease vehicles	**(6 471)**	(5 517)
(Loss)/profit on sale of property, plant and equipment	**(71)**	2 473
Fair value adjustment to investment property	**1 478**	747
Non-controlling interest effect of capital items	**6**	(1 064)
Impairment of property, plant and equipment, intangible assets and full maintenance lease vehicles	**(343)**	(2 812)
Profit on sale of property, plant and equipment	**349**	1 748
Headline earnings for the year	**1 005 160**	972 459

Core headline earnings is calculated as headline earnings adjusted for material non-operational items, including acquisition related costs, the once-off foreign exchange profit on the SG IN tIME forward exchange contract in the prior year, the amortisation of PPA intangible assets arising on business combinations and Broad-Based Black Economic Empowerment (B-BBEE) related costs.

	30 June 2017 R'000	30 June 2016 R'000
Core headline earnings are determined as follows:		
Headline earnings for the year	**1 005 160**	972 459
– Acquisition costs after tax and NCI	**42 075**	71 890
– FEC gain on acquisition after tax and NCI	**–**	(98 283)
– B-BBEE costs after tax and NCI	**25 644**	12 733
– Amortisation of PPA intangible assets arising on business combinations after tax and NCI	**83 704**	65 348
Core headline earnings for the year	**1 156 583**	1 024 147

	30 June 2017 Number of shares '000	30 June 2016 Number of shares '000
Weighted average number of ordinary shares in issue	**348 355**	332 387
Potential dilutive effect of share options and B-BBEE scheme	**2 551**	6 060
Diluted weighted average number of ordinary shares	**350 906**	338 447

	30 June 2017 Cents	30 June 2016 Cents
Earnings per share		
Basic	**285.0**	296.6
Diluted	**282.9**	291.3
Headline earnings per share		
Basic	**288.5**	292.6
Diluted	**286.4**	287.3
Core headline earnings per share		
Basic	**332.0**	308.1
Diluted	**329.6**	302.6

	30 June 2017 R'000	30 June 2016 R'000

26. CASH GENERATED FROM OPERATIONS

	30 June 2017 R'000	30 June 2016 R'000
Reconciliation of profit before income tax to cash generated from operations:		
Profit before income tax	**1 836 053**	1 697 346
Interest received	**(152 498)**	(142 029)
Share of (profit)/loss of equity-accounted investees	**(8 673)**	1 765
Finance costs	**441 171**	394 921
Adjustments for:		
Depreciation and amortisation	**927 057**	787 339
Impairment of intangible assets, full maintenance lease vehicles, property, plant and equipment, investments and goodwill	**23 820**	42 335
Fair value adjustments to investment property	**(6 600)**	(4 000)
Loss/(profit) on disposal of property, plant and equipment	**254**	(8 840)
Movement in provisions	**17 765**	(74 649)
Bad debts written off	**22 177**	20 712
Unrealised foreign exchange losses/(gains)	**1 509**	(52 544)
Net decrease in trade receivables and inventory provision	**(19 599)**	(26 095)
Share-based payment expense	**42 942**	43 957
Profit on sale of subsidiary	**–**	(39 629)
Unrealised fair value adjustment on deferred proceeds receivable/payable	**(13 584)**	12 232
Other	**(399)**	(1 313)
Operating cash flow	**3 111 395**	2 651 508
Working capital changes	**82 925**	245 471
Increase in trade and other receivables	**(437 687)**	(22 593)
Decrease/(increase) in inventories	**751 282**	(593 101)
(Decrease)/increase in trade and other payables	**(188 272)**	863 063
Decrease in fund reserves	**(42 398)**	(1 898)
	3 194 320	2 896 979

27. DIVIDENDS PAID TO NON-CONTROLLING INTERESTS

	30 June 2017 R'000	30 June 2016 R'000
Dividends declared and paid to non-controlling interests in subsidiaries	**(222 407)**	(186 481)

No dividend was proposed by the directors for the 2017 financial year (2016: Rnil).

28. INCOME TAX PAID

	30 June 2017 R'000	30 June 2016 R'000
Balance owing at beginning of year	**(54 925)**	(182 702)
Charge for the current year	**(468 113)**	(363 119)
Acquisition of businesses	**(2 511)**	(49 396)
Translation adjustment and other movements	**3 739**	(12 386)
Balance owing at end of year	**112 251**	54 925
	(409 559)	(552 678)

29. BUSINESS COMBINATIONS

29.1 Acquisition of businesses (net of cash acquired)

Subsidiaries and businesses acquired	Nature of business	Operating segment	Date acquired	Interest acquired (%)	Purchase price R'000
Fleet Hire Holdings Limited (Fleet Hire)	Fleet management	SG Fleet	4 August 2016	100	(367 458)
Western Cape Dealerships	Dealerships	Dealerships SA	1 September 2016	100	(899 301)
ABF Legend Logistics Proprietary Limited (Legend)	Logistics	Supply Chain Africa	30 September 2016	75	(110 547)
Motiva Group Limited (Motiva)	Fleet management	SG Fleet	30 November 2016	100	(249 004)
Essex Auto Group Limited (EAG)	Dealerships	Dealerships UK	1 March 2017	100	(406 988)
Purchase price					(2 033 298)

	Fleet Hire R'000	Western Cape Dealerships R'000	Legend R'000	Motiva R'000	EAG R'000	30 June 2017 R'000	30 June 2016 R'000
Fair value of assets acquired and liabilities assumed at date of acquisition							
Assets							
Property, plant and equipment	(4 845)	(211 615)	(96 531)	(1 165)	(254 663)	(568 819)	(40 367)
Intangible assets	(82 802)	–	(12 364)	(64 086)	–	(159 252)	(1 168 356)
Full maintenance lease assets	(124 552)	–	–	(439 711)	–	(564 263)	–
Goodwill	(335 509)	(399 794)	(56 244)	(180 678)	(201 681)	(1 173 906)	(3 474 968)
Deferred tax asset	–	(2 966)	–	–	–	(2 966)	–
Inventories	(9 681)	(618 693)	(2 189)	(7 098)	(688 668)	(1 326 329)	(3 286)
Trade and other receivables	(82 160)	(4 504)	(51 472)	(63 071)	(1 001)	(202 208)	(452 643)
Provision for impairment of trade receivable	2 852	–	3 469	–	–	6 321	5 967
Taxation receivable	(309)	–	–	(983)	–	(1 292)	–
Cash and cash equivalents	(19 455)	–	(18 277)	(53 890)	(58 382)	(150 004)	(773 620)
	(656 461)	(1 237 572)	(233 608)	(810 682)	(1 204 395)	(4 142 718)	(5 907 273)
Liabilities							
Fund reserves	45 141	–	–	26 407	–	71 548	111 117
Interest-bearing borrowings	–	–	45 650	–	56 687	102 337	1 513 765
Full maintenance lease borrowings	124 202	–	–	425 337	–	549 539	–
Deferred tax liabilities	12 784	–	13 841	15 209	16 635	58 469	335 874
Trade and other payables	103 887	335 563	41 498	91 708	724 085	1 296 741	617 706
Income tax payable	–	–	3 803	–	–	3 803	49 396
Provisions	2 989	2 708	168	3 017	–	8 882	47 485
	289 003	338 271	104 960	561 678	797 407	2 091 319	2 675 343
Fair value of net assets acquired	(367 458)	(899 301)	(128 648)	(249 004)	(406 988)	(2 051 399)	(3 231 930)
Less: Non-controlling interest	–	–	18 101	–	–	18 101	248 476
Purchase price	(367 458)	(899 301)	(110 547)	(249 004)	(406 988)	(2 033 298)	(2 983 454)
Deferred contingent purchase consideration	–	–	35 547	–	–	35 547	–
Equity shares of SG Fleet transferred	32 295	–	–	16 587	–	48 882	360 960
Cash consideration transferred	(335 163)	(899 301)	(75 000)	(232 417)	(406 988)	(1 948 869)	(2 622 494)
Cash acquired	19 455	–	18 277	53 890	58 382	150 004	773 620
Cash outflow	(315 708)	(899 301)	(56 723)	(178 527)	(348 606)	(1 798 865)	(1 848 874)

The acquisition of Fleet Hire and Motiva will bolster the United Kingdom SG Fleet division. The Group performed a purchase price allocation exercise on Fleet Hire and Motiva whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of customer contracts and relationships of R82 802 000 and R62 011 000 for Fleet Hire and Motiva respectively.

