1. Results of operations continued

1.4 Finance costs and finance income

Finance costs/income are recognised in profit or 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 finance costs incurred in the generation of revenue in the income statement. In all other scenarios, interest is recognised as a finance income or finance expense below operating profit.

	2021 R'000	2020 R'000
Finance costs		
– Bank	**288**	667
– Loans and facilities	**116 842**	203 378
– Unwinding of contingent purchase price	**—**	1 166
– Related-party loans	**546**	6
– Other	**5 356**	5 431
– Fair value movement on put option	**—**	7 654
– Unwinding of lease liability	**8 915**	11 686
	131 947	229 988
Finance income		
– Bank	**(51 308)**	(63 371)
– Loans	**(3 284)**	(4 738)
– Related-party loans	**(1 192)**	(2 153)
– Other	**(3 933)**	(5 205)
– Discounting of receivables	**—**	(2 708)
	(59 717)	(78 175)
Net finance costs	**72 230**	151 813

1. Results of operations continued

1.5 Earnings per share

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*.

Use of adjusted measures

The measures listed below are presented as management believes it to be relevant to the understanding of the Groups financial performance. These measures are used for internal performance analysis and provide additional useful information on underlying trends to equity holders. These measures are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS.

Notes to the Group annual financial statements
continued

for the year ended 31 May 2021

1. Results of operations continued

1.5 Earnings per share continued

(a) Headline earnings, earnings and core headline earnings per share

	Total			
	Attributable earnings		Cents per share	
	2021 R'000	2020 R'000	2021	2020
Headline earnings per share				
Basic	**756 917**	521 313	**86.16**	58.16
Diluted	**756 917**	521 313	**83.26**	57.44
Core	**787 580**	562 132	**89.65**	62.71
Earnings attributable to ordinary equity holders				
Basic	**830 607**	124 481	**94.55**	13.89
Diluted	**830 607**	124 481	**91.36**	13.89

(b) Weighted average number of shares

Weighted average number of shares	2021 '000	2020 '000
Weighted average number of ordinary shares	**878 463**	896 409
Adjusted for forfeitable shares	**31 334**	16 683
Weighted average number of ordinary shares for diluted earnings[1]	**909 797**	913 092

[1] The same weighted average number of shares for basic earnings per share is used for core headline earnings per share.

Continuing operations				Discontinued operations			
Attributable earnings		Cents per share		Attributable earnings		Cents per share	
2021 R'000	2020 R'000	**2021**	2020	**2021 R'000**	2020 R'000	**2021**	2020
731 936	436 747	**83.32**	48.73	**24 981**	84 566	**2.84**	9.43
731 936	436 747	**80.51**	47.83	**24 981**	84 566	**2.75**	9.43
762 599	469 113	**86.81**	52.33	**24 981**	93 019	**2.84**	10.38
							—
805 286	226 786	**91.67**	25.30	**25 321**	(102 305)	**2.88**	(11.41)
805 286	226 786	**88.58**	24.84	**25 321**	(102 305)	**2.79**	(11.41)

Notes to the Group annual financial statements
continued

for the year ended 31 May 2021

1. Results of operations continued
1.5 Earnings per share continued
(c) Analysis of headline earnings

	Total			
	Profit/(loss) before tax and non-controlling interest R'000	Tax R'000	Non-controlling interest R'000	Headline earnings R'000
2021				
Profit attributable to equity holders of the parent	**1 136 968**	**(258 952)**	**(47 409)**	**830 607**
Profit on disposal of property, plant and equipment	**(1 016)**	**284**	**–**	**(732)**
Impairment of property, plant and equipment	**5 559**	**(1 557)**	**–**	**4 002**
Impairment of intangible assets	**754**	**(211)**	**–**	**543**
Profit on disposal of joint venture	**(26 955)**	**–**	**–**	**(26 955)**
Loss on disposal of joint venture	**1 990**	**–**	**–**	**1 990**
FCTR recycled on the disposal of investment in joint venture	**(52 538)**	**–**	**–**	**(52 538)**
Headline earnings				**756 917**
2020				
Profit/(loss) attributable to equity holders of the parent	518 349	(299 242)	(94 626)	124 481
Profit on disposal of property, plant and equipment and intangible assets	(13 460)	3 769	280	(9 411)
Impairment of property, plant and equipment	65 701	(2 044)	–	63 657
Impairment of leased assets	30 712	–	–	30 712
Profit on disposal of subsidiary	(528)	–	–	(528)
Impairment of disposal groups	53 232	–	–	53 232
Impairment of goodwill	259 170	–	–	259 170
Headline earnings				521 313

Continuing operations				Discontinued operations			
Profit/(loss) before tax and non-controlling interest R'000	Tax R'000	Non-controlling interest R'000	Headline earnings R'000	Profit/(loss) before tax and non-controlling interest R'000	Tax R'000	Non-controlling interest R'000	Headline earnings R'000
1 102 111	**(249 416)**	**(47 409)**	**805 286**	**34 857**	**(9 536)**	**—**	**25 321**
(544)	**152**	**—**	**(392)**	**(472)**	**132**	**—**	**(340)**
5 559	**(1 557)**	**—**	**4 002**	**—**	**—**	**—**	**—**
754	**(211)**	**—**	**543**	**—**	**—**	**—**	**—**
(26 955)	**—**	**—**	**(26 955)**	**—**	**—**	**—**	**—**
1 990	**—**	**—**	**1 990**	**—**	**—**	**—**	**—**
(52 538)	**—**	**—**	**(52 538)**	**—**	**—**	**—**	**—**
			731 936				**24 981**
500 835	(219 752)	(54 297)	226 786	17 514	(79 490)	(40 329)	(102 305)
(12 589)	3 525	183	(8 881)	(871)	244	97	(530)
7 303	(2 044)	—	5 259	58 398	—	—	58 398
—	—	—	—	30 712	—	—	30 712
—	—	—	—	(528)	—	—	(528)
—	—	—	—	53 232	—	—	53 232
213 583	—	—	213 583	45 587	—	—	45 587
			436 747				84 566

Notes to the Group annual financial statements
continued

for the year ended 31 May 2021

1. Results of operations continued

1.5 Earnings per share continued

(d) Analysis of core headline earnings

	Total		Continuing operations		Discontinued operations	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Reconciliation between net profit for the period and core headline earnings for the period:						
Net profit/(loss) for the period	**830 607**	124 481	**805 286**	226 786	**25 321**	(102 305)
Amortisation of intangibles raised through business combinations net of tax and non-controlling interest	**30 663**	40 819	**30 663**	32 366	**–**	8 453
Core net profit/(loss) for the period	**861 270**	165 300	**835 949**	259 152	**25 321**	(93 852)
Headline earnings adjustments	**(73 690)**	396 832	**(73 350)**	209 961	**(340)**	186 871
Core headline earnings	**787 580**	562 132	**762 599**	469 113	**24 981**	93 019