

23. Business combinations

Customer base acquisitions

Effective 16 March 2016 the Group acquired its Altech Autopage customer base from Altron TMT (Pty) Limited. During the prior year the Group acquired its Nashua Mobile (Pty) Limited ('Nashua') customer base from Nashua.

The acquired customer bases were valued using the multi-excess earning method ('MEEM'). The MEEM is an income approach to fair value measurement often used when two or more assets work together to generate a cash-flow stream. The MEEM seeks to isolate the cash-flow stream attributable to a specific intangible asset being valued from the asset grouping's overall cash-flow stream.

Rm	2016	2015
Final fair value of net identifiable asset acquired	(349)	(576)
Customer base	(485)	(800)
Deferred tax	136	224
Goodwill ¹	(368)	(442)
Deferred consideration	144	–
Consideration transferred	(573)	(1 018)

The amounts of revenue and profit or loss of the acquiree included in the consolidated income statement for the year ended 31 March 2016, as well as the impact on consolidated revenue for the Group if the acquisition date occurred at the beginning of the annual reporting period, is immaterial.

Note:

1. Goodwill represents future synergies and is allocated to the Group's South Africa cash generating unit.

24. Cash and cash equivalents

Rm	2016	2015
Bank and cash balances ¹	7 934	9 250
Bank overdrafts ²	(183)	(380)
	7 751	8 870

The carrying amount of cash and cash equivalents normally approximates its fair value due to short-term maturity.

Notes:

1. Included in the bank and cash balances is an amount of R149 million which represents the call deposits of Vodacom Insurance Company (RF) Limited and Vodacom Life Assurance Company (RF) Limited. The call deposits are invested based on the asset spread requirement in terms of the Long-Term and Short-Term Insurance Act of 1998.
2. Bank overdrafts, excluding those classified as financing activities in the statement of cash flows, are regarded as part of the Group's integral cash management system.