10. Investment in subsidiaries (continued)

Summarised statement of cash flows of Medscheme Holdings Proprietary Limited

	Group	
	June 2018 R'000	June 2017 R'000
Net cash inflow from operating activities	(2 835)	309 744
Net cash outflow from investing activities	(2 013)	(188 432)
Net cash inflow from financing activities	(157 453)	1 234
Net increase/(decrease) in cash and cash equivalents	(162 301)	(122 546)

11. Deferred income tax

	Group	
	June 2018 R'000	June 2017 R'000
Analysed in the statement of financial position, after offset of balances within companies, as follows:		
Deferred tax assets	45 210	82 865
Deferred tax liabilities	(121 667)	(100 627)
	(76 457)	(17 762)

Gross deferred tax assets and liabilities, before offset of balances within companies, are as follows:

	Group							
	Capital allowances R'000	Invest-ment R'000	Provisions R'000	Prepay-ments R'000	Assessed loss* R'000	Business combina-tions R'000	Other R'000	Total R'000
Deferred income tax assets								
Balance as at 30 June 2016	–	–	38 590	–	66 272	–	–	104 862
(Charge)/credit to profit for the year	–	12 815	(4 908)	–	(29 904)	–	–	(21 997)
Balance as at 30 June 2017	–	12 815	33 682	–	36 368	–	–	82 865
(Charge)/credit to profit for the year	–	(592)	(6 735)	–	(19 199)	–	340	(26 186)
Balance as at 30 June 2018	**–**	**12 223**	**26 947**	**–**	**17 169**	**–**	**340**	**56 679**
Deferred income tax liabilities								
Balance as at 30 June 2016	(49 019)	–	–	(2 151)	–	(31 220)	–	(82 390)
(Charge)/credit to profit for the year	(20 053)	(1 540)	(444)	196	–	3 604	–	(18 237)
Balance as at 30 June 2017	(69 072)	(1 540)	(444)	(1 955)	–	(27 616)	–	(100 627)
(Charge)/credit to profit for the year	(27 629)	1 540	444	(1 338)	–	(3 986)	(1 540)	(32 509)
Balance as at 30 June 2018	**(96 701)**	**–**	**–**	**(3 293)**	**–**	**(31 602)**	**(1 540)**	**(133 136)**

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 JUNE 2018

11. Deferred income tax (continued)

	Company							
	Capital allowances R'000	Invest-ment R'000	Provisions R'000	Prepay-ments R'000	Assessed loss* R'000	Business combina-tions R'000	Other R'000	Total R'000
Deferred income tax assets								
Balance as at 1 July 2016	–	–	1 400	–	16 345	–	–	17 745
Credit to profit for the year	–	12 815	1 260	–	(16 345)	–	–	(2 270)
Balance as at 30 June 2017	–	12 815	2 660	–	–	–	–	15 475
(Charge)/credit to profit for the year	–	(592)	(2 660)	–	–	–	–	(3 252)
Balance as at 30 June 2018	**–**	**12 223**	**–**	**–**	**–**	**–**	**–**	**12 223**

* *As a result of the increase in operations, the companies will generate sufficient income which will be utilised against the assessed loss going forward.*

12. Inventory

	Group		Company	
	June 2018 R'000	June 2017 R'000	**June 2018 R'000**	June 2017 R'000
Merchandise	74 366	63 848	–	–
Finished goods	9 166	9 528	–	–
Inventory on hand at year end	83 532	73 376	–	–

The finished goods on hand at year end relates to specialised equipment that will be sold in the next financial period. Merchandise refers to pharmaceutical products that are on hand at year end.