

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 31 May 2016

1. Results of operations continued

1.2 Revenue continued

	2016 R'000	2015 R'000
Prepaid airtime, data and related revenue	24 147 786	20 245 563
Postpaid airtime, data and related revenue	141 397	127 030
Prepaid and postpaid SIM cards	607 833	701 223
Services	542 748	442 600
Electricity commission	246 371	201 170
Handsets, tablets and other devices	322 967	178 886
Other revenue*	195 620	147 750
	26 204 722	22 044 222

* Other revenue primarily comprises meter installations, device rentals and ticket sales.

1.3 Operating profit

	2016 R'000	2015 R'000
The following has been charged/(credited) in arriving at operating profit:		
Acquisition-related costs	21 639	1 971
Advertising and promotional expenses	12 215	14 252
Amortisation of intangible assets**	130 353	121 819
Audit fees – services as auditors	16 816	14 188
Audit fees – other	2 468	491
Consulting fees	28 261	29 645
Contingent purchase price release* (refer to note 3.2.1)	(48 120)	(923)
Depreciation	42 738	40 813
Foreign exchange profit*	(73 499)	(20 443)
Impairment of loans	—	4 907
Impairment of trade receivables	6 418	14 463
Impairment of trade receivables – provision	2 923	(4 738)
Impairment of intangible assets	2 568	—
Impairment of inventory	5 368	—
IT infrastructure costs and computer-related costs	23 321	21 117
Legal fees	3 282	14 701
Loss/(profit) on disposal of subsidiaries	3 885	(3 962)
Profit on disposal of associates	—	(37 238)
Management fees paid	6 241	5 624
Motor vehicle expenses	9 559	9 484
Operating lease rentals – premises ^(a)	32 894	33 692
Overseas travel	6 512	5 536
Profit on disposal of property, plant and equipment*	(500)	(1 707)

* Included in other income on the Group income statement.

** Included in the amortisation charge is an amount of R77.5 million (2014: R73.5 million) in respect of the purchased starter pack bases and postpaid bases, which is charged to the changes in inventories of finished goods line in the income statement.

^(a) Leases in which a significant portion of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments under operating leases, net of incentives, are charged to the income statement on a straight-line basis over the period of the lease.