NOTES TO CONSOLIDATED ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2020

6. PROFIT BEFORE TAX

	2020 R'm	2019 R'm
The following items have been included as part of other expenses in arriving at profit before tax:		
Lease rentals	**131**	297
Operating lease rentals (under IAS 17)	**–**	297
Expense relating to short-term leases	**22**	–
Expense relating to leases of low-value assets, not shown above as short-term leases	**15**	–
Expense relating to variable lease payments not included in lease liabilities	**94**	–
Auditors' remuneration	**49**	41
Total audit fees	**47**	34
Fees relating to non-audit services	**2**	7
Advertising and marketing expenses	**86**	34
Bad debts written off	**141**	97
Non-executive directors' emoluments (refer note 27)	**7**	6
Irrecoverable VAT (partial exemption) in international business	**143**	113
Insurance premiums	**116**	94
Motor vehicle expenses	**26**	26
Security costs	**84**	78
Subscriptions and publications costs	**33**	35
Training and conferences expenses	**54**	46
Travelling and accommodation expenses	**44**	53
Other[1]	**430**	395
	1 344	1 315

[1] *Other comprise mainly of bank charges, refreshments, general expenses, quality costs and archive filing expenses.*

7. TAX EXPENSE

	2020 R'm	2019 R'm
Current income tax		
Current year	**538**	990
Prior year underprovision	**41**	25
Deferred income tax		
Origination and reversal of temporary differences	**(64)**	(270)
Prior year under/(over) provision	**27**	(5)
Withholding taxes	**1**	95
Total tax expense	**543**	835
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	**(0.02)**	(9.83)
Income not taxable – partnerships	**(0.89)**	(0.36)
Expenses not deductible – impairment of intangible assets and investment	**27.48**	0.28
Expenses not deductible – interest on preference shares	**1.39**	1.15
Expenses not deductible – interest on borrowings and acquisition costs	**4.16**	0.48
Expenses not deductible – retirement benefit revaluation	**4.03**	0.23
Other[2]	**3.18**	(1.32)
Deferred tax through other comprehensive income	**0.80**	0.56
Prior year underprovision	**8.13**	0.81
Withholding taxes	**0.20**	2.57
Assessed losses previously not recognised	**(1.84)**	(1.67)
Effect of conversion of international tax rates to South Africa normal tax rate	**18.87**	1.62
Effective rate	**93.49**	22.52

[2] *Other include various permanent differences in foreign tax jurisdictions and South Africa for which there are no corresponding tax allowances as well as learnership allowances.*

The Group has raised deferred tax on estimated tax losses of R791 million (2019: R622 million) available to offset against future taxable income. Refer note 14. Tax losses of R228 million (2019: R64 million) were utilised during the year.