

Notes to the Company financial statements

for the year ended 31 December 2015

1 FINANCE INCOME AND FINANCE COSTS

Finance income

Finance income comprises interest income on funds invested, dividend income and net foreign exchange gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised when the right to receive payment is established.

Finance costs

Refer to note 2.5 of the Group financial statements for the applicable accounting policy.

	2015 Rm	2014 Rm
Interest income	140	24
Dividend income	23 700	20 650
Finance income	23 840	20 674
Interest on borrowings	–	(3)
Foreign exchange losses	(273)	(35)
Interest paid – other	(12)	–
Finance costs	(285)	(38)
Net finance income recognised in profit or loss	23 555	20 636

2 OPERATING EXPENSES

The following disclosable items have been included in operating expenses:

	2015 Rm	2014 Rm
Directors' emoluments	(22)	(15)
Fees paid for services	(106)	(82)
– Professional fees	(19)	(20)
– Management fees (note 11)	(87)	(62)
Auditors' remuneration	(8)	(8)
– Audit fees	(8)	(8)

3 INCOME TAX EXPENSE

Refer to note 3.1 of the Group financial statements for the applicable accounting policy.

	2015 Rm	2014 Rm
Normal tax – current year	(10)	(10)
Deferred tax – current year	(2)	7
	(12)	(3)

South African normal taxation is calculated at 28% (2014: 28%) of the estimated taxable income for the year.

	2015 %	2014 %
Tax rate reconciliation		
The charge for the year can be reconciled to the effective rate of taxation in South Africa as follows:		
Tax at statutory tax rate	28	28
Income not subject to tax	(28,2)	(28,1)
Expenses not allowed	0,3	0,1
Effective tax rate	0,1	–