4. FAIR VALUE LOSS/(PROFIT) ON DERIVATIVE FINANCIAL INSTRUMENTS

	2019 R'm	2018 R'm
Fair value loss/(profit) on interest rate swap contracts	**32**	(30)
Fair value loss/(profit) on the Max[1] foreign exchange option contracts	**406**	(23)
Fair value profit on B-share option liability	**–**	(74)
	438	(127)

5. FINANCE INCOME AND COST

Finance income	**(60)**	(40)
Interest revenue calculated using the effective interest rate method	**(1)**	(2)
Foreign exchange gains	**(54)**	(30)
Other	**(5)**	(8)
Finance cost	**1 058**	1 002
Interest-bearing borrowings and bank overdrafts	**739**	733
Interest rate swap contracts	**16**	12
Borrowing cost capitalised[1]	**(8)**	(16)
Preference shares	**142**	224
Foreign exchange losses	**66**	30
Unwinding of contingent consideration	**44**	–
Other	**59**	19
Net finance cost	**998**	962

[1] The Group has used an average rate of 8.7% (2018: 8.6%) in determining the borrowing costs capitalised.

6. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:		
Operating lease rentals	**297**	242
Auditors' remuneration	**41**	48
Total audit fees	**34**	30
Fees relating to non-audit services	**7**	18
Directors' and prescribed officers' emoluments (refer note 27)	**43**	48

7. TAX EXPENSE

Current income tax		
Current year	**990**	1 007
Prior year underprovision	**25**	16
Deferred income tax		
Origination and reversal of temporary differences	**(270)**	(99)
Prior year overprovision	**(5)**	(1)
Withholding taxes	**95**	–
Total tax expense	**835**	923

[1] Max Healthcare Institute Limited (Max).

7. TAX EXPENSE continued

	2019 %	2018 %
Reconciliation of the tax rate		
South African normal tax rate	**28.00**	28.00
Adjustments for non-cash items:		
Income not taxable – profit on sale of property, plant and equipment and investments	**(9.83)**	(0.15)
Income not taxable – partnerships	**(0.36)**	(0.48)
Income not taxable – gain on derecognition of lease assets and liabilities	**–**	(0.78)
Expenses not deductible – associate loss	**–**	1.10
Expenses not deductible – impairment of intangible assets and investment	**0.28**	0.28
Expenses not deductible – interest on preference shares	**1.15**	2.21
Expenses not deductible – interest on borrowings and acquisition costs	**0.48**	0.79
Other	**(1.09)**	(0.54)
Deferred tax through other comprehensive income	**0.56**	–
Prior year underprovision	**0.81**	0.54
Withholding taxes	**2.57**	0.02
Assessed losses previously not recognised	**(1.67)**	0.27
Impact of different international tax rates	**1.62**	1.27
Effective rate	**22.52**	32.53

The Group has raised deferred tax on estimated tax losses of R622 million (2018: R256 million) available to offset against future taxable income. Tax losses of R64 million (2018: R26 million) were utilised during the year.

8. EARNINGS (EPS), HEADLINE EARNINGS (HEPS) AND DIVIDEND (DPS) PER SHARE

	Attributable earnings R'm		Weighted average number of shares ('000)		Cents per share	
	2019	2018	**2019**	2018	**2019**	2018
EPS – basic	**2 569**	1 575	**1 456 430**	1 450 710	**176.4**	108.6
EPS – diluted	**2 569**	1 575	**1 461 449**	1 456 525	**175.8**	108.1
HEPS – basic	**1 291**	1 579	**1 456 430**	1 450 710	**88.7**	108.8
HEPS – diluted	**1 291**	1 579	**1 461 449**	1 456 525	**88.4**	108.3
Normalised EPS (NEPS)	**1 695**	1 598	**1 456 430**	1 450 710	**116.4**	110.2

	Total dividend (R'm)		Total number of issued shares ('000)		Cents per share	
DPS – ordinary shares						
• Final (previous financial year)	**734**	652	**1 467 349**	1 449 391	**50**	45
• Interim	**587**	556	**1 467 349**	1 463 980	**40**	38

The cash portion of the total dividend was subject to dividend withholding tax at a rate of 20%, which resulted in a net final dividend, for the year ended 30 September 2018, of 40.0 cents per ordinary share and net interim dividend of 32.0 cents per ordinary share to those shareholders who are not exempt in terms of section 64F of the Income Tax Act.