

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

2 RESULTS OF OPERATIONS (continued)

2.4 Operating profit

Employee benefits

Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is expensed in that reporting period. A liability is recognised for accumulated leave when there is a present legal or constructive obligation as a result of past service rendered by employees.

A liability for unvested short-term benefits is recognised when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid can be reliably estimated; or
- achievement of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be reliably estimated.

Post-employment benefits

Defined contribution plans

Group companies operate various defined contribution plans. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payment transactions

The Group operates a number of share incentive schemes. For further details, refer to note 8.4.

Termination benefits

Termination benefits may be payable when an employee's employment is terminated before the normal retirement date due to retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Group recognises costs for a restructuring that is within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* that includes the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

2 RESULTS OF OPERATIONS (continued)

2.4 Operating profit (continued)

	2015 Rm	2014 Rm
Staff costs	(8 587)	(8 838)
Salaries and wages	(6 698)	(7 109)
Post-employment benefits	(363)	(405)
Share options granted to directors and employees (note 8.4)	(179)	(110)
Training	(223)	(244)
Other	(1 124)	(970)
The following disclosable items have been included in arriving at operating profit:		
Auditors' remuneration	(130)	(129)
Audit fees	(107)	(104)
Fees for other services	(15)	(14)
Expenses	(8)	(11)
Emoluments to directors and prescribed officers (note 10.1)	(187)	(154)
Operating lease rentals	(8 692)	(4 413)
Property and network sites	(8 601)	(4 312)
Equipment and vehicles	(91)	(101)
Loss on disposal of property, plant and equipment and intangible assets	(8)	(69)
Impairment loss on property, plant and equipment (note 5.1)	(77)	(634)
Impairment loss on other intangible assets (note 5.2)	–	(74)
(Write-down)/reversal of write-down of inventories (note 4.1)	(669)	94
Impairment of trade receivables (note 4.2)	(1 151)	(286)
Reversal of impairment of non-current receivables (note 7.3)	–	230