	2018 R'000	2017 R'000
5. TAXATION		
5.1 Income taxation		
Current taxation	**1 328 726**	1 422 952
Current year	**1 348 299**	1 408 203
Prior years' (over) under provision	**(19 573)**	14 749
Deferred taxation	**15 919**	(181 773)
Current year	**7 906**	(166 019)
Prior years' under (over) provision	**8 956**	(10 161)
Change in rate of taxation	**(943)**	(5 593)
Foreign withholding taxation	**4 104**	5 462
Total taxation per consolidated statement of profit or loss	**1 348 749**	1 246 641
Comprising		
South African taxation	**170 338**	265 384
Foreign taxation	**1 178 411**	981 257
	1 348 749	1 246 641

Income taxation comprises current and deferred taxation. Income taxation expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current taxation comprises taxation payable calculated on the basis of the expected taxable income for the year, using the taxation rates enacted or substantively enacted at the reporting date, and any adjustment of taxation payable for previous years.

	2018 %	2017 %
The reconciliation of the effective taxation rate with the South African company taxation rate is:		
Taxation for the year as a percentage of profit before taxation	**24,8**	23,6
Associates	**0,2**	0,1
Effective rate excluding associate income	**25,0**	23,7
Dividend and exempt income	**1,1**	1,1
Foreign taxation rate differential	**2,5**	3,1
Non-deductible expenses	**(2,5)**	(2,7)
Deferred taxation assets not previously raised	**1,6**	1,9
Exempt portion of capital gains	**0,1**	0,7
Changes in prior years' estimation	**0,2**	0,1
Change in rate of taxation	**–**	0,1
Rate of South African company taxation (%)	**28,0**	28,0

Non-deductible expenses comprise impairments relating to goodwill (refer note 8.3), property, plant and equipment (refer note 7.1) and other non-deductible expenses individually insignificant across the group.

	2018 R'000	2017 R'000
5. TAXATION *(continued)*		
5.2 Deferred taxation		
Deferred taxation assets	**941 851**	922 847
Deferred taxation liabilities	**(776 085)**	(743 471)
Net deferred taxation asset	**165 766**	179 376
Movement in net deferred taxation assets and liabilities		
Balance at beginning of year	**179 376**	(32 477)
Current deferred taxation charge	**(16 955)**	157 328
Items recognised directly in equity and other comprehensive income	**354**	(5 871)
On acquisition of businesses	**(3 914)**	56 666
On disposal of businesses	**–**	69
Transfer to discontinued operations	**5 138**	–
Exchange rate adjustments	**1 767**	3 661
Balance at end of year	**165 766**	179 376

Temporary differences	Assets R'000	Liabilities R'000	Net R'000
2018			
Differential between carrying values and tax values of property, plant and equipment	**(16 575)**	**(319 915)**	**(336 490)**
Differential between carrying values and tax values of intangible assets	**34 983**	**(68 342)**	**(33 359)**
Estimated taxation losses	**78 998**	**(2 730)**	**76 268**
Staff-related allowances and liabilities	**231 786**	**24 119**	**255 905**
Operating lease liabilities	**31 211**	**(602)**	**30 609**
Inventories	**14 756**	**597**	**15 353**
Investments	**–**	**(149 779)**	**(149 779)**
Trade and other receivables	**78 288**	**5 607**	**83 895**
Trade, other payables and provisions	**488 404**	**(265 040)**	**223 364**
	941 851	**(776 085)**	**165 766**
2017			
Differential between carrying values and tax values of property, plant and equipment	(17 970)	(240 805)	(258 775)
Differential between carrying values and tax values of intangible assets	28 196	(60 915)	(32 719)
Estimated taxation losses	66 046	787	66 833
Staff-related allowances and liabilities	234 700	14 947	249 647
Operating lease liabilities	6 445	(71)	6 374
Inventories	15 289	477	15 766
Investments	–	(182 453)	(182 453)
Trade and other receivables	71 608	5 085	76 693
Trade, other payables and provisions	518 533	(280 523)	238 010
	922 847	(743 471)	179 376

Deferred taxation has been provided at rates ranging between 15% and 35% (2017: 12% and 34%). The variance in rates arises as a result of the differing taxation and capital gains taxation rates present in the various countries in which the group operates.

		2018 R'000	2017 R'000
5.	**TAXATION** *(continued)*		
5.2	**Deferred taxation** *(continued)*		
	Estimated tax losses available for offset against future taxable income	**151 072**	431 854
	Utilised in the computation of deferred taxation	**(71 643)**	(290 954)
	Not accounted for in deferred taxation	**79 429**	140 900

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.

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

The following temporary differences are not provided for: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred taxation is charged to the statement of profit or loss except to the extent that it relates to a transaction that is recognised directly in other comprehensive income or equity, or a business combination that is an acquisition. The effects on deferred taxation of any changes in tax rates is recognised in the statement of profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

		2018 R'000	2017 R'000
5.3	**Taxation paid**		
	Amounts payable at beginning of year	**(413 079)**	(394 640)
	Current taxation charge	**(1 332 830)**	(1 428 414)
	Businesses acquired	**1 263**	(11 509)
	Businesses disposed of	**–**	2 554
	Exchange rate adjustments	**(18 795)**	77 688
	Amounts payable at end of year	**367 846**	413 079
	Amounts paid	**(1 395 595)**	(1 341 242)

6. BASIC, DILUTED AND HEADLINE EARNINGS PER SHARE FOR CONTINUING OPERATIONS

6.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Bidcorp by the weighted average number of ordinary shares in issue during the year, excluding those ordinary shares held as treasury shares.

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year, increased/decreased by shares issued/treasury shares sold during the year, weighted on a time basis for the year during which they have participated in the profit of Bidcorp.