

Notes to the consolidated Annual Financial Statements (continued)

for the year ended 31 July 2019

30. Taxation

<i>Figures in Rand thousand</i>	2019	Restated 2018
Current taxation		
Local income taxation – current year	325 264	337 366
Local income taxation – prior years	(16 472)	24 758
Foreign income taxation – current year	1 799	1 676
	310 591	363 800
Discontinued operations	69 625	66 155
Continuing operations	240 966	297 645
	310 591	363 800
Deferred taxation		
Originating and reversing temporary differences	54 372	(86 957)
Prior year adjustments	–	(4 773)
	54 372	(91 730)
Discontinued operations	(28 803)	–
Continuing operations	83 175	(91 730)
	54 372	(91 730)
Total taxation	364 963	272 070
Discontinued operations	40 822	66 155
Continuing operations	324 141	205 915
Total taxation	364 963	272 070
Reconciliation of rate of taxation	%	%
South African normal rate of taxation	28,0	28,0
Reduction in rate for the year, due to:		
Exempt income*	1,3	(5,2)
Foreign taxation rate difference	(0,1)	(0,8)
Share of profits of equity-accounted investments	(0,1)	(2,4)
Increase in rate for the year, due to:		
Non-deductible expenditure**	(23,3)	2,6
Disallowable loss on disposal	4,3	19,4
Prior year adjustments to over/underprovision of deferred taxation/current taxation	0,4	1,0
Effect of utilised/not utilised on estimated tax losses	(13,3)	5,4
Capital gains taxation	(0,7)	0,2
Effect of unutilised temporary differences	(4,6)	–
	(8,1)	48,2
Unrecognised deferred taxation assets		
Deferred taxation assets not recognised in respect of deductible temporary differences	716 665	–
Deferred taxation assets not recognised in respect of taxation losses	3 281 246	762 630
	3 997 911	762 630

* Includes capital profit on sale of fixed assets/investments and dividends received.

** Includes capital loss on sale of fixed assets/investments.

The deductible temporary differences do not expire under the current taxation legislation.

Deferred taxation assets have not been recognised in respect of these items because management does not consider it probable at this time that future profit will be available against which the Group can utilise the benefits therefrom in the next three years.

In 2019, R105 million (2018: R399 million) of previously unrecognised taxation losses were recognised as management considered it probable that future taxable profits would be available against which they can be utilised in the next three years.

Estimates were made in assessing the tax liability, especially with regards to uncertain tax positions and the findings of the ENS investigation.