24 Non-distributable reserves

	Group		Company	
	2017 Rm	2016 Rm	**2017 Rm**	2016 Rm
	1 376	1 507	**753**	795
Opening balance	**1 507**	1 507	**795**	786
Movement during the year	**(131)**	–	**(42)**	9
Foreign currency translation reserve	**(61)**	(9)	**–**	–
Increase in treasury shares for Telkom company share plan.	**(205)**	–	**(205)**	–
Vesting of grant 1 of Telkom Share Plan	**11**	–	**11**	–
Purchase of Telkom shares by subsidiaries for subsidiaries employee share scheme	**(28)**	–	**–**	–
Revaluation of the cell captive reserve	**152**	9	**152**	9
The balance comprises:	**1 376**	1 507	**753**	795
Cell captive reserve	**2 443**	2 291	**1 722**	1 570
Foreign currency translation reserve	**(70)**	(9)	**–**	–
Shares held by subsidiaries and in escrow	**(997)**	(775)	**(969)**	(775)

The group has a cell captive preference share investment to fund Telkom's post-retirement medical aid liability.

The fair value gains from the cell captive are recognised in profit or loss. The fair value gains are transferred to the non-distributable reserves until the date that the investment and the corresponding fair value gains are realised. On this date the fair value gains are transferred back to retained earnings.

The reserve also represents amounts paid by Telkom to subsidiary, Rossal No 65 Proprietary Limited, for the acquisition of Telkom's shares to be utilised in terms of the Telkom Share Plan.

Fair value of ordinary shares in Telkom are held as follows:

	2017		2016	
	Number of shares	**Rm**	Number of shares	Rm
Treasury shares in escrow	**12 612 717**	**946**	13 464 298	775
Rossal No 65 Proprietary Limited	**4 630 125**	**347**	1 875 239	108
Total	**17 242 842**	**1 293**	15 339 537	883

All shares will be allocated to employees as part of the share plan. During the year subsidiaries purchased 398 975 shares for R28 million.

25 Non-controlling interest

	Group	
	2017 Rm	Restated 2016 Rm
	337	390
Balance at beginning of year	**390**	299
Share of earnings	**57**	111
Acquisition of non-controlling interest*	**–**	(32)
Disposal of non-controlling interest*	**(3)**	–
Acquisition of subsidiary with non-controlling interests*	**–**	126
Dividend declared	**(107)**	(114)

The non-controlling interest relates to the minority shareholders of Trudon and BCX.

** Refer to note 11.*