GROUP (R'million)	Goodwill	Trademarks, licence agreements and other	Customer lists	Total
14 Goodwill and intangible assets				
14.1 Movement of group goodwill and intangible assets				
2016				
Carrying value at the beginning of the year				
Cost	3 343,7	1 834,7	538,0	5 716,4
Accumulated amortisation and impairment	(1 104,6)	(308,4)	(70,4)	(1 483,4)
Net balance at the beginning of the year	2 239,1	1 526,3	467,6	4 233,0
Current year movements – cost				
Disposal of TBCG	(761,8)	(86,9)	–	(848,7)
Acquisition of business (refer note 36)	10,4	6,0	4,5	20,9
Exchange rate adjustments	(0,9)	(0,4)	(0,2)	(1,5)
Cost movements for current year	(752,3)	(81,3)	4,3	(829,3)
Current year movements – accumulated amortisation and impairment				
Disposal of TBCG	761,8	86,9	–	848,7
Amortisation	–	(11,4)	(0,5)	(11,9)
Impairment (refer note 15)	(150,0)	(150,0)	–	(300,0)
Exchange rate adjustments	–	–	–	–
Accumulated amortisation and impairment movement for current year	611,8	(74,5)	(0,5)	536,8
Carrying value at the end of the year				
Cost	2 591,4	1 753,4	542,3	4 887,1
Accumulated amortisation and impairment	(492,8)	(382,9)	(70,9)	(946,6)
Net balance at the end of the year	2 098,6	1 370,5	471,4	3 940,5
2015				
Carrying value at the beginning of the year				
Cost	3 337,1	1 831,2	538,0	5 706,3
Accumulated amortisation and impairment	(925,9)	(236,8)	(16,9)	(1 179,6)
Net balance at the beginning of the year	2 411,2	1 594,4	521,1	4 526,7
Current year movements – cost				
Exchange rate adjustments	6,6	3,5	–	10,1
Cost movements for current year	6,6	3,5	–	10,1
Current year movements – accumulated amortisation and impairment				
Amortisation	–	(19,2)	(4,6)	(23,8)
Impairment	(178,7)	(52,4)	(48,9)	(280,0)
Exchange rate adjustments	–	–	–	–
Accumulated amortisation and impairment movement for current year	(178,7)	(71,6)	(53,5)	(303,8)
Carrying value at the end of the year				
Cost	3 343,7	1 834,7	538,0	5 716,4
Accumulated amortisation and impairment	(1 104,6)	(308,4)	(70,4)	(1 483,4)
Net balance at the end of the year	2 239,1	1 526,3	467,6	4 233,0

14 Goodwill and intangible assets continued

Trademarks comprise well-established and growing brands, except for trademarks with a carrying value of R194,0 million (2015: R195,0 million) which are amortised, the brand portfolio is considered to have indefinite useful lives and is therefore not amortised. Refer to the accounting policies for further details on amortisation.

		Goodwill		Indefinite useful life intangible assets	
	(R'million)	2016	2015	2016	2015
14.2	The carrying value is allocated to cash-generating units as follows:				
	Exports	1 056,6	1 056,6	473,8	473,8
	Central Africa	32,2	32,6	45,3	45,3
	East Africa	25,7	26,2	–	–
	Beverages	580,5	580,5	194,6	194,6
	Snacks & Treats	–	–	119,6	119,6
	Groceries	72,3	72,3	729,9	729,9
	Value Added Meat Products	16,4	6,0	–	–
	HPCB	314,9	464,9	74,1	224,1
		2 098,6	2 239,1	1 637,3	1 787,3

15 Impairment testing of non-financial assets

If there is an indication of impairment, or at least annually, all indefinite life intangible assets and goodwill are assessed for impairment unless stated otherwise. Goodwill acquired through business combinations, trademarks, licence agreements, supplier relationships and customer lists have been allocated to cash-generating units to facilitate this assessment.

The key assumptions disclosed below are based on management's experience and expectations. Based on this experience and the well-established brands the group owns, management considers forecast cash flow periods in excess of five years to be appropriate.

15.1 Methods and assumptions

The group applies a discounted cash flow methodology (value in use) to assess goodwill and certain indefinite life intangible assets for impairment. Where this results in a value lower than the carrying amount, the higher of this value or the fair value less cost of disposal is used. For the current year, all recoverable amounts were based on the value in use, being the higher value. This methodology entails a calculation of the present value of future cash flows generated by applicable cash-generating units over a period of five to 10 years and incorporates a terminal growth rate.

These cash flows have been based on the approved budget for the 2017 financial year which include assumptions on profit before interest and tax, depreciation, working capital movements, capital maintenance expenditure, an appropriate discount rate and a terminal growth rate. The terminal growth rate used is 1% (2015: 1%); however, it is dependent on the industry and maturity of the cash-generating unit.

15.2 Discount rates

The group has calculated a weighted average cost of capital (WACC) which is utilised as a basis for performing the value-in-use calculation. In cases where the CGU is deemed to be of greater risk than the group as a whole, a risk premium has been included within the discount rate applied. The discount rate utilised for the purposes of the impairment testing was between 11,5% and 17,0% (2015: 11,5% and 19,7%).

15.3 Growth rates

In determining the growth rate, consideration is given to the growth potential of the respective CGU. As part of this assessment, a prudent outlook is adopted that mirrors an inflationary increase in line with the consumer price index and real growth expected within the specific market. Based on these factors, the nominal price growth rates applied for the purposes of the impairment testing ranges between 6% and 9%. Volume growth assumptions are based on management's best estimates of known strategies and future plans to grow the business. The terminal growth rate applied was 1% (2015: 1% and 8%).