1. RESULTS OF OPERATIONS continued

1.3 Operating profit continued

	Notes	2019 R'000	2018 R'000
Impairments and fair value losses comprise the following:			
Arising from the application of IFRS 9 expected credit loss requirements:			
Impairment of loans		163 663	142 069
Financial guarantee contracts	3.6.3	58 832	—
Impairment of trade receivables – provision	3.1	15 200	18 790
Trade receivables written off		6 115	7 443
Other impairments and fair value movements:			
Impairment of goodwill	4.1	124 400	—
Surety receivable recognised	3.5.1	(29 998)	(55 005)
Fair value losses on financial instruments		873 877*	45 360
		1 212 089	158 657

* This amount includes the fair value losses on SPV1, SPV2 and loans at fair value, net of VAT. Refer to note 3.7.

	Notes	2019 R'000	2018 R'000
Impairments on associates and joint venture comprise the following:			
Impairment of investment in OSI	2.1	118 412	—
Impairment of investment in Cell C	2.1	2 521 152	—
Impairment of investment in SupaPesa	2.1	29 512	—
		2 669 076	—
Included in impairments and fair value losses and impairments on associates and joint ventures above are the following:			
Impairments and fair value losses relating to Oxigen			
Impairment of 2DFine loan	2.1	130 718	141 852
Impairment of OSI loan	2.1	30 511	—
Financial guarantee contracts	3.6.3	62 132	—
Impairment of investment in OSI	2.1	118 412	—
Surety receivable recognised	3.5.1	(29 998)	(55 005)
		311 775	86 847
Impairments and fair value losses relating to Cell C			
Impairment of investment in Cell C	2.1	2 521 152	—
Fair value loss on SPV1 and SPV2	3.7	750 263	45 360
		3 271 415	45 360

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.

Where the core business of a Group subsidiary is providing finance to its customers, the interest earned from these customers is recognised as revenue and the related interest incurred is recognised in changes in inventories of finished goods in the income statement. In all other scenarios, interest is recognised as a finance income or finance expense below operating profit.

	2019 R'000	2018 R'000
Finance costs		
– Bank	842	170
– Loans and facilities	208 612	162 647
– Unwinding of contingent purchase price	189	591
– Related-party loans (refer to note 8)	149	—
– Other	21 340	3 205
– Discounting of payables	14 825	140 023
	245 957	306 636
Finance income		
– Bank	(31 300)	(33 006)
– Loans	(7 585)	(23 331)
– Related-party loans (refer to note 8)	(45 528)	(123 940)
– Other	(12 396)	(11 549)
– Discounting of receivables	(2 896)	(3 472)
	(99 705)	(195 298)
Net finance costs	146 252	111 338