Notes to the Company annual financial statements continued

For the year ended 31 May 2017

18. Taxation

	2017 R'000	2016 R'000
Current tax	6	—
Current year	—	—
Adjustment in respect of prior year	6	—
Deferred tax	(5 243)	5 902
Current year	(5 304)	6 241
Adjustment in respect of prior year	61	(339)
	(5 237)	5 902
Tax rate reconciliation		
Net profit before tax	(97 846)	185 948
Tax at 28%	(27 397)	52 065
Dividends received	(4 047)	(2 749)
Fair value adjustments	(329)	(6 473)
Investment impairment reversal	—	(44 216)
Impairment of investments	18 585	—
Expenditure not deductible for tax purposes	76	1 212
Expenditure of a capital nature	7 808	6 654
Adjustment in respect of prior year	67	(339)
Capital gains tax	—	(252)
	(5 237)	5 902
Effective tax rate	5%	3%

19. Cash utilised by operations

	2017 R'000	2016 R'000
Reconciliation of operating loss to cash flows from operating activities		
Operating (loss)/profit	(105 303)	183 493
Adjustments for:		
Dividends received	(14 453)	(3 598)
Depreciation of property and equipment	4 762	6 190
Amortisation on intangible assets	13	54
Impairment of loans and investments	66 479	2 496
Reversal of impairment of loans and investments	—	(157 914)
Loss on disposal of property and equipment	54	4
Profit on disposal of subsidiaries	—	(900)
Equity compensation benefit expense	9 242	8 241
Net unrealised foreign exchange loss/(profit)	19 954	(25 066)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	3 242	(2 051)
Increase/(decrease) in trade and other payables	6 560	(20 222)
	(9 450)	(9 273)