Notes to the consolidated financial statements

for the year ended June 30

		2016 %	2015 %
5.	**TAXATION** *(continued)*		
	The reconciliation of the effective tax rate with the South African company tax rate is:		
	Taxation for the year as a percentage of profit before taxation	**25,0**	25,2
	Associates	**0,2**	0,1
	Effective rate excluding associate income	**25,2**	25,3
	Dividend and exempt income	**0,5**	0,7
	Foreign taxation rate differential	**2,6**	3,3
	Non-deductible expenses	**(2,2)**	(1,6)
	Deferred taxation assets not previously raised	**0,8**	–
	Exempt portion of capital gains	**0,1**	–
	Changes in prior years' estimation	**0,5**	0,3
	Change in rate of taxation	**0,5**	–
	Rate of South African company taxation	**28,0**	28,0
		R'000	R'000
	Estimated tax losses available for offset against future taxable income	**579 744**	290 841
	Utilised in the computation of deferred taxation	**(471 785)**	(191 655)
	Not accounted for in deferred taxation	**107 959**	99 186
	Deferred taxation assets have not been recognised in respect of certain tax losses as the directors believe it is not probable that the relevant companies will generate taxable profit in the near future, against which the benefits can be utilised.		
6.	**EARNINGS PER SHARE**		
	Weighted average number of shares ('000)		
	Weighted average number of shares in issue for basic earnings per share and headline earnings per share calculations	**82 405**	10
	Potential dilutive impact of outstanding share options and conditional awards	**764**	–
	Number of outstanding staff share options	**3 133**	–
	Number of share options deemed to be issued at fair value	**(2 397)**	–
	Contingent issuable shares in terms of conditional share plan to be issued at fair value	**28**	–
	Diluted weighted average number of shares	**83 169**	10
	Attributable earnings (R'000)		
	Basic earnings per share and diluted earnings per share are based on profit attributable to shareholders of the company	**3 279 576**	2 514 858
	Basic earnings per share (cents)	**3 979,8**	24 899 584,2
	Diluted basic earnings per share (cents)	**3 943,3**	24 899 584,2
	Dilution (%)	**0,9**	–

		2016 R'000	2015 R'000
6.	**EARNINGS PER SHARE** *(continued)*		
	Headline earnings		
	Profit attributable to shareholders of the company	**3 279 576**	2 514 858
	Net impairments	**156 126**	89 746
	Available-for-sale investments	**119 076**	–
	Property, plant and equipment	**41 463**	5 149
	Intangible assets	**3 817**	113 137
	Taxation relief	**(8 230)**	(28 540)
	Net profit on disposal of interests in subsidiaries and disposal and closure of businesses	**(34 804)**	(961)
	On disposal and closure	**(35 818)**	(1 373)
	Taxation charge	**1 014**	412
	Net loss (profit) on disposal of property, plant and equipment and intangible assets	**11 499**	(104 004)
	Property, plant and equipment	**4 256**	(139 444)
	Intangible assets	**5 280**	–
	Taxation charge	**1 963**	35 440
	Impairment of associates	**10 699**	–
	Headline earnings	**3 423 096**	2 499 639
	Headline earnings per share (cents)	**4 154,0**	24 748 901,0
	Diluted headline earnings per share (cents)	**4 115,8**	24 748 901,0
	Dilution (%)	**0,9**	–
7.	**CASH GENERATED BY OPERATIONS**		
	Operating profit	**4 626 518**	3 601 399
	Costs incurred in respect of acquisitions	**8 947**	43 611
	Dividends received from associates	**23 467**	–
	Adjustment for depreciation and amortisation	**1 237 482**	990 121
	Adjustment for other non-cash items	**207 872**	(38 561)
	Reduction in post-retirement obligations	**(224 391)**	(26 804)
	Working capital changes	**762 572**	525 234
	Increase in inventories	**(497 329)**	(335 999)
	Increase in trade and other receivables	**(393 055)**	(404 847)
	Increase in trade and other payables and provisions	**1 652 956**	1 266 080
	Cash generated by operations	**6 642 467**	5 095 000