Notes to the Group annual financial statements continued

For the year ended 31 May 2017

1. Results of operations continued

1.4 Finance costs and finance income

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

	2017 R'000	2016 R'000
Finance costs		
– Bank	**29**	61
– Loans and facilities	**97 474**	33 851
– Unwinding of contingent purchase price	**4 621**	9 712
– Other	**3 394**	4 583
– Discounting of payables	**197 509**	165 903
	303 027	214 110
Finance income		
– Bank	**(23 557)**	(34 002)
– Loans	**(22 444)**	(4 336)
– Related-party loans (refer to note 8)	**(31 237)**	(25 351)
– Other	**(1 887)**	(577)
– Discounting of receivables	**(163 069)**	(129 633)
	(242 194)	(193 899)
Net finance costs	**60 833**	20 211

1.5 Earnings per share

(a) Basic

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

(b) Headline

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

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

(c) Diluted – basic and headline

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

(d) Core headline

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