NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

For the year ended 31 May 2014

		2014 R'000	2013 R'000
23.	**CASH GENERATED/(UTILISED) BY OPERATIONS**		
	Reconciliation of operating profit to cash generated by operating activities:		
	Operating profit	**722 856**	645 671
	Adjustments for:		
	Depreciation of property, plant and equipment	**36 976**	36 911
	Amortisation of intangible assets	**95 004**	78 930
	Impairment of property, plant and equipment	**129**	3 408
	Impairment of intangible assets	**1 073**	—
	Discounting of receivables recognised in revenue	**117 443**	127 771
	Discounting of payables recognised in changes in inventories of finished goods	**(143 883)**	(143 329)
	Impairment of loans	**1 761**	8 400
	Profit on disposal of property, plant and equipment	**(287)**	(789)
	Net profit on disposal of subsidiaries	**—**	(120)
	Net profit on disposal of joint ventures	**—**	(2 273)
	Equity compensation benefit expense	**11 069**	16 180
	Net unrealised forex profit	**(16 458)**	(8 037)
	Changes in working capital (excluding the effects of acquisitions and disposals):		
	Decrease/(increase) in inventories	**552 305**	(1 319 938)
	Increase in trade and other receivables	**(669 602)**	(155 979)
	Increase in trade and other payables	**423 461**	448 236
	(Increase)/decrease in loans receivable	**(3 209)**	3 570
	Decrease in starter pack assets	**370**	4 004
		1 129 008	(257 384)
24.	**TAXATION PAID**		
	Balance outstanding at the beginning of the year	**36 071**	13 938
	Taxation charge	**208 996**	215 075
	Disposal of subsidiaries	**—**	(45)
	Acquisition of subsidiaries	**3 726**	1 437
	Translation differences	**68**	173
	Balance outstanding at the end of the year	**(25 323)**	(36 071)
		223 538	194 507