## 15 Impairment testing of non-financial assets continued

### 15.4 Specific impairments in the current year

The table below reflects the detail of the respective impairments for the year, with the comparatives noted.

| (R'million) | 2016 | 2015 |
|---|---|---|
| HPCB – Goodwill and indefinite life intangible assets* | (300,0) | (29,6) |
| Grains – Property, plant and equipment** | (22,8) | (22,4) |
| Consumer Brands – Property, plant and equipment** | (12,0) | – |
| Nigeria – DFM property, plant and equipment | – | (1 371,1) |
| Nigeria – Deli Foods goodwill and intangible assets | – | (250,4) |
| Nigeria – Deli property, plant and equipment | – | (11,8) |
| International operations – Eastern Africa property, plant and equipment | – | (5,6) |
| Total | (334,8) | (1 690,9) |

** This impairment was recognised as a result of the annual impairment assessment performed on goodwill and indefinite useful life intangible assets. These assets relate to the Personal care category where growth in the current year slowed, reflecting the pressure on consumer income exacerbated by competitors investing aggressively in pricing strategies and brand support. Given this, the specific goodwill and intangible assets were written down to their total recoverable amount of R213,4 million (R158,4 million for goodwill and R55,0 million on indefinite life intangible assets), being their value in use.*

*** As a result of the ongoing portfolio analysis and category optimisation processes, these assets were fully impaired down to a recoverable amount of Rnil, being their value in use. This is also representative of fair value less cost to sell given the nature of these assets.*

The impairments recognised in the prior year within the TBCG business arose as a result of the annual impairment assessments performed on goodwill and other intangible assets. These related impairments arose mainly as a result of macro-economic factors as well as a decline in volumes within the respective segments. Furthermore, the carrying value of the company's investment in TBCG had also been evaluated and an impairment of R678,8 million was recognised at a company level in the prior year.

### 15.5 Changes in key assumptions

The determined value in use of each CGU is most sensitive to the discount rate. No reasonably probable change in any of the above key valuation assumptions would cause the carrying amount of CGUs to materially exceed their recoverable amounts.

| COMPANY | | | | GROUP | |
|---|---|---|---|---|---|
| 2016 | 2015 | | (R'million) | 2016 | 2015 |
| | | 16 | **Investments in associated companies** | | |
| | | 16.1 | **(For more detail refer Annexure B)** | | |
| 967,6 | 967,6 | | Listed, at cost | 1 472,1 | 1 472,1 |
| 421,1 | 421,1 | | Unlisted, at cost less amounts written off | 1 005,8 | 1 005,8 |
| | | | Share of accumulated other comprehensive income | 409,4 | 281,7 |
| | | | Share of accumulated profits since acquisition | 1 845,4 | 1 391,1 |
| 1 388,7 | 1 388,7 | | | 4 732,7 | 4 150,7 |
| 6 598,4 | 6 570,6 | | Fair value of listed investments | 6 598,4 | 6 570,6 |
| | | | The trading results of the associate companies whose results are equity accounted in the consolidated financial statements are as follows: | | |
| | | | Revenue (100%) | 30 164,0 | 23 408,0 |
| | | | Turnover (100%) | 29 573,6 | 23 397,4 |
| | | | Profit for the year (100%) | 2 425,2 | 1 662,3 |

## 16 Investments in associated companies continued

### 16.2 Reconciliation of associates income

| (R'million) | Oceana | Empresas Carozzí | UAC Foods | National Foods Holdings Limited | Total |
|---|---|---|---|---|---|
| 2016 | | | | | |
| Profit attributable to ordinary shareholders of Tiger Brands before abnormal items | 402,1 | 233,1 | 29,2 | 79,4 | 743,8 |
| Abnormal items | 47,2 | 69,2 | – | 0,5 | 116,9 |
| Profit attributable to ordinary shareholders of Tiger Brands | 449,3 | 302,3 | 29,2 | 79,9 | 860,7 |
| *Less:* Total dividends | | | | | (406,4) |
| Total share of associated companies' income less dividends received | | | | | 454,3 |
| 2015 | | | | | |
| Profit attributable to ordinary shareholders of Tiger Brands before abnormal items | 308,7 | 207,1 | 32,7 | 56,6 | 605,1 |
| Abnormal items | 0,7 | – | – | (3,0) | (2,3) |
| Profit attributable to ordinary shareholders of Tiger Brands | 309,4 | 207,1 | 32,7 | 53,6 | 602,8 |
| *Less:* Total dividends | | | | | (326,0) |
| Total share of associated companies' income less dividends received | | | | | 276,8 |

16.3 The annual assessment of the criteria as noted in the accounting policies resulted in Oceana Fishing Limited being concluded as a material associate of Tiger Brands for the current year and thus further disclosure relating to the associate is noted in Annexure B.