Notes to the company financial statements continued

for the year ended 30 September

	2018 Rm	2017 Rm
2. OPERATING PROFIT		
Operating profit is arrived at as follows:		
Revenue	672	665
Less: Net expense	(70)	(54)
Administrative costs	(70)	(54)
Operating profit	602	611
Administrative costs include the following:		
Depreciation (notes 4 and 5)	10	9
Amortisation of intangible assets (note 6)	2	2
Administration, management and technical fees paid	4	3
Auditors' remuneration	3	1
Audit fees	3	1

	2018 Rm	2017 Rm
3. TAXATION		
Foreign and withholding taxation	(3)	(2)
Current year	(49)	(63)
Prior year		5
	(52)	(60)
Deferred taxation		
Current year	1	(3)
Taxation attributable to the company	(51)	(63)

	2018 %	2017 %
Reconciliation of rate of taxation:		
South Africa normal taxation rate	28.0	28.0
Reduction in rate of taxation	(20.5)	(17.9)
Adjustment due to exemption for dividend income	(20.5)	(17.9)
Taxation on unprovided temporary differences		
Increase in the rate of taxation	1.6	0.2
Disallowable charges*	1.0	0.7
Prior year		(0.8)
Withholding taxation	0.6	0.3
Taxation as a percentage of profit before taxation	9.1	10.3

** Disallowable charges include depreciation, interest paid to SARS, consulting fees and other expenses attributable to non-taxable income.*