The acquisition of the Western Cape dealerships will allow the Group to expand the Mercedes-Benz dealerships footprint.

The acquisition of EAG will expand the Group's dealership footprint in the United Kingdom.

The Group performed a PPA exercise on the Western Cape and EAG dealerships. The initial assessment indicated that no additional intangible assets were identified.

The acquisition of Legend will bolster the Supply Chain Africa division. The Group performed a purchase price allocation exercise on Legend whereby intangible assets acquired were separately valued. The valuation, using projected financial information led to the recognition of R12 364 000 in respect of customer contracts.

The non-controlling interests have been calculated using the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill has been recognised on the acquisition of Fleet Hire, Western Cape Dealerships, Legend, Motiva and EAG amounting to R335 509 000, R399 794 000, R56 244 000, R180 678 000 and R201 681 000 respectively.

Goodwill is attributable mainly to the skills and technical talent of the workforce and synergies expected to be achieved from integrating the acquired businesses into the Group's various operations. None of the goodwill is expected to be deductible for tax purposes.

The acquisition related costs of R41 952 000 relating to these acquisitions are included in the consolidated statement of comprehensive income.

The values identified in relation to the acquisitions are provisional as at 30 June 2017.

Impact of the acquisitions on the results of the Group	**Fleet Hire R'000**	**Western Cape Dealerships R'000**	**Legend R'000**	**Motiva R'000**	**EAG R'000**	**30 June 2017 R'000**	**30 June 2016 R'000**
From the dates of acquisition, the acquired businesses contributed:							
Revenue	*	**2 541 507**	**375 426**	**169 361**	**1 186 727**	**4 273 021**	1 752 526
Profit after tax and amortisation of PPA intangibles (excluding acquisition related costs)	*	**20 910**	**43 641**	**12 079**	**21 455**	**98 085**	123 663
Attributable profit to equity holders of Super Group[1]	*	**20 910**	**32 731**	**6 326**	**21 455**	**81 422**	85 968
Impact of the acquisitions on the results of the Group had they occurred on 1 July 2016							
From 1 July 2016 the businesses would have contributed:							
Revenue	*	**3 028 121**	**480 803**	**292 463**	**2 461 199**	**6 262 586**	2 825 269
Profit after tax and amortisation of PPA intangibles (excluding acquisition related costs)	*	**24 039**	**56 421**	**15 736**	**36 284**	**132 480**	241 195
Attributable profit to equity holders of Super Group[1]	*	**24 039**	**42 316**	**8 241**	**36 284**	**110 880**	153 146

[1] *Profit after tax, after non-controlling interest (excluding acquisition related costs).*

* *Due to the significant integration activities it is not practical to derive a meaningful profit contribution.*

NOTES TO THE **FINANCIAL STATEMENTS** > CONTINUED

	30 June 2017 R'000	30 June 2016 R'000
29. BUSINESS COMBINATIONS > CONTINUED		
29.2 Disposal of business		
Fair value of net assets and liabilities disposed were:		
Property, plant and equipment	**255**	1 375
Inventories	**10 061**	–
Trade and other payables	**(5 486)**	(1 726)
Provisions	**(22)**	(3 500)
Fair value of net assets/(liabilities) disposed	**4 808**	(3 851)
Profit on sale of business (refer note 21)	**–**	39 629
Proceeds receivable	**–**	(16 100)
Investment in equity-accounted investee recognised	**–**	(19 678)
Cash inflow	**4 808**	–

The Group disposed of Nissan and Renault the Glen effective 1 March 2017 for R4 808 000.

29.3 Additional investment in existing subsidiaries

	SG Fleet R'000	SG Coal R'000	30 June 2017 R'000	30 June 2016 R'000
Non-controlling interest	**(9 657)**	**(225 476)**	**(235 133)**	(133 249)
Effect of transactions between equity partners on equity	**(32 738)**	**58 171**	**25 433**	51 802
Purchase price	**(42 395)**	**(167 305)**	**(209 700)**	(81 447)
Reduction of SG Coal receivable	**–**	**114 626**	**114 626**	–
Cash outflow	**(42 395)**	**(52 679)**	**(95 074)**	(81 447)

During the year the Group purchased an additional 0.42% in SG Fleet for R42 395 000 and the NCI of 49.17% in SG Coal for R167 305 000.

29.4 Net proceeds on decrease in existing shareholding in subsidiaries

	Fleet Hire R'000	Motiva R'000	30 June 2017 R'000	30 June 2016 R'000
Non-controlling interest	**18 817**	**10 128**	**28 945**	439 528
Effect of transactions between equity partners on equity	**13 478**	**6 459**	**19 937**	76 640
	32 295	**16 587**	**48 882**	516 168
Equity shares of SG Fleet issued	**–**	**–**	**–**	360 960
Present value of proceeds receivable	**–**	**–**	**–**	155 208
Equity shares of SG Fleet transferred on purchase of nlc	**–**	**–**	**–**	(360 960)
Equity shares of SG Fleet transferred on purchase of Fleet Hire	**(32 295)**	**–**	**(32 295)**	–
Equity shares of SG Fleet transferred on purchase of Motiva	**–**	**(16 587)**	**(16 587)**	–
Proceeds receivable	**–**	**–**	**–**	(155 208)
Cash inflow	**–**	**–**	**–**	–

SG Fleet issued 1 239 043 shares to the sellers of Fleet Hire and Motiva as part payment for the acquisitions, resulting in a dilution of 0.25% of the Group's shareholding.

	30 June 2017 R'000	30 June 2016 R'000

30. CAPITAL EXPENDITURE COMMITMENTS AND RENTAL COMMITMENTS

30.1 Capital expenditure commitments

	30 June 2017 R'000	30 June 2016 R'000
Full maintenance lease assets		
Contracted	**500**	14 441
Authorised by directors but not yet contracted	**708 358**	455 317
Total authorised by directors	**708 858**	469 758
Property, plant and equipment		
Land and buildings		
Authorised by directors but not yet contracted	**211 899**	73 712
Other assets		
Contracted	**28 851**	95 226
Authorised by directors but not yet contracted	**701 204**	481 643
Total authorised by directors	**941 954**	650 581

This capital expenditure will be financed by proceeds on disposal of related assets, funds generated by the businesses and borrowing facilities available to the Group.

30.2 Operating rental commitments

	30 June 2017 R'000	30 June 2016 R'000
Property	**1 319 558**	1 290 829
– less than one year	**307 880**	274 489
– between one and five years	**643 485**	638 851
– thereafter	**368 193**	377 489
Rental and transport fleet	**218 056**	228 774
– less than one year	**62 007**	63 245
– between one and five years	**105 855**	106 902
– thereafter	**50 194**	58 627
Other	**8 304**	21 202
– less than one year	**5 387**	8 987
– between one and five years	**2 917**	12 215
Total rental commitments	**1 545 918**	1 540 805
– less than one year	**375 274**	346 721
– between one and five years	**752 257**	757 968
– thereafter	**418 387**	436 116

Operating rental agreements have been negotiated at market-related terms and rates with numerous suppliers.

31. GOING CONCERN

The directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the Company and its subsidiaries' financial statements. The directors have satisfied themselves that the Company and its subsidiaries are in a sound financial position and that the Group has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

32. SUBSEQUENT EVENTS

Effective 4 July 2017, SG IN tIME acquired 89.5% of the shares of Servicios Empres. Ader S.A (Ader) for a purchase consideration of €11.6 million. The principal place of business and the majority of operations of Ader are performed in Spain and the Eurozone, with 17 offices throughout Spain and 15 operations in the Eurozone. Ader specialises in the provision of dedicated and exclusive transport and logistics solutions. Ader will be included in the Supply chain Europe operating segment. The Group is in the process of determining the initial accounting and purchase price allocation of Ader and will provide updated information in the unaudited interim results for the six-month period ending 31 December 2017.

