| | | 2019 R'000 | 2018 R'000 Restated# |
|---|---|---|---|
| **7.** | **CASH UTILISED BY OPERATIONS** | | |
| | Operating profit | **1 761 662** | 1 163 583 |
| | Impairment of investments | **98 414** | 544 640 |
| | Dividends received from subsidiaries | **(1 998 504)** | (1 825 363) |
| | Share-based payment expense# | **116 882** | 102 346 |
| | Working capital changes | | |
| | Increase (decrease) in other payables | **437** | (5 254) |
| | Cash utilised by operations | **(21 109)** | (20 048) |

# *Refer note 15.*

| | | 2019 R'000 | 2018 R'000 |
|---|---|---|---|
| **8.** | **TAXATION PAID** | | |
| | Balance receivable (payable) at beginning of year | **1** | (4 715) |
| | Current taxation charge | **(2 156)** | (4 178) |
| | Balance receivable at end of year | **(135)** | (1) |
| | Amounts paid | **(2 290)** | (8 894) |

## 9. SUBSEQUENT EVENTS

No material subsequent events have arisen since June 30 2019.

## 10. RELATED PARTIES

The subsidiaries and associates of the group are related parties of the company. The company has lent an amount to Crown Food Ingredients Zambia Limited (Crown Zambia). Crown Zambia is charged interest at the South African prime lending rate. All expenditure incurred by the company is borne by a subsidiary in lieu of administration fees and interest.

## 11. ACCOUNTING ESTIMATES AND JUDGEMENTS

### CFC income (tax)

Detailed calculations are performed to determine taxation due on controlled foreign companies (CFCs) in terms of section 9D of the Income Tax Act. These calculations are based on financial data obtained directly from the CFCs.

## 12. GOING CONCERN

The financial statements have been prepared on a going concern basis as the directors have every reason to believe that the company has adequate resources in place to continue in operation in the foreseeable future.

## 13. FINANCIAL INSTRUMENTS

The credit risk on cash and cash equivalents is addressed by utilising financial institutions of good standing for investment and cash management purposes.

## 14. DIRECTORS' EMOLUMENTS

Disclosure on directors' emoluments has been included in note 11.2 of the notes of the consolidated financial statements.

## 15. ACCOUNTING POLICIES

### Share-based payments

The company is a party to several group shared-based payment arrangements. As part of these arrangements, the company grants awards to employees of subsidiaries companies. These awards constitute equity instruments in the company (eg share awards over company shares). The company is the party that is obliged to settle the award if the vesting conditions are met. In accordance with IFRS 2 paragraph 43C, these transactions are treated as an equity-settled share-based payment for the company because they will be settled only in equity instruments of the company. IFRS 2 does not address the accounting for the "capital contribution", ie the debit side of the arrangement. As a result, the company has adopted a policy to recognise the share-based payment on the same basis as that of the group. The company therefore measures the awards at the grant date and recognises the grant date fair value as an expense over the vesting period in accordance with IFRS 2 requirements for equity-settled shared-based payments.

### Restatement

The company's comparative statement of profit or loss, statement of changes in equity and cash utilised by operations (note 7) were restated to record the company share-based payment expense for the respective years. This restatement had no impact on the opening retained earnings of the company and statement of financial position.

In addition to the share-based payment accounting policy, the accounting policies for the separate financial statements are the same as the consolidated financial statements, unless specifically stated otherwise.