

Notes to the consolidated annual financial continued

2. Impairment continued

Goodwill impairment testing continued

%	Vodacom (Pty) Limited
31 March 2016	
Long-term growth rate	2.9
Risk adjusted discount rate	12.4
31 March 2015	
Long-term growth rate	3.6
Risk adjusted discount rate	10.9

Sensitivity to changes in key assumptions

Vodacom (Pty) Limited is the only cash-generating unit for which the carrying amount of goodwill allocated to that unit is significant in comparison with the Group's total carrying amount of goodwill.

Management believes that no reasonable possible change in any of the aforementioned key assumptions would cause the carrying amount of any cash-generating unit to which a significant amount of goodwill has been allocated, to exceed its recoverable amount.

Rm	2016	2015
3. Operating profit		
The operating profit has been arrived at after (charging)/crediting:		
Net (loss)/profit on disposal of property, plant and equipment and intangible assets	(50)	110
Auditor's remuneration – audit fees	(31)	(26)
Auditor's remuneration – other services	(1)	(1)
Professional fees for consultancy services	(354)	(321)
Operating lease rentals	(3 226)	(2 914)
Network infrastructure	(2 700)	(2 423)
Other	(526)	(491)
Bad debts	(479)	(697)
Inventory written off	(38)	(9)
Net foreign exchange gains/(losses)	383	(174)

Direct expenses include customer acquisition- and retention-related expenses, interconnect expenses, commissions, converged solutions expenses and various other direct expenses. Other operating expenses include network operational expenses and all administrative expenses.

Rm	2016	2015
4. Finance income		
Interest income		
Banks	408	175
Loans receivable	116	8
Tax authorities	14	–
Other	178	163
	716	346

Interest income on financial assets not at fair value through profit or loss amounted to R700 million (2015: R334 million).