Effective 4 July 2017, the Group acquired 100% of the shares of Bestodeck Limited (Bestodeck), the holding company of Slough Motor Company Limited (SMC), and seven freehold properties upon which the dealerships are located, for a purchase consideration of £24.0 million. SMC currently operates six Ford and two Suzuki dealerships in the United Kingdom. SMC will be included in the Dealerships UK operating segment. The Group is in the process of determining the initial accounting and purchase price allocation of SMC and will provide updated information in the unaudited interim results for the six-month period ending 31 December 2017.

Effective 25 August 2017, Bluefin Investments Limited (Bluefin) acquired an additional 1.63% in SG Fleet for R175 949 000, increasing the Group's holding in SG Fleet to 54%. Effective 11 September 2017, SG Fleet issued 4 136 925 shares on exercise of vested options granted as long-term incentive awards under SG Fleet's Equity Incentive Plan, diluting the Group's holding to 53.14%.

Effective 18 September 2017, Super Group Holdings Proprietary Limited acquired the remaining 45% minority interest in Digistics Proprietary Limited for R102 665 000, increasing the Group's holding to 100%.

Other than the matters disclosed, the directors are not aware of other matters or circumstances arising subsequent to the reporting date up to the date of this report, which will affect these results.

33. RELATED PARTIES

Identity of related parties

The Group has related party relationships with retirement benefit funds, equity-accounted investees and its key management personnel.

"Key management personnel" has been defined as the executive and non-executive directors (refer note 38). The definition of related parties includes the close members of family of key management personnel and any other entity over which key management exercises control, significant influence or joint control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependents of the individual or the individual's domestic partner.

Transactions with equity-accounted investees

Rental paid to equity-accounted investees during the 2017 year amounted to R9 474 000 (2016: R8 692 000).

Transactions with key management personnel

Interest in share capital of Super Group Limited

Directors and associates of the company and their immediate relatives control 0.03% (2016: 0.01%) of the voting shares of the company. Further details of the directors' interests in the shares of the company are disclosed in note 38 and in the Analysis of shareholders' and bondholders' report on pages 83 to 85. There has been no change in the directors shareholding between 30 June 2017 and the date of this report.

Directors' remuneration

Disclosure of directors' emoluments are included in note 38.

Share options and incentive grants

Directors participate in the Group's share option and incentive programmes. Detailed disclosure is provided in note 38.

Loans to/from directors

There are no loans to or from directors.

Interest in contracts

With the exception of Fluxmans Attorneys, a director-related entity, no directors have material interests in any transaction with the Company or its subsidiaries (refer note 38).

Certain management of subsidiary companies sub-contracts vehicles to the Group. Sales, purchases and management fees received amounted to R82 380 000 (2016: R5 094 000), R48 714 000 (2016: R26 982 000) and R2 747 000 (2016: R1 249 000) respectively for these services. These transactions were entered into in the normal course of business under terms and conditions that were no more favourable than those arranged with third parties. Net amounts owing by the key employees of this subsidiary was Rnil (2016: R47 000).

Other transactions with key management personnel

Super Group Limited and its subsidiaries have directly or indirectly entered into a limited number of immaterial transactions with key management during the year. These transactions are entered into in the normal course of business under terms and conditions that are no more favourable than those arranged with third parties.

These transactions include:

- provision of legal services by director-related entity;
- purchase of goods and services from Group subsidiaries; and
- sub-contracting vehicles.

The Group encourages its employees and key management to purchase goods and services from Group companies (refer to page 82 for the list of subsidiaries). These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's length basis although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed and no impairments were recognised in relation to any transactions with key management personnel during the year nor have they resulted in any non-performing debts at year-end. Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at Group level.

Shareholders

The Company's shares are widely held, mostly by public shareholders. An analysis of major shareholders is provided on pages 83 to 84 of the Annual Financial Statements.

34. RETIREMENT BENEFITS

All eligible employees are members of defined contribution schemes administered by the Group or are members of funds within the various industries in which they are employed. Contributions are paid by the members and the Group. The assets of these schemes are held in administered trust funds separated from the Group's assets. Scheme assets primarily consist of listed shares and property unit trusts and fixed income securities. South African funds are governed by the Pension Funds Act of 1956 and all other funds are governed by the respective legislation of the country concerned.

The benefits provided are determined by accumulated contributions and returns on investments. The benefits offered vary according to the legal, fiscal and economic conditions of each fund. Trustees are appointed by the Group companies and representatives of the employees. The trustees monitor investment performance and portfolio characteristics on a regular basis to ensure fund managers are meeting expectations with respect to their investment approach. No fund holds a significant number of shares in Super Group Limited.

The Group has no exposure to any post-retirement benefit obligations.

	30 June 2017 R'000	30 June 2016 R'000
Contributions to defined contribution funds	**151 609**	144 963

35. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

35.1 Introduction

Super Group has risk management and central treasury functions that manage the financial risks relating to the Group's operations. The risk management function takes responsibility for the identification, measurement and monitoring of risk. The central treasury provides services to the businesses, co-ordinates access to domestic and international foreign markets and manages the financial risks relating to the Group's operations. The Group's credit, liquidity, foreign currency and interest rate risks are continually monitored. In order to manage these risks, the Group has developed a risk management process to facilitate management of risk. The Risk Committee meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of risks. Senior management also meet on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury strategies against revised economic forecasts.

35.2 Risk profile

In the course of the Group's business operations it is exposed to credit, liquidity, and market risk which includes foreign currency and interest rate risk. The risk management policy of the Group relating to each of these risks is discussed under the respective headings. Where appropriate, derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates and interest rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes are generally expected to be offset by opposite effects on the items being hedged. The Group finances its operations through a mixture of retained profits, bank overdrafts, bank revolving credit borrowings, interest-bearing and full maintenance lease borrowings. Long-term financing is arranged centrally by the Group treasury division.

35.3 Capital management

The Board's policy is to maintain healthy capital ratios so as to maintain investor, creditor and market confidence and to sustain future development of the business on a capital-efficient basis. The Board monitors its capital structure, determining the appropriate debt-to-equity ratio in light of changing economic conditions. The Group invests in growth opportunities, both organic and acquisitive, that complement its strategy applying hurdle rate methodology utilising the weighted average cost of capital (WACC). The Board recognises debt as an important component of its capital structure in support of its leveraged business models. The optimal mix of debt and equity is determined in order to minimise the overall cost of capital and maximise shareholder value.

There are various capital requirements required to support the insurance licences held within the Group. The licences are governed by the relevant regulators in South Africa and Mauritius. Both licences are in compliance with all regulatory requirements in each respective jurisdiction. Further to this, the status of each insurance operation is communicated to regulators on a frequent basis.

From time to time the Group purchases its own shares on the market. The timing of these purchases depends on market prices and conditions. The Group does not have a defined share buyback plan and any transaction is determined as being in the interest of ordinary shareholders. The transactions are approved by the Board.

35. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS > CONTINUED

35.4 Capital structure and ratios

	30 June 2017 R'000	30 June 2016 R'000
Salient features		
Total equity	**9 855 335**	9 301 793
SG Fleet borrowings	**1 592 338**	1 479 144
Full maintenance lease borrowings	**1 009 198**	625 793
Asset-based finance	**789 977**	653 210
Property borrowings	**914 564**	507 730
Corporate bond	**206 881**	478 398
Acquisition borrowings – Allen Ford and EAG	**420 102**	466 667
Acquisition borrowings – IN tIME	**769 045**	905 727
Revolving credit facility	**130 756**	–
Cash and cash equivalents	**(2 727 133)**	(3 127 910)
Net debt	**3 105 728**	1 988 759
EBITDA before capital items	**3 060 584**	2 729 208
EBITDA	**3 043 110**	2 739 342
Total net gearing (Net debt/Total equity) (%)	**31.5**	21.4
Interest cover (EBITDA/Net interest) (times)	**10.5**	10.8
Net debt to EBITDA before capital items cover (times)	**1.01**	0.73
Net debt to EBITDA excluding SG Fleet (times)[1]	**0.92**	1.25
Capital adequacy ratio excluding SG Fleet (%)[2]	**29.8**	29.4
Net interest cover ratio excluding SG Fleet (times)[3]	**9.2**	10.0

[1] *Net debt to EBITDA is defined as net debt divided by EBITDA. In accordance with certain borrowing facilities, the Group has to maintain a ratio less than 2.5 times.*

[2] *Capital adequacy ratio is defined as the tangible net asset value of the Group as a percentage of tangible asset value of the Group. Deferred tax assets and liabilities for the purpose of this ratio are viewed as intangible items. In accordance with certain borrowing facilities, the Group has to maintain a minimum of 18%.*

[3] *Net interest cover is EBITDA divided by net interest paid measured after annualising the effects of business acquisitions during the year. A minimum of 2.7 times cover has to be met in terms of the certain borrowing facilities.*

35.5 Credit risk

Credit risk relates to potential exposure in respect of cash and cash equivalents, other non-current assets, FEC assets, finance lease receivables, trade receivables, other receivables, insurance-related assets and derivative instruments. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the Group obtains collateral or credit insurance on outstanding debts to mitigate risk.

Counterparties to financial instruments consist of a large number of high credit-rated financial institutions. The Group does not expect any counterparties to fail to meet their obligations, given their high credit ratings. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Counterparty credit limits are in place which are reviewed and approved by the respective subsidiary boards. Trade accounts receivable consist of a large number of customers spread across diverse industries and geographical areas. Adequate allowance for credit losses has been made. No single customer represents more than 10% of the Group's total revenue for the years ended or total trade receivables at 30 June 2017 and 30 June 2016.

	30 June 2017 R'000	30 June 2016 R'000
The maximum exposure to credit risk at the reporting date was:		
Non-current portion of finance lease receivable	**–**	56 800
Other non-current assets	**41 485**	83 836
Trade receivables – net of allowance for credit losses	**3 034 492**	2 610 871
Sundry receivables (excluding prepayments, lease straight-line debtors, finance lease receivables, and VAT receivables)	**805 037**	846 381
Short-term portion of finance lease receivable	**57 070**	15 236
Cash and cash equivalents	**2 727 133**	3 127 910
	6 665 217	6 741 034
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
South Africa	**1 671 871**	1 668 287
Australia	**571 017**	423 303
United Kingdom	**506 549**	252 959
Europe	**371 226**	395 602
Zimbabwe	**25 985**	25 917
Other Africa	**19 780**	15 149
Mauritius and other	**15**	465
	3 166 443	2 781 682
Gross debtors		
Not past due	**2 599 749**	2 212 261
Not past due – due to renegotiation	**15 745**	9 838
Past due – and not impaired	**418 998**	388 772
Past due – and impaired	**131 951**	170 811
	3 166 443	2 781 682
The Group did not hold collateral for any credit risk exposures.		
Gross debtors by trade debtor type		
Wholesale and retail debtors	**923 600**	810 428
End user trade debtors	**894 597**	510 751
Contract debtors	**1 348 246**	1 460 503
	3 166 443	2 781 682
Impairment allowance of trade receivables		
Balance at beginning of year	**170 811**	187 951
Movement in impairment allowance	**(40 005)**	(25 731)
Acquisition of businesses	**6 321**	5 967
Translation adjustment	**(5 176)**	2 624
Balance at end of year	**131 951**	170 811

Agency debtor

Other receivables includes a receivable of R592 946 000 (2016: R557 983 000) in respect of contracts between Group businesses and its clients. Certain businesses act as agents in these dealings. The agency receivables include the net receivable outstanding in respect of services rendered and inventory in the warehouse and in transit. These receivables are not considered past due, or impaired. The geographic region for these contract debtors is predominantly South Africa.

Not past due

Debtors that are not past due are considered to be recoverable as there is no indication of the deterioration of the credit quality of these debtors requiring an impairment allowance.

Not past due – due to renegotiation

Debtors who have renegotiated an extension of the contracted due date of payments are considered recoverable, as there is no indication of the deterioration of the credit quality of these debtors requiring an impairment allowance.

Past due – and not impaired

A debtor is past due when the counterparty has failed to make payment when contractually due and is based on appropriate rules and assumptions per business and product type. An impairment loss is recognised only if there is objective evidence that collection of the amount is doubtful. There has not been significant change in the credit quality of the underlying debtors and the amounts are considered recoverable.

The Group is exposed from time to time to one or more significant receivables, which may fall into the category "Past due – and not impaired" as a result of the receivable moving out of its arranged trading terms.

35. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS > CONTINUED

	30 June 2017 R'000	30 June 2016 R'000
The aging of the past due – not impaired debtors are:		
Less than 60 days	**291 686**	252 419
Between 60 and 90 days	**51 718**	51 912
Between 90 and 120 days	**33 516**	16 813
Greater than 120 days	**42 078**	67 628
	418 998	388 772

Past due – and impaired

A receivable is considered to be impaired when the debtor has failed to make payment when contractually due and there has been a significant change in the credit quality of the underlying debtor.

35.6 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. To manage this risk, Group companies manage their working capital, capital expenditure and cash flow and annually assess the financial viability of customers. In order to mitigate any liquidity risk that may arise, adequate unutilised banking facilities and reserve borrowing capacity is maintained per Group policy. The Group continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

The following disclosure is based on the contractual maturities of the specific financial liabilities, including estimated interest payments[1] and excluding the impact of netting agreements:

	Carrying amount R'000	Within six months R'000	Six to 12 months R'000	One to two years R'000	Two to five years R'000	After five years R'000	Total contractual cash flows R'000
30 June 2017							
Non-derivative financial liabilities							
Secured asset-based borrowings	789 977	166 721	168 604	243 840	325 339	589	905 093
Secured property borrowings	914 564	39 279	213 304	68 136	596 504	200 000	1 117 223
Acquisition borrowings	1 189 147	112 805	122 386	283 238	865 135	–	1 383 564
SG Fleet borrowings	1 592 338	160 070	148 701	292 024	1 116 244	–	1 717 039
Corporate bond	206 881	9 888	9 732	19 626	209 872	–	249 118
Revolving credit facility	130 756	2 916	2 882	139 881	–	–	145 679
Full maintenance lease borrowings – South Africa and Kenya	452 014	54 567	87 035	93 635	359 893	–	595 130
Full maintenance lease borrowings – SG Fleet	557 184	140 393	140 826	169 104	130 997	–	581 320
Trade and other payables[2]	6 883 581	6 941 209	22 871	–	–	–	6 964 080
	12 716 442	7 627 848	916 341	1 309 484	3 603 984	200 589	13 658 246
Derivative financial liabilities							
NCI put options and deferred contingent purchase consideration	295 285	102 665	–	–	241 320	–	343 985
FEC liabilities	4 343	4 343	–	–	–	–	4 343
Interest rate swaps	24 817	24 817	–	–	–	–	24 817
	324 445	131 825	–	–	241 320	–	373 145

[1] *Estimated interest payments are based on the assumption that current interest rates remain unchanged.*

[2] *Trade and other payables excludes FEC's, VAT payables, deferred income, straight-line lease creditors, interest rate swaps and amounts payable to South African Revenue Service (SARS) for customs and excise responsibilities.*

