

Notes to the consolidated Annual Financial Statements (continued)

for the year ended 31 July 2019

5. Intangible assets

<i>Figures in Rand thousand</i>	2019			Restated* 2018		
	Cost	Accumulated amortisation and impairment	Carrying value	Cost	Accumulated amortisation and impairment	Carrying value
Contracts purchased	109 148	(101 847)	7 301	143 958	(108 186)	35 772
Customer relationships	345 273	(266 657)	78 616	392 713	(179 896)	212 817
Intellectual property	175 513	(123 423)	52 090	177 288	(93 643)	83 645
Internally generated software*	520 214	(273 270)	246 944	1 009 281	(707 294)	301 987
Computer software*	408 747	(338 912)	69 835	520 057	(353 735)	166 322
Other intangible assets	241 813	(157 937)	83 876	103 185	(23 336)	79 849
Current assets held for sale (note 15)	(196 108)	146 420	(49 688)	-	-	-
	1 604 600	(1 115 626)	488 974	2 346 482	(1 466 090)	880 392

Reconciliation of intangible assets

<i>Figures in Rand thousand</i>	Opening balance	Additions	Additions through business combinations		Disposals	Transfers	Foreign currency translation		Amortisation	Impairments	Disposals of businesses**	Current assets held for sale (note 15)	Closing balance
			Disposals	Transfers			translation	Amortisation					
2019													
Contracts purchased	35 771	-	-	-	-	-	-	(13 612)	(10 217)	(4 641)	(2 021)	5 280	
Customer relationships	212 817	-	-	-	-	-	185	(42 152)	(79 227)	(13 007)	(20 125)	58 491	
Intellectual property	83 645	-	-	-	(1 827)	294	(19 118)	(10 904)	-	-	(1 846)	50 244	
Internally generated software	301 987	96 268	-	-	57 745	(5 522)	(64 747)	(25 596)	(113 191)	-	(8 431)	238 513	
Computer software	166 321	48 973	-	(20 549)	(63 171)	43	(59 275)	(2 507)	-	-	(3 699)	66 136	
Other intangible assets	79 851	41 183	-	-	7 253	30	(32 064)	(7 143)	(5 234)	-	(13 566)	70 310	
	880 392	186 424	-	(20 549)	-	(4 970)	(230 968)	(135 594)	(136 073)	-	(49 688)	488 974	
Restated* 2018													
Contracts purchased	87 278	-	23 165	(37 310)	-	-	(37 362)	-	-	-	-	35 771	
Customer relationships	294 642	-	71 075	(115 414)	-	518	(38 004)	-	-	-	-	212 817	
Intellectual property	321 691	139	2 950	(224 742)	1 562	306	(18 261)	-	-	-	-	83 645	
Internally generated software*	488 668	175 050	2 401	(7)	110 925	1 328	(91 960)	(384 418)	-	-	-	301 987	
Computer software*	142 604	161 403	361	(9 393)	(55 523)	-	(72 719)	(412)	-	-	-	166 321	
Other intangible assets	114 413	-	41 849	(3 794)	(56 964)	(2 577)	(4 412)	(8 664)	-	-	-	79 851	
	1 449 296	336 592	141 801	(390 660)	-	(425)	(262 718)	(393 494)	-	-	-	880 392	

* Refer to note 3 for further information regarding the restatement of the prior year.

** The disposals for 2018 includes the GCT intangibles of R374 million.

Impairments to intangible assets largely relate to:

- Customer relationships and customer contracts were impaired for R107 million after the profitability of the related relationships and contracts deteriorated below expected levels.
- The remaining impairments relate to other internally generated software in a number of underperforming CGUs in which goodwill impairments have also been recognised of R28 million.

Impairment testing

The Group performed a review of intangible assets for impairment, which highlighted impairments of R135 million (R88 million in the iOCO segment, R45 million in the NEXTEC segment and R2 million in the IP segment).

For the purpose of impairment testing, intangible assets were allocated to the Group's CGUs. The recoverable amount of these CGUs were determined based on value-in-use calculations, discounting future cash flows expected to be generated. Impairment tests on assets held for sale were based on fair value less costs of disposal.

A pre-tax weighted-average cost of capital of 19% – 24,1% (2018: 17,7% – 20,4%) was used in discounting the projected cash flows.