

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
18. Deferred taxation	236	(3)	250	–
Opening balance	(3)	23	–	–
Profit and loss movements*	112	131	111	157
Capital allowances	23	16	22	17
Provisions and other allowances	96	143	96	137
Underprovision prior year	(7)	(23)	(7)	3
Tax losses	–	(5)	–	–
Reclassification of Trudon as held for sale	(12)	–	–	–
Other comprehensive income tax impact (refer note 11)	139	(157)	139	(157)
The balance comprises:	236	(3)	250	–
Capital allowances	17	2	35	20
Provisions and other allowances	237	152	233	137
OCI	(18)	(157)	(18)	(157)
Deferred taxation balance is made up as follows:	236	(3)	250	–
Deferred taxation assets	250	13	250	–
Deferred taxation liabilities	(14)	(16)	–	–

Deferred tax assets are recognised for deductible temporary differences to the extent of the related tax benefit through future taxable profits is probable. The group did not recognise deferred tax assets of R1 341 million (2014: R1 880 million) in respect of temporary differences amounting to R4 792 million (2014: R6 714 million) that can be carried forward against future taxable income.

*Profit and loss movements for 2014 in note 9 were restated for the impact on the reclassification of the Trudon group as a discontinued operation.

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
19. Inventories	552	646	531	539
Gross inventories	644	757	623	650
Write-down of inventories to net realisable value	(92)	(111)	(92)	(111)
Inventories consist of the following categories:	552	646	531	539
Installation material, maintenance material and network equipment	291	274	291	274
Merchandise	261	372	240	265
Write-down of inventories to net realisable value	92	111	92	111
Opening balance	111	307	111	304
Charged to selling, general and administrative expenses	119	63	119	63
Reversal of write-down due to the disposal of iWayAfrica Group	–	(3)	–	–
Inventories written off	(138)	(256)	(138)	(256)

The reduction in inventories for company is largely attributable to the lower mobile device stock.

An estimated amount of R193 million (2014: R153 million) included in inventories will be used for Telkom's network expansion in the 2016 financial year of which R137 million was purchased in the current financial year.

The decrease in write-down of inventories is mainly due to utilisation of the write-off.