	Carrying amount R'000	Within six months R'000	Six to 12 months R'000	One to two years R'000	Two to five years R'000	After five years R'000	Total contractual cash flows R'000
30 June 2016							
Non-derivative financial liabilities							
Secured asset-based borrowings	653 210	142 173	115 893	245 139	244 311	–	747 516
Secured property borrowings	507 730	27 295	27 062	54 200	572 378	–	680 935
Acquisition borrowings	1 372 394	50 904	45 675	370 222	495 232	597 650	1 559 683
SG Fleet borrowings	1 479 144	116 663	114 874	224 358	1 222 184	–	1 678 079
Corporate bond	478 398	492 785	–	–	–	–	492 785
Full maintenance lease borrowings – South Africa	495 660	80 838	75 778	130 301	451 120	–	738 037
Full maintenance lease borrowings – SG Fleet	130 133	30 329	25 269	32 322	52 179	–	140 099
Trade and other payables[2]	6 094 980	4 904 023	1 345 476	–	–	–	6 249 499
	11 211 649	5 845 010	1 750 027	1 056 542	3 037 404	597 650	12 286 633
Derivative financial liabilities							
Non-controlling interest put options	302 990	–	–	122 913	253 686	–	376 599
FEC liabilities	5 692	5 692	–	–	–	–	5 692
Interest rate swaps	42 688	42 688	–	–	–	–	42 688
	351 370	48 380	–	122 913	253 686	–	424 979

[1] *Estimated interest payments are based on the assumption that current interest rates remain unchanged.*

[2] *Trade and other payables excludes FEC's, VAT payables, deferred income, straight-line lease creditors, interest rate swaps and amounts payable to SARS for customs and excise responsibilities.*

Trade and other payables form an integral part of the day-to-day working capital structure. The maturity profile depicts the expected cash outflows excluding any increase in trade and other payables as a result of normal activity. Cash flows and timing thereof related to foreign exchange contracts cannot be determined and full repayment has been shown in the earliest cash flow period.

The capital structure of the Group includes the non-derivative financial liabilities excluding trade and other payables listed above. The maturity profile reflected excludes the normal renewal or raising of borrowings. These cash outflows also exclude the effects of cash inflows on disposal of the underlying non-financial assets.

35. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS > CONTINUED

35.7 Market risk

Market risk comprises foreign currency and interest rate risk.

35.7.1 Foreign currency risk

	30 June 2017		30 June 2016	
Exchange rates to South African Rand	Average rate	Closing rate	Average rate	Closing rate
Australian Dollar	**10.25**	**10.07**	10.49	10.98
Euro	**14.84**	**14.95**	16.10	16.34
Great British Pound	**17.27**	**17.04**	21.46	19.61
Malawian Kwacha	**0.02**	**0.02**	0.02	0.02
Mozambican Metical	**0.0002**	**0.0002**	0.0003	0.0002
US Dollar	**13.61**	**13.07**	14.51	14.73
Zambian Kwacha	**0.0014**	**0.0014**	0.0014	0.0014
New Zealand Dollar	**9.69**	**9.60**	9.70	10.50

Foreign currency risk exposure: Financial instruments analysed in rand equivalent of foreign currency:	Rand R'000	Australian Dollar R'000	Great British Pound R'000	Euro R'000	US Dollar and other R'000	Total R'000
30 June 2017						
Financial assets						
Other non-current financial assets	**41 485**	**–**	**–**	**–**	**–**	**41 485**
Trade and other receivables[1]	**2 299 620**	**569 355**	**480 104**	**379 817**	**110 633**	**3 839 529**
Current portion of finance lease receivables	**57 070**	**–**	**–**	**–**	**–**	**57 070**
Cash and cash equivalents	**1 059 849**	**766 004**	**473 610**	**238 698**	**188 972**	**2 727 133**
Financial liabilities						
Interest-bearing borrowings	**1 695 585**	**1 289 527**	**1 069 506**	**769 045**	**–**	**4 823 663**
Full maintenance lease borrowings	**409 333**	**816**	**470 403**	**–**	**128 646**	**1 009 198**
Non-controlling interest put options	**132 409**	**–**	**–**	**138 375**	**–**	**270 784**
Trade and other payables[2]	**3 215 294**	**1 182 934**	**2 226 324**	**198 072**	**90 117**	**6 912 741**
Deferred contingent purchase consideration	**24 501**	**–**	**–**	**–**	**–**	**24 501**

	Rand R'000	Australian Dollar R'000	Great British Pound R'000	Euro R'000	US Dollar and other R'000	Total R'000
30 June 2016						
Financial assets						
Non-current portion of finance lease receivables	56 800	–	–	–	–	56 800
Other non-current financial assets	83 836	–	–	–	–	83 836
Trade and other receivables[1]	2 248 584	422 371	232 145	396 522	157 630	3 457 252
Current portion of finance lease receivables	15 194	–	42	–	–	15 236
Cash and cash equivalents net of overdraft	1 666 708	493 538	626 689	125 832	215 143	3 127 910
Financial liabilities						
Interest-bearing borrowings	1 499 574	1 479 144	606 431	905 727	–	4 490 876
Full maintenance lease borrowings	495 660	11 756	49 303	–	69 074	625 793
Non-controlling interest put options	113 374	–	–	189 616	–	302 990
Trade and other payables[2]	2 600 715	1 052 864	2 146 131	188 252	155 398	6 143 360

[1] *Trade and other receivables exclude prepayments, straight-line lease debtors, VAT receivables and* finance lease receivables.

[2] *Trade and other payables excludes, VAT payables, deferred income, straight-line lease creditors and amounts payable to SARS for customs and excise responsibilities.*

Sensitivity analysis:
A 10% strengthening in the South African rand against the following currencies at year-end would have (decreased)/increased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity[3] R'000	Profit/(loss) before tax R'000
30 June 2017		
Australian Dollar	**(70 719)**	**(85 817)**
Great British Pound	**(106 254)**	**(12 950)**
Euro	**(123 119)**	**(9 241)**
US Dollar and other	**(56 500)**	**(5 236)**
30 June 2016		
Australian Dollar	(97 574)	(73 092)
Great British Pound	(30 971)	(18 347)
Euro	(138 629)	(7 527)
US Dollar and other	(46 752)	8 512

[3] *Equity attributable to equity holders of the Group.*

A 10% weakening in the South African Rand will have an equal and opposite effect on equity and profit or loss.

Foreign currency risk management
The Group is head quartered in South Africa, with offshore operations carried out in Africa (including Mauritius, Zimbabwe, Zambia, Kenya, Malawi and Mozambique), Europe (mainly United Kingdom and the Eurozone), Australia and New Zealand.

The Group seeks to mitigate foreign currency exposures by borrowing, where cost effective, in the same currencies as the currencies of the main operating units. In terms of Group policy, foreign loan liabilities are not covered using forward exchange contracts as these are covered by a natural hedge against the underlying assets.

The currency risk of the Group arises due to the fact that the Group operates and has input costs and sales in different countries.

The Group enters into various types of FECs in managing its foreign exchange risk resulting from cash flows from anticipated business activities and financing arrangements denominated in foreign currencies.

Transaction risk is calculated in each foreign currency and includes currency-denominated assets and liabilities (foreign currency creditors and debtors) and certain items not recognised in the statement of financial position such as firm and probable purchase and sales commitments. Trade-related purchase exposures are managed through the use of natural hedges arising from foreign/export revenue as well as FECs. The impact of these currency risk transactions is shown as translation gains/(losses) in profit or loss.

35.7.2 Interest rate risk
Exposure to interest rate risk on debt and investments is monitored by management. The Group borrows principally in Rand, Great British Pound and Australian Dollars at both fixed and floating rates of interest. The fixing or capping of interest rates on debt to achieve improved predictability of cash flows is considered and implemented on a case-by-case basis. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. With respect to the Group's full maintenance lease liabilities, the Group generally enters into back-to-back agreements with creditworthy customers. Consequently, the interest rate risk on these liabilities is largely mitigated.

