

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS – continued
for the year ended 30 June 2014

	2014 Rm	2013 Rm
7. TRANSPORT FLEET		
Cost	10 990	9 808
Accumulated depreciation and impairment	5 668	5 182
	5 322	4 626
Net carrying value at beginning of year	4 626	4 336
Net acquisition of subsidiaries and businesses		72
Additions	1 550	891
Proceeds on disposal	(291)	(300)
Depreciation	(796)	(704)
Impairment charge	(1)	(4)
Profit on disposal	39	20
Currency adjustments	180	268
Reclassifications	15	47
Net carrying value at end of year	5 322	4 626

Depreciation is calculated on a straight-line basis to write off the cost of each component of the transport asset to its residual value over its estimated useful life between 3 to 12 years.

Certain transport fleet assets have been encumbered as security for interest-bearing borrowings amounting to R399 million (2013: R274 million), refer to note 21.

The total value of transport fleet assets held under capitalised finance leases included above is R207 million (2013: R197 million).

	2014 Rm	2013 Rm
8. VEHICLES FOR HIRE		
Cost	2 942	3 130
Accumulated depreciation and impairment	639	665
	2 303	2 465
Net carrying value at beginning of year	2 465	2 321
Net disposal of subsidiaries and businesses		(35)
Additions	2 096	2 662
Proceeds on disposal	(1 569)	(1 746)
Depreciation	(654)	(673)
Profit (loss) on disposal	2	(7)
Reclassification to assets classified as held for sale		(54)
Reclassifications	(37)	(3)
Net carrying value at end of year	2 303	2 465

Depreciation is calculated on a straight-line basis to write off the cost of each component of the vehicle to its residual value over its estimated useful life between 2 to 5 years.

Certain vehicles for hire have been encumbered as security for interest-bearing borrowings amounting to R23 million (2013: R48 million), refer to note 21.