

Notes to the financial statements continued

for the year ended 30 JUNE 2021

5. Segment information

The operating segments identified are examined from a service perspective (total healthcare versus IT) and geographical perspective (South Africa versus Africa). The geographical segments identified include all businesses outside of South Africa which include Botswana, Mauritius, Namibia, Eswatini and Zimbabwe. Individually, each business outside of South Africa is not material hence management has taken the decision to disclose all businesses outside of South Africa as a separate operating segment. All segments have been disclosed according to what the Chief Operating Decision-Maker reviews.

Nature of business segments

- » Healthcare SA – consists of medical scheme administration and health risk management services in South Africa.
- » Healthcare Retail – consists of pharmaceutical sales/services by Pharmacy Direct, MMed, Scriptpharm Risk Management, Curasana and Activo Health. These services are rendered in South Africa.
- » Healthcare Africa – consists of all healthcare services outside of South Africa. This includes associate earnings (Botswana, Namibia, Zimbabwe, Eswatini and Mauritius). Eswatini and Zimbabwe operations are classified as discontinued operations.
- » IT – this relates to all IT-related services for the Group predominantly within South Africa.

(a) Segment revenues

A number of subsidiaries in the Healthcare Africa segment and a subsidiary in the Healthcare SA segment was sold during the financial year. Information about these discontinued operations is provided in Note 15.

	Healthcare SA R'000	Healthcare Africa R'000	Healthcare Retail R'000	Total Healthcare R'000	Information Technology R'000	Intergroup eliminations R'000	Group R'000
Year ended 30 June 2021							
Gross Revenue	3 741 436	197 368	4 240 162	8 178 966	685 491	(790 039)	8 074 418
Expenses	(3 401 090)	(123 603)	(3 929 257)	(7 453 950)	(414 851)	802 293	(7 066 508)
Amortisation of intangibles	(1 910)	(824)	(17 984)	(20 718)	(143 350)	(30 959)	(195 027)
Depreciation	(23 778)	(3 713)	(11 181)	(38 672)	(37 995)	(1 535)	(78 202)
Net finance (cost)/income	(9 074)	1 057	(2 672)	(10 689)	(4 261)	(1 128)	(16 078)
Finance income	(2 518)	1 112	5 919	4 513	16 210	(1 128)	19 595
Finance cost	(6 556)	(55)	(8 591)	(15 202)	(20 471)	-	(35 673)
Share-based payment expense	(7 991)	(181)	(323)	(8 495)	(403)	(1 796)	(10 694)
Net fair value (impairment)/gain of assets	(31 317)	-	(1 458)	(32 775)	(6 617)	22 707	(16 685)
Fair value (loss)/gain	(4 091)	-	(756)	(4 847)	-	(1 460)	(6 307)
Impairment of assets	(27 226)	-	(702)	(27 928)	(6 617)	24 167	(10 378)
Share of profit of associate	8 294	-	-	8 294	-	-	8 294
Profit before taxation	274 570	70 104	277 287	621 961	78 014	(457)	699 518
Income tax expense	(107 889)	(21 897)	(85 070)	(214 856)	(1 001)	10 116	(205 741)
Profit for the year	166 681	48 207	192 217	407 105	77 013	9 659	493 777
Net segments assets	1 689 412	150 486	1 912 809	3 752 707	1 936 464	(574 805)	5 114 366
Segment assets	1 689 357	119 000	1 912 809	3 721 166	1 936 464	(574 805)	5 082 825
Investment in associates	55	31 486	-	31 541	-	-	31 541
Segment liabilities	1 455 086	32 236	971 156	2 458 478	1 362 327	(1 962 163)	1 858 642
Year ended 30 June 2020							
Gross Revenue	3 123 984	188 364	3 136 059	6 448 407	532 834	(562 329)	6 418 912
Expenses	(2 871 825)	(123 777)	(2 883 323)	(5 878 925)	(246 709)	576 684	(5 548 950)
Amortisation of Intangibles	(2 409)	(877)	(2 376)	(5 662)	(121 113)	(37 316)	(164 091)
Depreciation	(20 839)	(3 250)	(9 895)	(33 984)	(28 195)	-	(62 179)
Net finance (cost)/income	(15 936)	1 408	(3 522)	(18 050)	982	(317)	(17 385)
Finance income	41 715	1 541	17 223	60 479	32 627	(66 603)	26 503
Finance cost	(57 651)	(133)	(20 745)	(78 529)	(31 645)	66 286	(43 888)
Share-based payment expense	(8 027)	(69)	(775)	(8 871)	(5)	-	(8 876)
Net fair value impairment of assets	(18 465)	-	(341)	(18 806)	-	16 059	(2 747)
Fair value (loss)/gain	(2 338)	-	-	(2 338)	-	2 521	183
Impairment of assets	(16 127)	-	(341)	(16 468)	-	13 538	(2 930)
Share of profit of associate	7 990	-	-	7 990	-	-	7 990
Profit before taxation	194 473	61 799	235 827	492 099	137 794	(7 219)	622 674
Income tax expense	(53 177)	(20 040)	(56 903)	(130 120)	(36 197)	10 452	(155 865)
Profit for the year	141 296	41 759	178 924	361 979	101 597	3 233	466 809
Net segments assets	1 637 655	179 100	1 194 073	3 010 828	1 307 117	229 221	4 547 166
Segment assets	1 637 655	145 793	1 194 073	2 977 521	1 307 117	229 221	4 513 859
Investment in associates	-	33 307	-	33 307	-	-	33 307
Segment liabilities	572 618	44 504	647 892	1 265 014	485 445	(322 388)	1 428 071