

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

	2016 R'000	2015 R'000
16. TRADE AND OTHER RECEIVABLES		
Trade receivables	1 366 829	1 259 457
Less: Provision for credit notes	(35 271)	(21 195)
Provision for impairment	(11 067)	(14 255)
	1 320 491	1 224 007
Derivative asset at fair value ⁽¹⁾	576	294
Other receivables	44 793	75 585
Bank interest receivable ⁽²⁾	–	10 785
Sundry receivables	44 793	64 800
The maximum exposure to credit risk in relation to trade and other receivables	1 365 860	1 299 886
Pre-payments	21 574	58 785
VAT recoverable ⁽²⁾	11 067	50 057
	1 398 501	1 408 728

⁽¹⁾ It is expected that the derivative asset will be realised within the next 90 days.

⁽²⁾ VAT recoverable and bank interest receivable will be received within one month.

65% (2015: 59%) of pre-payments will be recycled to other assets in the statement of financial position and the balance to profit or loss over the next 12 months.

Movements in the provisions for impairment and credit notes were as follows:

	Individually impaired R'000	Credit notes R'000	Total R'000
Balance at 1 July 2014	(8 192)	(8 835)	(17 027)
Charge for the year	(10 215)	(27 140)	(37 355)
Utilised during the year	1 748	14 780	16 528
Unused amounts reversed	2 404	–	2 404
At 30 June 2015	(14 255)	(21 195)	(35 450)
Charge for the year	(7 424)	(17 326)	(24 750)
Utilised during the year	–	3 250	3 250
Transfer to assets held-for-sale	4 384	–	4 384
Unused amounts reversed	6 228	–	6 228
At 30 June 2016	(11 067)	(35 271)	(46 338)

No provisions were utilised in the current year (2015: R1.7 million in Ghana). Trade debtors are impaired when the event of recoverability is highly unlikely, or there is an expected decrease in future inflows.

2016
R'0002015
R'000**16. TRADE AND OTHER RECEIVABLES (continued)**

The maturity analysis of trade and other receivables is as follows:

Trade Receivables

Neither past due nor impaired

<30 days	723 313	654 479
31 – 60 days	448 237	425 452
61 – 90 days	95 293	84 291

Past due after impairments

91 – 180 days	40 982	52 557
>180 days	12 666	7 228

Total	1 320 491	1 224 007
--------------	------------------	-----------

Sundry Receivables

Neither past due nor impaired

<30 days	17 067	38 912
31 – 60 days	8 241	13 492
61 – 90 days	2 788	4 373
>90 days	16 697	8 023

Total	44 793	64 800
--------------	---------------	--------

Details in respect of the Group's credit risk management policies are set out in Annexure E. The directors consider that the carrying amount of the trade and other receivables approximates their fair value due to the short period to maturity.

17. CASH AND CASH EQUIVALENTS/OVERDRAFT

Cash at banks	200 555	147 379
Bank overdraft	(11 755)	(304 210)
	188 800	(156 831)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Overdraft balances in South Africa incur interest at 8.0%.

The fair value of the net bank overdraft approximates R188.8 million (2015: R156.8 million).

There are no restrictions over the cash balances and all balances are available for use.

Property, plant and equipment to the value of R40.5 million in Datlabs have been pledged as security for the bank overdraft of R11.8 million. Refer to note 10. In the prior year property, plant and equipment to the value of R35.6 million in Datlabs and R17.1 million in Ghana were pledged as security for the bank overdrafts of R13.7 million and R11.0 million respectively.

For the purposes of the statement of cash flows, the Group's cash and cash equivalents at the end of the year includes the following:

Adcock Ingram Private Limited (India)	117 618
Ayrton Drug Manufacturing Limited (Ayrton)	(11 956)
Cash at banks and short-term deposits attributable to the discontinued operations	105 662