	30 June 2017 R'000	30 June 2016 R'000
At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:		
Fixed rate instruments		
Financial assets	**673 603**	685 548
Financial liabilities	**(2 877 129)**	(1 153 278)
	(2 203 526)	(467 730)
Variable rate instruments		
Financial assets	**5 991 614**	6 055 486
Financial liabilities	**(10 163 758)**	(10 409 741)
	(4 172 144)	(4 354 255)
Sensitivity analysis:		
A 100 basis point increase in the interest rate will have the following increase/(decrease) effect on profit or loss and/or equity.		
The analysis assumes that all other variables, in particular currency, remain constant. The analysis is performed as follows:		
Fixed rate instruments		
Profit before tax effect 100 basis point increase	**–**	–
Equity effect 100 basis point increase	**–**	–
Variable rate instruments		
Loss before tax effect 100 basis point increase	**(42 632)**	(34 143)
Equity effect 100 basis point increase	**(30 695)**	(24 583)

35. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS > CONTINUED

35.8 Insurance risk management

Risk management objectives and policies for mitigating risk

The insurance operations are currently in run-off and, with the exception of policy endorsements, no new business has been written since 31 December 2009. With effect from 31 December 2010 the insurance operations are no longer at risk for new claims. Insurance-related liabilities stem from unfinalised claims relating to client losses in the property and engineering sectors. The insurance business remains exposed to possible changes to loss assessments for accepted claims. To mitigate this exposure, reserving is done conservatively based on the latest assessors' reports. The insurance business is administered by Emerald Risk Transfer Proprietary Limited, a Santam subsidiary, in terms of the original underwriting binder. A summary of the historic insurance strategies and risks is set out below:

Previous underwriting strategy

The previous underwriting strategy sought to ensure a balanced risk portfolio. The target net retention was R15 million per risk. Monthly management reports are supplemented by monthly claims meetings to assess claims settlement.

Historic reinsurance strategy

The Group reinsured using a mix of excess of loss, quota share and catastrophic cover on the overall portfolios, while facultative re-insurance placements were done on a client by client basis, normally at contract inception. There are currently no new reinsurance programmes in place, historic programmes are risk attaching and have been raised as insurance-related assets.

35.9 Derivative instruments

The derivatives used by the Group are mainly over-the-counter instruments, particularly FECs, option contracts, and interest rate swaps. The Group deals only with financial institutions of high credit standing. The instruments are employed according to uniform guidelines and are subject to strict internal controls. Their use is confined to the hedging of the operating business and of the related investments and financing transactions.

35.10 Fair value of financial instruments

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, other receivables, investments, trade payables, other payables, borrowings and derivative instruments. Financial instruments held-to-maturity in the normal course of business are recorded at amortised cost using the effective interest rate or redemption amounts as appropriate. The recorded amount is described below as the carrying amount, otherwise known as book value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The carrying value of financial instruments approximates the fair value of the financial instruments as at 30 June 2017.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Cash and cash equivalents, investments and other non-current assets

Cash and cash equivalents

The carrying amount of cash and other financial assets approximates fair value due to the relatively short-term maturity of these financial instruments and application of market related interest rates.

Investments

The fair value of debt securities is determined using a discounted cash flow method. The fair value of unlisted equity investment is determined using a combination of discounted cash flow, net asset value and price earnings method. These investments are carried at their original cost less impairments in the statement of financial position. The fair values of publicly traded instruments are estimated based on quoted market prices for those or similar investments where there are no quoted market prices available.

Long-term receivables

The fair value of long-term receivables approximates the carrying value as market-related rates of interest are charged on these outstanding amounts.

Other

For all other instruments for which there are no quoted market prices, a reasonable estimate of fair value has been calculated based on the expected cash flows or the underlying net asset base for each instrument.

(ii) Short-term borrowings

The carrying amount approximates fair value because of the short yield to maturity of those instruments and application of market related interest rates.

(iii) Long-term borrowings

The fair value of the long-term borrowings is based on the quoted market price for the same or similar borrowings or on the current rates available for borrowings with the same maturity profile and effective interest rate with similar cash flows. The fair value of non-current borrowings and other payables with variable interest rates approximates their carrying amounts.

(iv) Derivatives

The fair value of derivatives is based upon mark-to-market valuations.

Foreign currency contracts

Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. The FEC valuations are categorised as a level 2 fair value.

Interest rate swaps

"The fair value of interest rate swap contracts are estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. The interest rate swap contracts valuations are categorised as a level 2 fair value.

36. SHARE-BASED PAYMENTS

Equity-settled share option schemes

The Group currently has three share incentive schemes namely Share Appreciation Right Scheme (SARS). the Broad-Based Black Economic Empowerment (B-BBEE) Scheme and the SG Fleet Share Option Plan.

Share Appreciation Right Scheme (SARS)

The underlying principle of the schemes is to provide direct linkage between the interests of the shareholders and the efforts of the executives or managers. The Share Appreciation Right Scheme 2005 incorporates performance target requirements which must be met before the exercise of the share option is permitted. The performance targets are set by the Remuneration Committee and may be varied from time to time.

Selected employees receive annual grants of SARS. which are rights to receive shares equal to the value of the difference between the exercise price and grant price less the applicable income tax payable on the difference. The performance condition imposed for all awards is that headline earnings per share must increase by 2% per annum above inflation over a three-year performance period. Certain awards have additional divisional profit before tax targets as performance conditions.

The following assumptions have been used in the Black Scholes model:

Expected option life (calculated by reference to specific allocation)	2.33 to 2.87 years
Risk-free interest rate (determined by reference to vesting date)	5.6% to 9.0%
Share volatility (determined by reference to vesting date)	23.1% to 24.9%
Dividend yield	–

	SARS options 30 June 2017	SARS options 30 June 2016
Movement in number of options		
Balance at beginning of year	**19 542 989**	16 964 121
Options granted	**4 170 000**	6 049 999
Options exercised	**(4 510 460)**	(4 539 978)
Options forfeited	**(1 729 961)**	(490 395)
Rights offer impact	**–**	1 559 242
Balance at end of year	**17 472 568**	19 542 989
Vesting year of option granted		
Already vested	**2 037 388**	326 890
Conditional on confirmation of performance	**5 541 201**	6 866 175
Within year one	**6 013 979**	5 950 042
Within year two	**3 880 000**	6 399 882
	17 472 568	19 542 989
Exercise price of options		
R40.20	**3 880 000**	–
R38.93	**250 000**	250 000
R32.74	**–**	107 347
R31.85	**5 763 979**	6 042 535
R31.13	**5 541 201**	5 950 042
R22.33	**2 037 388**	6 866 175
R16.51	**–**	326 890
	17 472 568	19 542 989

	30 June 2017 Rand	30 June 2016 Rand
Weighted average share price of options exercised	**41.28**	36.94
Weighted average exercise price of options forfeited	**29.71**	23.45

	30 June 2017 R'000	30 June 2016 R'000
Share-based payment expense (SARS only)	**28 195**	28 974

NOTES TO THE FINANCIAL STATEMENTS > CONTINUED

36. SHARE-BASED PAYMENTS > CONTINUED

Broad-Based Black Economic Empowerment (B-BBEE) Scheme

The Group implemented a B-BBEE scheme on 1 October 2012. An initial allocation of participation rights was made in relation to the B-BBEE scheme in South Africa. In implementing the scheme the Group has disposed of 20.04% interest in Super Group Holdings Proprietary Limited (SGH) to SG Tsogo (RF) Proprietary Limited (SGTS) in return for the issue of SGTS shares to the Group. On 1 October 2012 SGTS had issued additional shares to the SG Tsogo Empowerment Trust (the Trust) which resulted in the Trust holding 50.1% of the total issued share capital of SGTS. During the current year, an additional 0.9% of the shares were issued to the Trust for R 8 675 000. The Group will continue to hold 49.0% (2016: 49.9%) of the total issued share capital of SGTS. SGTS meets the definition of a black owned company in terms of the B-BBEE Act and codes. SGTS holds 20.04% of the shareholding in SGH through means of B Class ordinary shares issued by SGH. The B Class shares have the same rights and privileges as those attached to the ordinary shares issued by SGH, but for the fact that the B Class shares are entitled to a discretionary preferential dividend annually. At the end of the vesting period a determined number of SGTS shares will be repurchased by SGTS at R0.0001 per share. The remaining SGTS shares will be distributed by the trustees of the Trust to the employees in terms of their vesting rights. Subsequently, the remaining shares will be exchanged by the employees for Group shares.

