Notes to the Company annual financial statements continued

For the year ended 31 May 2017

	2017 R'000	2016 R'000
16. Operating (loss)/profit		
The following items have been charged/(credited), in arriving at operating profit/(loss):		
Acquisition-related costs	**23 003**	21 639
Audit fees – other	**—**	134
Audit fees – services as auditors	**5 699**	7 355
Consulting fees	**5 405**	6 882
Foreign exchange loss	**19 800**	—
Foreign exchange profit**	**—**	(26 049)
Contingent purchase price release (refer to note 2)**	**(4 698)**	(30 924)
Impairment of loans and investments*	**66 479**	2 496
Reversal of impairment of loans and investments	**—**	(157 914)***
Insurance	**920**	899
Legal fees	**197**	198
Operating lease rentals – premises	**(1 166)**	(897)
Rental paid	**16 662**	13 507
Rental recovery	**(17 828)**	(14 404)
Overseas travel	**3 019**	2 166
Loss on disposal of property and equipment	**54**	4
Profit on disposal of subsidiary	**—**	(900)

* *An impairment loss of R0.1 million (2016: R2.5 million) was recognised in the current year relating to the impairment of a related party loan in line with our stated accounting policies (refer to note 22). The related-party loan has been fully impaired due to the continuing trading losses in these entities which are not considered to be immediately recoverable. An impairment loss of R66.4 million was recognised in the current year relating to the impairment of investments in line with our stated accounting policies. The impairment arose due to the impairment indicators of these assets. Value-in-use calculations were performed on these assets and the relevant provisions for impairment raised. Refer to note 4.1 of the Group financial statements.*

** *Included in other income.*

*** *The reversal of impairment relates to the investment in Cellfind SA Proprietary Limited of R141.8 million and the investment in Datacel Direct Proprietary Limited of R16.1 million. The reversal arose due to the impairment indicators of these assets no longer being applicable. Value-in-use calculations were performed on these assets and their provisions for impairment reversed. Refer to note 4.1 of the Group financial statements.*

	2017 R'000	2016 R'000
17. Finance costs and finance income		
Finance costs		
– Bank	**6**	6
– Unwinding of contingent purchase price	**3 519**	7 806
	3 525	7 812
Finance income		
– Bank	**(402)**	(327)
– Loans	**(10 580)**	(9 940)
	(10 982)	(10 267)
Net finance income	**(7 457)**	(2 455)