25. INCOME TAX EXPENSE

	GROUP		COMPANY	
	June 2017 R'000	June 2016 R'000	**June 2017 R'000**	June 2016 R'000
Current taxation				
Current year charge	**104 668**	81 059	**2 687**	–
Prior year adjustment	**2 734**	(90)	**–**	–
Deferred taxation				
Current year charge/(credit)	**42 728**	(3 396)	**4 574**	(6 916)
Prior year adjustment	**(3 594)**	–	**(2 304)**	–
	146 536	77 573	**4 957**	(6 916)

	GROUP		COMPANY	
	June 2017 %	June 2016 %	**June 2017 %**	June 2016 %
Reconciliation of the tax rate				
South African normal tax rate	**28.0**	28.0	**28.0**	28.0
Adjusted for:				
Disallowable expenses	**14.63**	5.44	**(96.51)***	(99.81)**
Exempt income	**(3.58)**	(6.63)	**40.53**	73.33
Prior year adjustment				
– current tax	**0.53**	0.32	**–**	–
– deferred tax	**(0.79)**	0.34	**8.88**	–
Withholding tax	**1.03**	(1.89)	**–**	–
Utilisation of assessed losses	**0.17**	0.61	**–**	1.76
Effective rate of tax (%)	**39.99**	26.19	**(19.10)**	3.28

* *The non-deductible expenditure reflected on the tax rate reconciliation relates to expenses attributable to the remeasurement of contingent consideration and indemnity expense.*

** *The non-deductible expenditure reflected on the tax rate reconciliation relates to impairments of inter-group loans.*

26. EARNINGS PER SHARE

The calculation of basic earnings per share for the Group is based on profit and loss attributable to the parent for the year of R117.7 million (June 2016 restated: net profit of R140.3 million), and a weighted average number of shares of 554.4 million (June 2016: 553.0 million) shares in issue. The calculation of headline earnings per share for the Group is calculated on adjusted headline earnings of R123.8 million (June 2016 restated: R145.6 million), and a weighted average number of shares of 554.4 million (June 2016: 553.0 million) shares in issue.

Under the contingent consideration arrangement, AfroCentric Investment Corporation Limited is required to issue WAD Holdings Proprietary Limited an additional 31 366 977 shares (2016: 26 192 902 shares) based on management's best estimate as per the Acquisition of Shares agreement. WAD Holdings Proprietary Limited has now elected to receive the contingent consideration in cash and not shares. This no longer has an impact on the weighted average number of shares for diluted earnings per share in the current financial year.