The shares are valued using a Black-Scholes model, assuming a life of 10 years. In performing the valuation, the cost of the distribution stream attached to the scheme is added to the option costs, as a traditional share option does not receive distributions. Staff retention rates are a key assumption and have been modelled based on historical experience.

The participants of the scheme are full time black employees of the SGH group. The employees are not required to pay any consideration to the Trust for the allocation. The number of shares that vest to an employee is determined with reference to length of service with the SGH Group and the points allocated to him, which will increase as the years of service in the SGH Group increases.

The weighted average share price during the year to June 2017 was R38.64 (2016: R37.17)

The following assumptions have been used:

Expected option life (calculated by reference to specific allocation)	10 years
Share volatility (determined by reference to vesting date)	23.3%
Dividend yield	3.0%
Risk-free interest rate	7.8%
Number of participants on share scheme	3 641

	30 June 2017 R'000	30 June 2016 R'000
Share based payment expense (B-BBEE scheme only)	**6 721**	4 999

SG Fleet Share Option Plan

Share option plan

There were no options over ordinary shares granted to or vested by key management and personnel of SG Fleet during the year ended 30 June 2017 (2016: no options granted).

In the 2014 financial year a share option scheme was established in SG Fleet to incentivise key management and personnel of the SG Fleet operations. The Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

The details are as follows:

Expected option life (calculated by reference to specific allocation)	4 years
Grant date	04/03/2014
Vesting date	14/08/2017
Expiry date	13/08/2018
Exercise price	AUD 1.85
Share price at grant date	AUD 1.61
Expected volatility	35.0%
Dividend yield	5.7%
Risk-free interest rate	3.1%
Fair value at grant date	AUD 0.252
Number of options outstanding at year end	8 086 046

	30 June 2017 R'000	30 June 2016 R'000
Share-based payment expense (SG Fleet share option plan only)	**6 510**	9 984

Performance options

During the year SG Fleet granted performance rights to certain employees, these rights are subject to a service and performance condition. The performance condition is based on compound annual growth rate of SG Fleet's earnings per share. Rights do not carry a right to receive any dividends. If rights vest and are exercised to receive shares, these shares will be eligible to receive dividends.

The details are as follows:

Expected option life	2.28 to 3.28 years
Share price at grant date	AUD 3.29
Exercise price	AUD 0.00
Dividend yield	4.1%

Vesting date	Performance options	Fair value at grant date AUD
30 June 2018	**142 967**	**3,12**
30 June 2019	**285 993**	**3,00**
Total unvested performance rights – 30 June 2017	**428 960**	

None of the performance rights outstanding as at 30 June 2017 are vested and exercisable. The weighted average remaining contractual life of performance rights outstanding at 30 June 2017 was 20 months.

	30 June 2017 R'000	30 June 2016 R'000
Share-based payment expense (SG Fleet performance options only)	**1 516**	–

37. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND KEY ASSUMPTIONS

The directors and the Audit Committee have considered the Group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the Group's accounting policies.

Critical accounting policies

The Audit Committee is satisfied that the critical accounting policies are appropriate to the Group.

Key sources of uncertainty and critical accounting judgements in applying the group's accounting policies

Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. The Group makes estimates, judgements and assumptions concerning the future. Those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

The Group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell.

Inventories

Impairment provisions or write downs to net realisable value are raised against inventory when it is considered that the amount realisable from such inventory's sale is less than its carrying amount. In determining whether a particular item of inventory could be considered to be overvalued, the following factors are taken into consideration:

- saleability
- sub-standard quality and damage; and
- historical and forecast sales

Trade receivables

Management identifies impairment of trade receivables on an on-going basis. Impairment adjustments are raised against trade receivables when their collectability is considered to be doubtful based on objective evidence that a loss event has occurred. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- age;
- sector;
- customer current financial status; and
- disputes with the customer.

Property, plant and equipment and full maintenance vehicles

The residual values of property, plant and equipment are considered significant, for certain classes of property, plant and equipment (e.g. motor vehicles) and full maintenance lease vehicles. The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgement to be applied by management. The depreciation rates represent management's current best estimate of the useful lives of the assets. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset. Where deemed necessary, actuaries are used in determining the residual values for full maintenance lease vehicles. The valuation model projects each active vehicle on a monthly basis based on an average monthly mileage for each vehicle. Assumptions in these models include future projected interest rates and market value data published in the relevant countries.

Intangible assets with indefinite life

The group assesses whether an intangible purchased as part of a business combination has an indefinite useful life. The following considerations are taking into account:

- whether the Group intends to maintain the intangible
- whether the Group has the ability to maintain the intangible
- the level of future expenditure required to maintain the intangible
- the stability of the industry in which the intangible operates.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and tax rates and competitive forces.

Revenue recognition

The percentage of completion method is utilised to recognise revenue on long-term contracts. Management exercises judgement in calculating the deferred revenue reserve which is based on the anticipated cost of providing the services over the life of the contract to the total expected revenue arising from the contracts.

The Group acts as principal or agent in its activities earning revenues. When acting as agent, revenues are recognised based on the services rendered rather than the value invoiced to the recipient of the goods. This is the case when the Group does not take title of the goods delivered and has no responsibility in respect of the goods sold. Through these trading activities, the Group facilitates its customers' purchases and sales and earns a fee for this service.

Income tax

The Group operates in numerous tax jurisdictions and is subject to tax legislation that is open to interpretation. This requires a degree of judgement to be applied by management in determining income tax.

The provision for potential income tax exposures are the best estimates of the tax amount expected to be paid. The best estimate amount is included as part of the income tax expense charge in the Statement of Comprehensive Income and the liability to the tax authorities. The Group reassesses its best estimates on an on-going basis based on new information that may impact these estimates. The tax amount is calculated based on a probability of the individual tax exposures present.

37. CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND KEY ASSUMPTIONS > CONTINUED

Policyholder claims and benefits
The Group estimates for reported and unreported losses and establishing resulting provisions and related reinsurance recoverables are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss. The process relies upon the basic assumption that past experience, adjusted for the effect of current developments and likely trends, is an appropriate basis for predicting future events.

Non-controlling interest put options
The fair value of the put options over non-controlling interest in a subsidiary company is determined by using a discounted future cash flow analysis.

The Group uses its judgement to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

Valuation and asset lives of separately identifiable intangible assets
Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their value can be reliably estimated.

In order to determine the fair value of the separately identifiable intangible assets on a business combination, management use their best knowledge to make estimates when utilising the Group's valuation methodologies. The valuation methodologies require input based on assumptions about the future and use discounted cash flows and free cash flow forecasts.

For significant acquisitions management considers the advice of third party independent valuers in identifying and calculating the valuation of any intangible assets arising on acquisition.

Share-based payments
The Group considers at each grant date the following factors in determining whether the share grant should be accounted for as a cash or equity settled instrument:

- Whether the Group has an obligation to settle in cash or in equity instruments
- If there is no obligation, is there a choice of the method of settlement
- If there is a choice of the type of settlement, does the choice lie with the Group or the employee
- Previous methods of settlement of similar share grants would also be considered.

Deferred contingent consideration
The group recognised contingent consideration which resulted from business combinations at fair value at acquisition date. At acquisition date, the contingent consideration meets the definition of a financial asset/liability and is subsequently re-measured at each reporting date. Management exercises judgement in the determination of the discount rate and the probability of performance targets being met.

Onerous contracts
A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

38. DIRECTORS' REMUNERATION

Policy on directors' remuneration

The directors are appointed to the Board to bring to the Group the skills and experience appropriate to its needs. The guaranteed remuneration is based on the median of the market, with discretion to pay a premium (typically 5% to 20%) to the median for the attraction and retention of the directors.

