Notes to the Group annual financial statements continued

For the year ended 31 May 2017

7. Taxation continued

7.2 Deferred taxation continued

	2017 R'000	2016 R'000
Deferred tax asset comprises:		
Capital allowances	—	(817)
Provisions	(23 076)	(18 768)
Tax losses	(16 290)	(16 619)
Other	(5 262)	(3 184)
Total deferred tax asset	(44 628)	(39 388)
Deferred tax liability comprises:		
Capital allowances	7 370	359
Fair value gains	36 304	41 715
Provisions	695	107
Prepayments	2 802	4 268
Unrealised foreign exchange differences	17 734	33 868
Other	5 978	—
Total deferred tax liability	70 883	80 317
Net deferred tax	26 255	40 929
The analysis of deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax assets		
Deferred tax assets to be recovered after more than 12 months	10 396	1 713
Deferred tax assets to be recovered within 12 months	(37 093)	(22 925)
Net deferred tax asset	(26 697)	(21 212)
Deferred tax liabilities		
Deferred tax liabilities to be recovered after more than 12 months	44 168	68 217
Deferred tax liabilities to be recovered within 12 months	8 784	(6 076)
Net deferred tax liability	52 952	62 141
Net deferred tax	26 255	40 929

Where deferred tax assets have been recognised in respect of entities which have incurred losses in the current or prior years, a formal process of assessment of the future profitability of the entity has been performed based on detailed budgets and cash flow forecasts. As a result, management believes that the current tax losses will be utilised within one to five years.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of R44.3 million (2016: R44.3 million) in respect of losses amounting to R158.5 million (2016: R158.2 million) that can be carried forward against future taxable income.

There is no withholding tax that would be payable on any dividends received from the Group's equity accounted associates and joint ventures and therefore no deferred tax has been raised in this regard. Deferred tax at the CGT rate has been raised on investments in associates and joint venture that are classified as venture capital investments.

		2017 R'000	2016 R'000
7.3	**Taxation paid**		
	Balance outstanding at the beginning of the year	36 521	36 169
	Taxation charge	345 990	305 420
	Translation differences	—	50
	Balance outstanding at the end of the year	(43 697)	(36 521)
		338 814	305 118