

Company			Group	
2018 Rm's	2017 Rm's		2018 Rm's	2017 Rm's
		14. Investments		
		14.1 Investments		
		Unlisted		
8	8	Investment in subsidiaries		
109	85	Equity instruments – at cost		
—	125	Preference shares		
117	218	Directors' valuation of unlisted investments		
		Investments in subsidiaries are carried at cost less accumulated impairment. A list of subsidiaries appears in note 37.		
		Equity instruments in the Company's records relates to the notional investment cost as a result of the Group share-based payment schemes as disclosed in note 6.		
		Unlisted equity instruments relate to additional investments in subsidiaries in terms of the Group's share incentive schemes. These amounts are carried at cost less accumulated impairment.		
		As disclosed in note 6, preference shares were redeemed by Four Arrows on 20 March 2018.		

Notes to the financial statements continued

for the year ended 30 June 2018

Company			Group	
2018 Rm's	2017 Rm's		2018 Rm's	2017 Rm's
		14. Investments (continued)		
		14.2 Investment in associates		
		<i>Ezee Tile</i>		
		On 2 October 2017, through the Acquisition, the Group increased its interest in Ezee Tile to 71,54% and Ezee Tile became a subsidiary from that date (see note 35).		
		Carrying value of investment in the Ezee Tile group:		
		Cost	19	19
		Share of profit and reserve movements post commencement of equity accounting (net of dividends)	40	40
		Share of profits	56	52
		Dividends received	(16)	(12)
		Derecognition of associate investment in Ezee Tile	(59)	—
			—	59
		<i>Ceramic Industries (Pty) Ltd</i>		
		On 2 October 2017, through the Acquisition, the Group increased its interest in Ceramic to 95,5% and Ceramic became a subsidiary from that date (see note 35).		
		Carrying value of Investment in Ceramic Industries (Pty) Ltd:		
		Cost	529	529
		Share of profit and reserve movements post commencement of equity accounting (net of dividends)	123	123
		Share of profits	274	248
		Reserve movements	10	6
		Dividends received	(162)	(131)
		Derecognition of associate investment in Ceramic	(652)	—
			—	652
		<i>SER-Export s.p.a.</i>		
		During the 2015 financial year, the Group disposed of a 20% stake in SER-Export s.p.a. to its existing partner in this entity, reducing the Group's effective shareholding to 30% (refer to note 37).		
		Carrying value of investment in SER-Export s.p.a.:		
		Cost	19	19
		Share of profit and reserve movements post commencement of equity accounting (net of dividends)	4	2
		Share of profits	4	2
			23	21
		Total carrying amount of investments in associates	23	732

Company			Group	
2018 Rm's	2017 Rm's		2018 Rm's	2017 Rm's
		14. Investments (continued)		
		14.2 Investment in associates (continued)		
		The following tables illustrate the summarised financial information of the Group's investment in the Ezee Tile group (prior year only), Ceramic Industries (Pty) Ltd (prior year only) and SER-Export s.p.a.:		
		Statement of financial position:		
		Non-current assets	66	1 554
		Current assets	131	1 259
		Non-current liabilities		(83)
		Current liabilities	(84)	(477)
		Equity	113	2 253
		Statement of comprehensive income:		
		Turnover	1 173	3 744
		Profit for the year	149	445
		Profit attributable to ordinary shareholders of Italtile Limited	31	96
		Reserve movements attributable to ordinary shareholders of Italtile Limited	4	(7)
		Less: Dividends	(33)	(32)
		Share of associated companies' income	2	57
		15. Long-term financial assets		
223	189	Loan to Trusts		
		Lease premiums	40	41
		Non-current portion of property development loan	58	60
		Non-current portion of Executive Retention Plan payout	21	49
		Non-current portion of BBBEE-related advances	30	26
223	189		149	176
		In order to raise funds necessary to purchase BEE shares (refer to note 6), the Company has funded the Foundation Trust by way of a loan. The loan to the Foundation Trust is interest free. The loan is fully repayable by 2022.		
		Lease premiums are paid in advance on land leases that have a duration of between 35 and 50 years and is subsequently amortised on a straight-line basis.		
		The property development loan funding is the long-term portion of funding provided for property development at preferential rates fully repayable by June 2028. Short-term portion is included under sundry debtors.		
		The Executive Retention Plan payout is the long-term portion of the unvested retention payments to facilitate the purchase of Italtile Limited shares. Refer to note 6 for details.		
		The BBBEE-related advances is the long-term portion of supplier and enterprise development loans advanced to black-owned businesses. Repayment terms vary and interest is charged at preferential rates.		