Executive directors' remuneration

The Remuneration Committee (Remco) aims to align the directors' total remuneration with shareholders' interest by ensuring that a significant portion of their package is linked to the achievement of performance targets.

Executive directors' salaries comprise a cash salary which is reviewed annually by Remco. Salaries are compared to pay levels of other South African companies to ensure sustainable performance and market competitiveness. The individual salaries of directors are reviewed annually in light of their own performance, experience, responsibility and Group performance. The Company makes contributions to defined contribution plans on behalf of the executive directors on the basis of a percentage of cash salary. Death and disability cover provided to executive directors reflects best practice amongst comparable employers in South Africa. Other benefits include car and travel benefits and cover on the Group's medical healthcare scheme. These elements comprise the fixed remuneration component.

The following tables show a breakdown of the annual remuneration (excluding equity awards) of directors for the years ended 30 June 2017 and 30 June 2016.

Year ended 30 June 2017	Basic remuneration[1] R	Subsidiary director's fees[2] R	Retirement contributions R	Other material benefits[3] R	Total excluding performance R	Performance bonus R	Total R
P Mountford	**4 972 160**	**1 199 648**	**346 399**	**280 073**	**6 798 280**	**6 990 000**	**13 788 280**
C Brown	**2 944 204**	**–**	**347 066**	**155 492**	**3 446 762**	**3 440 000**	**6 886 762**
Total	**7 916 364**	**1 199 648**	**693 465**	**435 565**	**10 245 042**	**10 430 000**	**20 675 042**

1. *Remuneration comprises gross salary.*
2. *For services as a director of SG Fleet, amounting to AUD117 500.*
3. *Other material benefits include entitlement to fuel, cover on the Group's medical healthcare and disability scheme, funeral benefits and travel allowances. These benefits are granted on similar terms to other senior executives.*

Year ended 30 June 2016	Basic remuneration[1] R	Subsidiary director's fees[2] R	Retirement contributions R	Other material benefits[3] R	Total excluding performance R	Performance bonus R	Total R
P Mountford	4 324 962	1 121 464	592 466	382 571	6 421 463	6 277 000	12 698 463
C Brown	2 810 042	–	344 400	125 558	3 280 000	3 608 000	6 888 000
Total	7 135 004	1 121 464	936 866	508 129	9 701 463	9 885 000	19 586 463

1. *Remuneration comprises gross salary.*
2. *For services as a director of SG Fleet, amounting to AUD107 500.*
3. *Other material benefits include entitlement to fuel, cover on the Group's medical healthcare and disability scheme, funeral benefits and travel allowances. These benefits are granted on similar terms to other senior executives.*

Non-executive directors' fees

Non-executive directors generally receive fixed fees for service on the Board and Board committees. Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive schemes. The fees paid to non-executive directors were approved by Remco, the Board and shareholders at the Annual General Meeting.

Non-executive directors	Fixed directors' fees including allowances R	Meeting attendance fees R	Year ended 30 June 2017 (excluding VAT) R	Year ended 30 June 2016 (excluding VAT) R
P Vallet[1]	**652 083**	**200 000**	**852 083**	735 442
E Banda	**344 167**	**220 000**	**564 167**	584 742
V Chitalu	**344 167**	**130 000**	**474 167**	491 442
M Cassim	**344 167**	**190 000**	**534 167**	595 642
J Newbury	**344 167**	**335 000**	**679 167**	551 742
D Rose	**344 167**	**360 000**	**704 167**	733 042
Total	**2 372 918**	**1 435 000**	**3 807 918**	3 692 052

1. *Billed by Fluxmans Inc. P Vallet's full-time employer.*

38. DIRECTORS' REMUNERATION > CONTINUED

Directors' service contracts

Peter Mountford, the CEO, has a written letter of appointment which endures indefinitely and is subject to termination on one month's notice. Colin Brown the CFO has a written letter of appointment which endures indefinitely and is subject to termination on two months' notice. Both executives have change of control clauses included in their letters of appointment. The contractual relationship between the Company and its executive directors is controlled through Remco which comprises non-executive directors only.

These contracts are formulated in a manner which is consistent with the provisions of the Basic Conditions of Employment Act.

Directors' share option and incentive scheme grants

Directors participate in the Group's share option and incentive schemes, which are designed to recognise the contributions of senior staff to the growth in the value of the Group's equity and to retain key employees. Within the limits imposed by the Company's shareholders, options are allocated to the directors and senior staff in proportion to their contribution to the business as reflected by their seniority and the Company's performance. The options, which are allocated at a price determined by Remco, in terms of a resolution and the applicable JSE Listings Requirements, vest after stipulated periods and are exercisable after a three-year period in terms of the scheme rules.

Share option allocations are considered at least annually and are recommended by Remco and approved by the Board. The underlying principle of these schemes is to provide direct linkage between the interests of shareholders and the efforts of executives or managers.

Targets are linked where applicable to the Group's medium-term business plan, over rolling three-year performance periods. The SARS incorporates performance target requirements which must be met before the exercise of the share grants is permitted. Certain executive directors have an interest in the various share incentive schemes of the Group. The performance targets are set by Remco and may be varied from time to time.

Analysis of directors' share option entitlements as at 30 June 2017

Executive directors' options	Allocation date	Strike price R	Balance at 1/7/2016	Awarded	Exercised	Exercise date	Exercise price R	Balance at 30/6/2017	Share based payment expense R'000
Peter Mountford	26/08/2013	22.33	1 184 546	–	(600 000)	30/08/2016	40.67	584 546	
	19/08/2014	31.13	1 087 020	–	–	–	–	1 087 020	
	26/08/2015	31.85	1 071 370	–	–	–	–	1 071 370	
	31/08/2016	40.20	–	850 000	–	–	–	850 000	
Total			3 342 936	850 000	(600 000)	–	–	3 592 936	5 580
Colin Brown	26/08/2013	22.33	807 645	–	(807 645)	12/09/2017	42.47	–	
	19/08/2014	31.13	760 914	–	–	–	–	760 914	
	26/08/2015	31.85	749 959	–	–	–	–	749 959	
	31/08/2016	40.20	–	500 000	–	–	–	500 000	
Total			2 318 518	500 000	(807 645)	–	–	2 010 873	3 780
Total directors' options			5 661 454	1 350 000	(1 407 645)	–	–	5 603 809	9 360

Analysis of directors' share option entitlement as at 30 June 2016	Opening balance	Awarded/ adjusted under SARS[1]	Options exercised	Closing balance
Executive directors				
P Mountford	2 700 000	1 271 892	(628 956)	3 342 936
C Brown	1 850 000	887 822	(419 304)	2 318 518
Total	4 550 000	2 159 714	(1 048 260)	5 661 454

[1.] *The share options were adjusted In terms of the rules of the scheme following the Rights Offer on 12 October 2015.*

Directors’ share option benefits as at 30 June	2017 Share option gains after tax R’000	2016 Share option gains after tax R’000
Executive directors		
P Mountford	**6 492**	8 252
C Brown	**9 597**	5 616
Total	**16 089**	13 868

Beneficial and non-beneficial shareholding

There was no directors beneficial and non-beneficial shareholding for the 30 June 2017 and 30 June 2016 financial years.

There has been no change to the directors’ holdings between 30 June 2017 and the date of this report.

Interest of directors in contracts

Fluxmans Attorneys, a director-related entity, was appointed to assist Super Group with corporate law advisory services in respect of various transactions and several other corporate and labour matters. During the year the Group paid Fluxmans Attorneys R2.7 million (2016: R3.7 million) for general legal services of which approximately 23.7% (2016: 33.9%) is in respect of disbursements paid by Fluxmans on behalf of Super Group.

The directors have certified that they were not materially interested in any transaction of material significance and which significantly affected the business of the Group, with the company or any of its subsidiaries. Accordingly, no conflict of interest with regard to directors’ interests in contracts exists. There have been no material changes in the aforegoing since 30 June 2017 and the date of approval of these financial statements.