

Notes to the group financial statements continued

for the year ended 31 December 2017

2 RESULTS OF OPERATIONS (continued)

2.8 Cash generated from operations

	2017 Rm	2016 Rm
Profit before tax	9 555	5 243
<i>Adjusted for:</i>		
Finance costs (note 2.5)	12 755	14 919
Finance income (note 2.5)	(3 488)	(4 424)
Depreciation of property, plant and equipment (note 5.1)	19 277	20 988
Amortisation of intangible assets (note 5.2)	4 490	4 748
Gain on disposal of property, plant, equipment and intangible assets (note 2.4)	(8)	(43)
Loss on disposal of joint venture (note 9.2)	–	626
Gain on disposal of subsidiary	–	(130)
Gain on dilution of investment in joint venture (note 2.3)	(28)	(277)
Share of results of associates and joint ventures after tax (note 9.2)	(841)	127
Increase/(decrease) in provisions	982	(5 674)
Write-down of inventories (note 4.1)	162	39
Impairment of goodwill (note 5.2)	2 631	873
Impairment loss on property, plant and equipment (note 5.1)	2 518	175
Net impairment loss on licences, software and other (note 5.2)	527	30
Impairment of trade receivables (note 4.2)	836	459
Realisation of previously deferred gain on Ghana tower sale (note 2.3)	(27)	(31)
Share-based payment transactions (note 8.4)	193	(40)
Net monetary gain	(264)	(1 723)
Share-based payment transaction with MTN Zakhele Futhi (note 8.1)	434	1 008
Gain on exercise of exchange right of IHS (note 2.3)	(6 017)	–
Loss on derecognition of long-term loan receivable (note 2.6)	2 840	–
Gain on modification of financial liabilities (note 2.3)	(323)	–
Other	(299)	(44)
	45 905	36 849
Changes in working capital	(7 421)	18 832
Decrease in inventories	485	1 119
Decrease in unearned income	(23)	(423)
(Increase)/decrease in receivables and prepayments	(2 301)	4 032
(Decrease)/increase in trade and other payables	(5 582)	14 104
Cash generated from operations	38 484	55 681