

Notes to the Group annual financial statements continued

19 SHARE PREMIUM

	2018 R'000	2017 R'000
Balance at the beginning of the year	666 873	666 873
Movement on treasury shares	(517)	–
	666 356	666 873

20 NON-DISTRIBUTABLE RESERVES

	Share-based payment reserve R'000	Cash flow hedge accounting reserve R'000	Capital redemption reserve R'000	Foreign currency translation reserve R'000	Legal reserves and other R'000	Total R'000
Balance at 1 July 2016	405 532	(14 020)	3 919	210 142	22 940	628 513
Movement during the year, net of tax	(280 175)	19 732	–	(171 885)	4 187	(428 141)
Movement for the year	23 710	27 406		(42 432)	9	8 693
BMT	2 739					
Equity Settled	20 971					
Share-based expenses transferred to retained earnings	(303 885)					(303 885)
Tax effect of net movement on cash flow hedge and investment		(7 674)			(2)	(7 676)
Actuarial profit on post-retirement medical liability					511	511
Other comprehensive income recycled to profit or loss				(129 453)	3 669	(125 784)
Balance at 30 June 2017	125 357	5 712	3 919	38 257	27 127	200 372
Movement during the year, net of tax	16 463	4 582	–	1 800	658	23 503
Movement for the year	22 749	6 364	–	1 800	31	30 944
BMT	323					
Equity Settled	22 426					
Tax effect of net movement on cash flow hedge and investment		(1 782)			(7)	(1 789)
Equity options exercised	(6 286)	–			–	(6 286)
Actuarial profit on post-retirement medical liability					634	634
Balance at 30 June 2018	141 820	10 294	3 919	40 057	27 785	223 875

Share-based payment reserve

The share-based payment reserve represents the accumulated charge for share options in terms of IFRS 2. The share option plans are equity-settled and include an ordinary equity scheme and the BEE scheme. Refer Annexure B.

Cash flow hedge accounting reserve

The cash flow hedge accounting reserve comprises the portion of the cumulative net change in the fair value of derivatives designated as effective cash flow hedging relationships where the hedged item has not yet affected inventory and ultimately cost of sales in the statement of comprehensive income.

Capital redemption reserve

The capital redemption reserve was created as a result of revaluation of shares in subsidiaries.

Notes to the Group annual financial statements continued

20 NON-DISTRIBUTABLE RESERVES (continued)

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Legal reserves and other

This represents:

- an unutilised merger reserve when Premier Pharmaceuticals and Adcock Ingram merged;
- share issue expenses incurred by Adcock Ingram Healthcare Private Limited (India), which was recycled to profit or loss during the previous financial year;
- actuarial adjustments on the Group's post-retirement medical liability; and
- a fair value adjustment on the Group's investment in Group Risk Holdings Proprietary Limited (refer to note 13.2).

21 LONG-TERM BORROWINGS

	2018 R'000	2017 R'000
Secured		
Nedbank ⁽¹⁾	–	250 000
Central Africa Building Society - Zimbabwe ⁽²⁾	–	1 908
	–	251 908
Less: Current portion included in short-term borrowings	–	(416)
	–	251 492

⁽¹⁾ During the current year a voluntary repayment of R250 million was made out of surplus cash resources, in full and final settlement of the loan.

⁽²⁾ During the current year a voluntary repayment was made out of surplus cash resources, in full and final settlement of the loan.

The undiscounted maturity profile of the Group's borrowings is as follows:

	Secured loan at fixed interest rates R'000	Secured loan at variable interest rates R'000	Total R'000
2017			
Capital repayment on loans			
– payable within 12 months	416	–	416
– payable within 12 – 24 months	416	250 000	250 416
– payable thereafter	1 076	–	1 076
	1 908	250 000	251 908
Interest payment on loans*			
– payable within 12 months	229	22 693	22 922
– payable within 12 – 24 months	179	11 346	11 525
– payable thereafter	238	–	238
	646	34 039	34 685

* Interest payments have been calculated using the interest rates at the reporting dates.