

Notes to the group financial statements continued

for the year ended 31 December 2017

9 GROUP COMPOSITION (continued)

9.3 Changes in shareholding

Changes in shareholding of subsidiaries are transactions that result in increases or reductions in the interest held in a subsidiary of the group, but which do not result in a loss of control and are accounted for as transactions with non-controlling shareholders as disclosed in note 1.3.1.

9.3.1 Current year changes in shareholding

There were no material changes in shareholding during the current year.

9.3.2 Prior year changes in shareholding

There were no material changes in shareholding during 2016.

9.4 Joint operations

In respect of its interest in joint operations, the group recognises in its financial statements its share of the assets jointly held, classified according to the nature of the assets, any liabilities that it has incurred, its share of any liabilities incurred jointly with the other joint operators in relation to the joint operation, any income from the sale or use of its share of the output of the joint operation, together with its share of any expenses incurred by the joint operation and any expenses that it has incurred in respect of its interest in the joint operation.

When the group acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

When the group increases its interest in a joint operation in which the activity of the joint operation constitutes a business, by acquiring an additional interest in the joint operation, the group's previously held interests in the joint operation are not remeasured if the joint operator retains joint control.

The group has entered into agreements with several other companies to construct high-capacity fibre-optic submarine cable systems.

The group has the following interests in jointly controlled operations:

	Ownership interest held	
	2017 %	2016 %
Joint operation		
Europe India Gateway Submarine Cable System	6,89	6,89
West Africa Cable System	11,06	11,06
Eassy Cable System	16,26	16,26
Africa Coast to Europe Cable System	8,67	8,67

The following table presents, on a condensed basis, the group's share of assets and liabilities, revenue and expenses of the jointly controlled operations which are included in the consolidated statement of financial position and income statement:

	2017 Rm	2016 Rm
Revenue	95	39
Expenses	(346)	(304)
Total assets	2 348	2 791
Total liabilities (excluding unearned income)	(130)	(169)
Unearned income	(110)	(122)