19. REVENUE (CONTINUED)

(B) Contract balances (continued)

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognises revenue when it transfers control over a good or for services rendered, once the performance obligation of the service is satisfied.

The table in Note 1(m)(i) provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

All contracts within the Group have a single performance obligation hence the allocation of transaction price is not required.

20. COST OF PHARMACEUTICAL PRODUCTS AND FINISHED GOODS

	Group		Company	
	2020 R'000	Restated 2019 R'000	2020 R'000	Restated 2019 R'000
Opening inventory	283 732	83 532	–	–
Purchases	1 431 326	1 509 530	–	–
Closing inventory	(297 851)	(283 732)	–	–
	1 417 207	1 309 330	–	–
Cost of distribution of pharmaceutical products	72 561	75 941	–	–
	1 489 768	1 385 271	–	–

21. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the following items:

	Group		Company	
	2020 R'000	Restated[1] 2019 R'000	2020 R'000	2019 R'000
Auditors' remuneration (included in other expenses)	16 675	11 119	2 301	1 685
Audit fees	15 736	11 119	1 583	1 685
Prior period under provision	939	–	718	–
Depreciation of property, plant and equipment	62 514	55 909	–	–
Motor vehicles	3 626	2 388	–	–
Computer equipment	31 354	30 187	–	–
Buildings	4 601	3 386	–	–
Furniture and fittings	14 381	12 058	–	–
Property and equipment	8 552	7 890	–	–
Amortisation of development costs and other intangible assets	164 153	110 941	–	–
Share-based payment expense	9 124	7 785	226	–
Fair value of contingent consideration	–	407	–	–
Right of use asset depreciation	71 781	82 666	–	–
Bad debt write-off	2 453	3 602	–	–
Expected credit loss allowance	3 686	326	–	–
Lease rentals (included in rent and property costs)	87 059	97 624	–	–
Buildings	74 727	11 372	–	–
Motor vehicles	319	273	–	–
Office equipment and furniture	12 013	85 979	–	–
Repairs and maintenance (included in rent and property costs)	6 234	6 048	–	–

[1] *Refer to Note 35.2 for the details of the restatement.*

21. PROFIT BEFORE TAXATION (CONTINUED)

Directors' emoluments and fees

(included in employee benefit costs)

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Executive				
JW Boonzaaier	5 094	3 204	-	-
– Basic salary	3 156	2 970	-	-
– Bonus	1 756	-	-	-
– Company contributions	182	234	-	-
WH Britz	4 370	4 190	-	-
– Basic salary	4 156	3 829	-	-
– Bonus		-	-	-
– Company contributions	214	361	-	-
AV van Buuren***	-	3 143	-	-
– Basic salary	-	2 964	-	-
– Bonus	-	-	-	-
– Company contributions	-	179	-	-
A Banderker**	8 459	2 450	-	-
– Basic salary	4 903	1 149	-	-
– Bonus	3 242	1 200	-	-
– Company contributions	314	101	-	-
SE Mmakau	5 151	3 903	-	-
– Basic salary	3 456	2 107	-	-
– Bonus	1 479	1 600	-	-
– Company contributions	216	196	-	-
Non-executive				
For services as directors (basic salary)*	5 150	4 698	5 150	4 698
ATM Mokgokong	1 367	1 272	1 367	1 272
MJ Mandungandaba	1 368	1 163	1 368	1 163
Dr ND Munisi	429	356	429	356
A Banderker		263		263
IM Kirk	59	230	59	230
SE Mmakau		222		222
LL Dhlamini	326	397	326	397
HG Motau	212	377	212	377
SA Zinn	300	185	300	185
JB Fernandes	500	233	500	233
G Allen	183		183	
T Alsworth-Elvey	342		342	
A Le Roux	43		43	
M Chauke	21		21	

* *The directors' remuneration highlighted above reflects their total directors' fees received across various subsidiaries within the Group.*
** *Mr A Banderker was appointed as CEO in April 2019.*
*** *Mr AV van Buuren resigned in April 2019.*

21. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Employee benefit costs	2 241 345	2 146 121	5 280	3 241
Salaries and wages	1 950 203	1 844 049	5 233	3 175
Termination benefits	5 891	7 778	-	-
Incentive, production and performance bonus	155 515	112 289	-	-
Staff welfare	50 883	53 785	44	66
Movement in post-employment medical obligation	(16)	(53)	-	-
Other employee benefit cost	78 869	128 273	3	-

	Group		Company	
	2020	2019	2020	2019
Average number of persons employed by the group during the period:				
South Africa	5 351	5 923	2	–
Full time	4 836	5 168	2	–
Part time	515	755	–	–
Outside of South Africa	342	358	–	–
Full time	342	326	–	–
Part time	–	32	–	–

	Group		Company	
	2020 R'000	2019 R'000	2020 R'000	2019 R'000
Dividends received	–	–	(56 012)	–
Loss on disposal of tangible assets	1 940	44 694	–	–
Fair value gains on financial assets	197	12 867	183	10 156
Impairments	2 930	68 261	–	–
Impairment of goodwill	–	5 262	–	–
Impairment of software	2 919	6 253	–	–
Impairment of internally generated software	–	47 000	–	–
Impairment of investments	–	9 000	–	–
Impairment of loans	11	746	–	–
Included in "other expenses" are the following:				
Donations	1 154	1 243	–	–
Consulting fees	294 833	181 508	430	
Legal fees	18 277	16 935	–	–
Operating expenditure***	227 695	223 681	10 492	–
Marketing and recruitment	82 271	65 504	2 976	–
VAT expenses	3 111	3 947	–	3 845
Capitation costs****	988 029	302 655	–	–

*** *This relates mainly to motor vehicle, telephone, travel, postage and subscription costs.*
**** *This relates to pharmacy claims paid by Scriptpharm.*