

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

8 EQUITY STRUCTURE (continued)

8.3 Dividends

Dividends declared to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

	2015 Cents per share	2015 Rm	2014 Cents per share	2014 Rm
Dividends paid				
Final dividend paid in respect of the prior year	800	14 698 ²	665	12 302 ²
Interim dividend paid in respect of the current year	480	8 808 ²	445	8 225 ²
		23 506		20 527
Dividends declared				
Approved after the reporting date and not recognised as a liability	830 ¹	15 219 ²	800	14 694

¹ Declared at the board meeting on 2 March 2016.

² Excluding dividends on 10 400 061 (2014: 10 704 475) treasury shares.

8.4 Share-based payments

Equity-settled share-based payments

The schemes described below are accounted for as equity-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of service or non-market-based vesting conditions) at the grant date. The fair value is measured using a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations where applicable. The fair value determined at the grant date of the equity-settled share-based options or rights is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, based on the Group's estimate of the shares that will eventually vest. The expense is adjusted to reflect the actual number of options and share rights for which the related service and non-market-based vesting conditions are met.

Where employees exercise options or share rights in terms of the rules and regulations of the schemes, new shares are issued to participants as beneficial owners. The directors procure a listing of these shares on the JSE Limited, the securities exchange on which the Company's shares are listed. In terms of the Share Option Scheme participants entitled to share options pay a consideration equal to the option price when the options are exercised. The nominal value of shares issued is credited to share capital and the difference between the nominal value and the option price is credited to share premium. Settlement of the performance share plan (PSP) awards are done through the acquisition of shares in the open market and the subsequent delivery to participants.