Notes to the financial statements continued

for the year ended 30 September 2014

42 Employee benefits – impact of transition to IAS 19R

The group adopted the revised IAS 19 *Employee Benefits* standard on 1 October 2013. This included changes to accounting principles in respect of defined benefit plans and the post-retirement medical aid liability. The amendment eliminates the option of the corridor approach and all the actuarial gains and losses are recognised immediately in other comprehensive income. The full net liability/asset is recorded in the statement of financial position while the expected interest income on assets is calculated using the same discount rate as calculating the present value of the obligation. The changes in fair value of obligation are recorded in other comprehensive income where those were included in the operating expenses previously. The amendments were applied retrospectively to September 2012. The impact of the revised standard on the group is presented in the table below:

(R'million)	2013	2012
Statement of financial position		
Decrease in opening retained income		129,5
Decrease/(increase) in provision for post-retirement medical aid	28,5	(176,8)
Decrease/(increase) in provision for defined benefit fund	2,0	(1,5)
Increase/(decrease) in trade and other receivables	23,0	(1,5)
(Increase)/decrease in deferred taxation	(15,0)	50,3
	38,5	–
Profit or loss		
Decrease in operating expenses	(10,4)	–
Increase in tax expense	2,9	–
	(7,5)	–
Other comprehensive income (OCI)		
Actuarial movements in OCI	(43,1)	–
Tax on actuarial movements in OCI	12,1	–
	(31,0)	–
Net movement in total comprehensive income	(38,5)	–

There was no material impact on the group's consolidated statement of cash flows or basic and diluted EPS or HEPS.