

Standard Bank Group Limited – company annual financial statements *continued*

	2005 Rm	2004 Rm
34 Current and deferred taxation		
Current taxation	112	112
Deferred taxation	19	173
	131	285
34.1 Deferred tax analysis		
Deferred tax at the beginning of the year	173	114
(Reversing)/originating temporary difference for the year		
Secondary tax on companies	(154)	59
Deferred tax at end of the year ¹	19	173
<i>¹Deferred tax at the end of the year is attributable to secondary tax on companies.</i>		
35 Interest in subsidiaries		
Shares at cost	21 107	17 257
Indebtedness to the company	408	531
	21 515	17 788
Indebtedness by the company	(1 189)	(1 075)
	20 326	16 713
Subsidiaries and investments and loans therein are listed in Annexure C on page 194.		
36 Interest in associate		
Cost at beginning and end of the year	131	131
Directors' valuation		
The directors' valuation of the investment in the associate is R131 million (2004: R131 million).		
The associate comprises an investment in South African Home Loans (Proprietary) Limited, refer Annexure D on page 198.		
37 Loans from other banks		
Loans from other banks	900	–
An amount of R500 million is repayable on 19 June 2006 and bears interest of 7,4% per annum payable on 16 March 2006 and 19 June 2006.		
The remaining amount is repayable on 19 June 2006 and bears interest of 7,6% per annum payable on 16 March 2006 and 19 June 2006.		
38 Taxation		
Indirect taxation (note 38.1)	13	11
Direct taxation (note 38.2)	188	2
Total taxation	201	13
38.1 Indirect taxation		
Regional services council levies	11	9
Value added tax	2	2
Indirect taxation	13	11

	2005 Rm	2004 Rm
38 Taxation continued		
38.2 Direct taxation		
Current year		
South African normal tax	1	17
Foreign and withholding taxes	43	44
Secondary tax on companies	173	(59)
Prior years		
South African normal tax	(29)	–
Direct taxation	188	2
Rate reconciliation of direct taxation (%)		
The direct taxation charge for the year as a percentage of profit before direct taxation:	3	–
Foreign and withholding taxes	(1)	(1)
Secondary tax on companies	(2)	1
Tax relating to prior years	–	–
Net tax charge	–	–
The charge for the year has been reduced as a consequence of:		
– Dividends received	29	30
Standard rate of South African tax	29	30
In 2005, the South African government decreased the corporate tax rate from 30% to 29%.		
39 Cash flow statement		
39.1 Reconciliation of income before indirect taxation to cash flows from operating activities		
Income before tax	7 245	6 527
Net cash flows from operating activities	7 245	6 527
39.2 Net cash flows (used in)/from operating funds		
Other liabilities	(20)	6
Decrease in other assets	1	–
	(19)	6
39.3 Taxation paid		
Taxation receivable and deferred taxation at beginning of the year	285	207
Income statement charge	(201)	(13)
Taxation receivable and deferred taxation at end of the year	(131)	(285)
	(47)	(91)
39.4 Interest in subsidiaries		
Cost of acquisition of subsidiaries net of disposal	(3 850)	(3 685)
Movement in net indebtedness	237	158
	(3 613)	(3 527)
39.5 Dividends paid		
Amounts unpaid at beginning of the year	–	–
Dividends to ordinary shareholders	(4 107)	(2 150)
Dividends to preference shareholders	(226)	–
Dividends received in terms of Tutuwa initiative	301	–
Amounts unpaid at end of the year	–	–
	(4 032)	(2 150)