Notes to the financial statements continued

for the year ended 31 March 2024

4. Working capital continued

4.3 Trade and other receivables continued

	Group		Company	
	31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
Allowance account for expected credit losses – trade receivables	**3 195**	2 908	**2 824**	2 238
Opening balance as previously reported	**2 908**	2 296	**2 238**	1 638
Charged to statement of profit or loss and other comprehensive income	**1 285**	1 112	**1 048**	945
Enterprise loss allowance movement	**–**	–	**(40)**	(93)
Receivables written off	**(998)**	(500)	**(422)**	(252)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include sending reminders, pinging the accounts for additional debit order collections, suspending the services, handing over the debt to external debt collectors and not receiving the debtors positive feedback that confirms the amounts as collectable, failure of a debtor to engage in a repayment plan with the Group, blacklisting the customer, and failure to make contractual payments.

Refer to note 7.1.4 for a detailed credit risk analysis.

4.4 Cash and cash equivalents

Summary of material accounting policies
Cash and cash equivalents comprise cash on hand, deposits held on call and short-term deposits with an initial maturity of less than three months when entered into.

	Group		Company	
Net cash and cash equivalents	31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
Cash and cash equivalents	**3 747**	3 469	**1 863**	1 807
Cash and bank balances	**2 687**	2 120	**803**	457
Short-term deposits	**1 060**	1 349	**1 060**	1 350
Undrawn borrowing facilities	**5 563**	2 837	**5 250**	2 520

The undrawn borrowing facilities are unsecured and bear interest at a rate that will be mutually agreed between the borrower and lender at the time of drawdown. These facilities are subject to annual review and are in place to ensure liquidity. At 31 March 2024, R4 billion (31 March 2023: R2.27 billion) of these undrawn facilities were committed by the banks. The R1 563 million uncommitted portion is subject to bank approval.

Undrawn borrowing facilities increased due to the committed facilities of R2 billion utilised in the prior year and repaid with new long-term facilities in the current year and an additional new facility of R1 billion in current year.

Short-term deposits
Short-term deposits are made mostly for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Borrowing powers
Telkom's Directors may mortgage or encumber Telkom's property, or any part thereof, and issue debentures, whether secured or unsecured, whether outright or as security for debt, liability or obligation of Telkom or any third party. For this purpose, the borrowing powers of Telkom are unlimited, but are subject to the restrictive financial covenants as well as specific restrictive clauses in the current funding arrangements.