23. FINANCIAL INSTRUMENTS BY CATEGORY

	2019 R'm	2018 R'm
The following table summarises the Group's classification of financial instruments:		
Assets		
Fair value through profit and loss		
Derivative financial instruments (included in other assets)	–	100
Amortised cost		
Trade and other receivables	**3 747**	3 636
Cash and cash equivalents	**1 544**	1 494
Other assets	**87**	77
Total assets	**5 378**	5 307
Liabilities		
Fair value through profit and loss		
Contingent consideration liabilities	**543**	534
Derivative financial instruments (included in other liabilities)	**30**	6
Amortised cost		
Trade and other payables	**3 800**	3 483
Interest-bearing borrowings	**11 995**	15 956
Bank overdraft	**867**	488
Total liabilities	**17 235**	20 467

Derivative financial instruments

	Carrying value		Fair value	
	2019 R'm	2018 R'm	2019 R'm	2018 R'm
Mark-to-market valuation at 30 September				
ASSETS				
Non-current assets				
Interest rate swap contracts (included in other)	–	13	–	13
Current assets				
Interest rate swap contracts (included in other)	–	–	–	–
Foreign exchange option contracts (included in other)	–	87	–	87
Total assets	–	100	–	100
LIABILITIES				
Non-current liabilities				
Interest rate swap contracts (included in other)	**(27)**	(6)	**(27)**	(6)
Current liabilities				
Interest rate swap contracts (included in other)	**(3)**	–	**(3)**	–
Total liabilities	**(30)**	(6)	**(30)**	(6)

Interest rate swap contracts

The Group enters into interest rate swap contracts to manage exposure to fluctuations in interest rates on the interest-bearing borrowings. Gains and losses on the interest rate swap contracts are recognised in profit or loss.

Previous interest rate swap contracts, with a total notional principal amount of R900 million, matured on 1 November 2018.

23. FINANCIAL INSTRUMENTS BY CATEGORY continued

Interest rate swap contracts continued

	Swap 1	Swap 2	Swap 3	Swap 4	Swap 5	Swap 6
Contract commencement date	1 Nov 2016	8 Aug 2017	15 Dec 2017	19 April 2018	6 Feb 2019	6 Feb 2019
Maturity date	1 Nov 2019	11 Aug 2020	15 Dec 2019	20 April 2020	8 Feb 2021	7 Feb 2022
Currency	R'm	R'm	R'm	R'm	R'm	R'm
Notional amount	900	500	600	900	500	500
Fixed interest rate (%)	7.70	6.91	7.63	6.81	7.15	7.23
Floating interest rate (%)	7.16	6.84	6.81	6.88	6.85	6.85
Interest settlement terms	Three-month JIBAR (safex) settled quarterly					

	Swap 7	Swap 8
Contract commencement date	27 Sep 2018	8 Feb 2019
Maturity date	27 Sep 2021	8 Feb 2021
Currency	£'m	£'m
Notional amount	50	25
Fixed interest rate (%)	1.23	1.014
Floating interest rate (%)	0.76	0.77
Interest settlement terms	Three-month GBP-LIBOR, settled quarterly	

Foreign exchange option contracts relating to the disposal of Max

On 19 September 2018, the Group entered into a number of foreign exchange option contracts (option contracts) to mitigate the risk of fluctuations in the exchange rates on the disposal proceeds relating to Max. The option contracts expired in January 2019. The Group extended the option contracts at prevailing rates in January 2019 until June 2019. The option contracts were closed out and the liabilities were settled on 26 and 28 June 2019.

The mark-to-market loss recognised in profit or loss on the option contracts for the year ended 30 September 2019 is R292 million net of tax (2018: profit of R17 million net of tax).

Reconciliation of the option contract asset/(liability) as at 30 September:

	2019 R'm	2018 R'm
Balance at 1 October	**84**	–
Fair value (loss)/profit recognised in profit in loss	**(406)**	23
Premiums paid	**55**	61
Settlement	**267**	–
Balance at 30 September	**–**	84

Held for trading

Foreign exchange contracts

The Group entered into United States dollar exchange contracts to manage exposure to fluctuations in the rand dollar exchange rate on foreign liabilities.

23. FINANCIAL INSTRUMENTS BY CATEGORY continued

Held for trading continued

B-share liability

At acquisition, the UK Healthcare Limited B-shares were issued to key management within Alliance Medical in exchange for a portion of their shares held in Alliance Medical. In terms of the original shareholder agreement, the B-shares were to be redeemed after year three (45%), year four (30%) and year five (25%) after the acquisition date. Life Healthcare in conjunction with the Alliance Medical management agreed to bring forward the settlement of the B-shares. On 14 June 2018 the Group acquired these shares from the Alliance Medical management for GBP35.7 million (R640 million).

	2018 R'm
Balance at 1 October	727
Fair value profit recognised in profit or loss	(74)
Settlement	(640)
Effect of foreign currency movement	(13)
Balance at 30 September	–

24. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

	2019 R'm	2018 R'm
The financial assets and liabilities relating to the derivative financial instruments are subject to offsetting and similar agreements.		
Assets		
Offsetting applied		
Gross amount	–	316
Amount set-off	–	(218)
Net amount	–	98
Financial instruments not subject to set-off	–	2
Total other current assets per statement of financial position	–	87
Total other non-current assets per statement of financial position	–	13
Liabilities		
Offsetting applied		
Gross amount	**(298)**	(181)
Amount set-off	**268**	175
Net amount	**(30)**	(6)
Financial instruments not subject to set-off	–	–
Total other non-current liabilities per statement of financial position	**(27)**	(6)
Total other current liabilities per statement of financial position	**(3)**	–