	2016 R'000	2015 R'000
14. INTANGIBLE ASSETS *(continued)*		
Movement in intangible assets *(continued)*		
Acquisition of businesses	**800**	547 469
Patents, trademarks, tradenames and other intangibles	**–**	547 263
Computer software	**426**	206
Capital work-in-progress	**374**	–
Disposals	**(5 280)**	(6 315)
Patents, trademarks, tradenames and other intangibles	**(584)**	–
Computer software	**(4 696)**	(6 315)
Disposal of businesses		
Computer software	**(195)**	–
Exchange rate adjustments	**104 715**	23 522
Patents, trademarks, tradenames and other intangibles	**41 818**	38 535
Computer software	**62 553**	(16 866)
Capital work-in-progress	**344**	1 853
Amortisation (refer to note 3)	**(209 834)**	(194 261)
Impairment losses	**(3 817)**	(113 137)
Carrying value at end of year	**1 212 758**	1 202 463

Included in other intangibles is a material customer-related contract relating to the transportation and warehousing of dairy products in the United Kingdom. The carrying value at June 30 2016 was R548,3 million (2015: R557,3 million) and is amortised over 29 years (2015: 29 years).

The amortisation and impairment charges are included in operating expenses in the consolidated statement of profit or loss.

	2016 R'000	2015 R'000
15. GOODWILL		
Carrying value at beginning of year	**11 338 647**	9 650 357
Acquisition of businesses	**486 542**	1 738 080
Disposal of businesses	**(18 468)**	–
Transfer as a result of unbundling	**61 493**	–
Exchange rate adjustments	**1 316 568**	(49 790)
Carrying value at end of year	**13 184 782**	11 338 647
The carrying amount of goodwill was allocated to cash-generating units (CGUs) as follows:		
Foodservice Australasia	**2 878 106**	2 570 224
Foodservice United Kingdom	**3 045 727**	2 698 213
Foodservice Europe	**5 888 235**	5 039 597
Foodservice Emerging Markets	**1 372 714**	1 030 613
	13 184 782	11 338 647

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for the year ended June 30

15. GOODWILL *(continued)*

Goodwill acquired through business combinations is allocated for impairment testing purposes to CGUs which reflect how it is monitored for internal management purposes, namely the various segments of the group. The carrying amount of goodwill was subject to an annual impairment test using either the fair value less costs to sell method or the discounted cash flow basis. The recoverable amount was determined by using the higher of the fair value less costs to sell and the discounted cash flow for each CGU.

Fair value less costs to sell method

The calculations used projected annualised earnings based on actual operating results. A price earnings multiple was applied to obtain the recoverable amount for each business unit. The earnings yields are considered to be consistent with similar companies within the industry and geographic segments. An average price earnings multiple of 12,7 (2015: 12,8) was used in the valuation of Foodservice Europe, 12,9 (2015: 12,8) for Foodservice United Kingdom, 13,0 (2015: 13,0) for Foodservice Australasia, and 14,1 (2015: 11,6) for Foodservice Emerging Markets.

Discounted cash flow method

The table below illustrates the weighted average cost of capital (WACC), cash flow growth, and terminal growth rates that were used in the discounted cash flow valuations for each of the CGUs.

	WACC rate		Cash flow growth rate		Terminal growth rate	
	2016	2015	**2016**	2015	**2016**	2015
Foodservice Australasia	**10%**	10%	**3 – 5%**	3 – 5%	**2%**	2%
Foodservice United Kingdom	**10%**	10%	**3 – 5%**	3 – 5%	**2%**	2%
Foodservice Europe	**5% – 10%**	4% – 10%	**0 – 10%**	0 – 10%	**2 – 3%**	2 – 3%
Foodservice Emerging Markets	**7% – 10%**	10%	**5 – 10%**	1 – 7%	**2 – 5%**	2 – 5%

The valuations resulted in significant surpluses over carrying values of the CGUs and thus the directors believe that a reasonably possible change in these multiples would not result in an impairment of the carrying value of goodwill. The valuation method is consistent with that used in the prior years and is considered a level 3 type valuation in accordance with IFRS 13 *Fair Value Measurement*.

No impairment was identified for the current financial year (2015: nil).

	2016 R'000	2015 R'000
16. DEFERRED TAXATION		
Deferred taxation assets	**491 766**	338 932
Deferred taxation liabilities	**(524 243)**	(254 971)
Net deferred taxation liability	**(32 477)**	83 961
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**83 961**	181 979
Per consolidated statement of profit or loss	**(48 953)**	32 061
Items recognised directly in equity and other comprehensive income	**39 838**	6 741
On acquisition of businesses	**5 695**	(100 482)
On disposal of businesses	**(1 514)**	–
Transfer as a result of unbundling	**(163 926)**	–
Exchange rate adjustments	**52 422**	(36 338)
Balance at end of year	**(32 477)**	83 961