2. Impairment continued

Goodwill impairment testing continued

%	Vodacom (Pty) Limited
31 March 2018	
Long-term growth rate	3.9
Risk adjusted discount rate	12.3
31 March 2017	
Long-term growth rate	2.7
Risk adjusted discount rate[1]	12.0

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.

Note:

1. For the current period the long-term growth rate considers a combination of the average long-term real GDP rate and CPI forecast for the country of operation; while the prior year considered only the average long-term real GDP rate.

3. Operating profit

Rm	2018	2017
The operating profit has been arrived at after (charging)/crediting:		
Net gain/(loss) on disposal of property, plant and equipment and intangible assets	9	(58)
Auditor's remuneration – audit fees	(47)	(44)
Auditor's remuneration – other services	(1)	(1)
Professional fees for consultancy services	(259)	(237)
Operating lease rentals	(2 182)	(3 085)
Network infrastructure	(1 692)	(2 570)
Other	(490)	(515)
Bad debts	(451)	(266)
Net foreign exchange gains/(losses)	56	(331)

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.

4. Finance income

Rm	2018	2017
Interest income		
Banks	471	419
Loans receivable	42	110
Tax authorities	1	1
Other	189	247
	703	777

Interest income on financial assets not at fair value through profit or loss amounted to R666 million (2017: R737 million).