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.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

26. EARNINGS PER SHARE CONTINUED

	GROUP	
	June 2017 R'000	June 2016 Restated* R'000
Reconciliation of headline earnings		
Total profit and loss attributable to the parent	**117 669**	140 349
Basic earnings	**117 669**	140 349
Adjusted for:		
Impairment/(reversal of impairment)	**16 640****	10 217
Tax effect of impairment/(reversal of impairment)	**–**	(1 360)
Loss on disposal of assets	**681**	245
Tax effect of loss on disposal of asset	**(191)**	(69)
Fair value gain on investment property	**(418)**	–
Tax effect of fair value gain on Investment property	**94**	–
Total non-controlling interest effect of adjustments	**(10 637)**	(3 815)
Headline earnings	**123 838**	145 567
Earnings per share (cents)		
Basic	**21.23**	25.38
Diluted	**21.23**	24.23
Headline earnings per share (cents)		
Basic	**22.34**	26.33
Diluted	**22.34**	25.13
Cash earnings per share (cents)***		
Basic	**81.33**	71.23
Diluted	**81.33**	68.00
Weighted average number of shares	**554 377 328**	552 958 931
Adjusted for:		
– dilutionary impact of contingent shares	**–**	26 192 902
Weighted average number of shares for diluted earnings per share	**554 377 328**	579 151 833

** See Note 39 for details regarding the restatement of the June 2016 results.*

*** This relates to impairment of Goodwill relating to IE Business which is currently dormant as it ceased operations.*

****The cash generated from operations was used to arrive at this figure.*

	June 2017 R'000	June 2016 Restated* R'000
Normalised earnings (non-IFRS information)[1]		
Headline earnings	**123 838**	145 567
Adjusted by:	**120 275**	24 960
– Finance costs: conditional obligation	**45 906**	24 960
– Fair value of contingent consideration	**59 582**	–
– Sanlam indemnity expense	**14 787**	–
Normalised headline earnings	**244 113**	170 527
Normalised headline earnings per share (cents)		
Basic	**44.03**	30.84
Diluted	**44.03**	29.44

[1] Given the material non-cash, non-trading and non-recurring deductions which have a significant adverse impact on the earnings, management has adopted a non-IFRS earnings measure model.