Notes to the financial statements continued

for the year ended 30 JUNE 2021

25. Income tax expense – continuing operations

	Group		Company	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000
25.1 Current taxation	223 604	167 353	30	–
Current year	220 571	170 066	30	–
Prior year	2 608	(2 737)	–	–
Securities transfer tax	425	24	–	–
Deferred taxation	(17 863)	(11 488)	12 732	688
Current year	(23 819)	(2 766)	41	688
Prior year	6 006	(8 718)	12 691	–
Income tax on remeasurement of post-employment benefit obligations	(50)	(4)	–	–
	205 741	155 865	12 762	688
25.2 Reconciliation of the tax rate				
South African normal tax rate	28.00%	28.00%	28.00%	28.00%
Adjusted for:				
Disallowable expenses	2.45%	3.31%	3.53%	9.75%
Donations not subject to Section 18A	0.04%	0.04%	–	–
Share transaction cost	0.03%	–	0.11%	–
Dual nature expenses	0.43%	0.54%	–	9.75%
Non-allowable legal fees	0.13%	0.32%	–	–
Non-allowable consulting fees	0.04%	0.14%	–	0.03%
Foreign exchange gain	–	0.07%	–	–
Loss on sale of assets	–	(0.01%)	–	–
Impairment of loans	0.13%	1.24%	–	–
Impairment of investments	0.76%	0.61%	–	–
Impairment of intangible assets	0.45%	–	–	–
Fair value loss on investments	0.16%	–	–	–
Waiver of debt	0.01%	–	–	–
Depreciation on buildings	0.03%	–	–	–
Penalties and interest	0.04%	(0.01%)	–	(0.03%)
Non-trading expenses	0.20%	0.37%	3.42%	–
Non-taxable income	(2.45%)	(0.37%)	(0.27%)	(0.12%)
Share of profits from associates	(0.33%)	(0.36%)	–	–
Fair value gain on investments	–	0.11%	–	(0.12%)
Investment capital received	–	–	(0.27%)	–
Employment Tax Incentive	(0.15%)	(0.12%)	–	–
Reversal of impairment of intangible assets	(1.91%)	–	–	–
Foreign exchange gain	(0.06%)	0.00%	–	–
Exempt income	(0.54%)	(1.49%)	(31.23%)	(36.07%)
Foreign income exempt in terms of Double Taxation Agreement	(0.54%)	(1.49%)	–	–
Dividends received	–	–	(31.23%)	(36.07%)
Other deductible expenses	(0.50%)	(0.69%)	–	–
Learnership allowance	(0.30%)	(0.69%)	–	–
Venture capital allowance	(0.20%)	–	–	–
Rate differences	0.31%	(0.85%)	–	–
Prior year adjustment				
– current tax	0.61%	(0.68%)	–	–
– deferred tax	0.87%	(1.28%)	–	–
Withholding tax	0.18%	(0.62%)	7.09%	–
Security transfer tax	0.06%	–	–	–
Unutilised capital loss	(0.30%)	–	–	–
Unrecognised assessed loss	0.76%	(0.30%)	–	(0.18%)
Effective tax rate	29.45%	25.03%	7.12%	1.38%