

Notes to the consolidated annual financial statements (continued)

For the year ended 31 March 2015

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
20. Trade and other receivables	4 895	5 565	4 887	4 929
Trade receivables	3 872	4 281	3 858	3 673
Gross trade receivables	4 287	4 693	4 272	4 046
Impairment of receivables	(415)	(412)	(414)	(373)
Prepayments and other receivables	1 023	1 284	1 029	1 256
Allowance account for credit losses	415	412	414	373
Opening balance	412	548	373	408
Charged to selling, general and administrative expenses	443	350	400	319
Reversal of allowance due to the reclassification of the Trudon group as held for sale	(81)	–	–	–
Reversal of allowance due to the disposal of the iWayAfrica group	–	(91)	–	–
Receivables written off	(359)	(395)	(359)	(354)

The payment terms of trade receivables vary between 21 days and 30 days from date of invoice. Interest charged varies between prime + 1 % and 18 %, depending on the contract terms.
Refer to note 15.2 for detailed credit risk analysis.

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
21. Other financial assets and liabilities	28	74	28	74
Non-current other financial assets consist of:	1 275	261	1 275	261
Total other financial assets	1 101	–	1 101	–
> Repurchase agreements	174	261	174	261
> Derivative instruments	70	139	70	139
Forward exchange contracts	5	4	5	4
Firm commitments	99	118	99	118
Cross currency swaps	1 247	187	1 247	187
Less: Current portion of other financial assets	1 101	–	1 101	–
> Repurchase agreements	146	187	146	187
> Derivative instruments	70	139	70	139
Forward exchange contracts	5	4	5	4
Firm commitments	71	44	71	44
Cross currency swaps				

Repurchase agreements

The group manages a portfolio of repurchase agreements, with a view to generate additional investment income on the favourable interest rates and security provided on these instruments. They are short-term, usually seven days and are held to maturity.

21. Other financial assets and liabilities (continued)

Non-current other financial liabilities consist of:

At fair value through profit or loss

Total other financial liabilities

> Derivative instruments

Forward exchange contracts

Firm commitments

Interest rate swaps

Less: Current portion of other financial liabilities

> Derivative instruments

Forward exchange contracts

Firm commitments

Interest rate swaps

Group		Company	
2015 Rm	2014 Rm	2015 Rm	2014 Rm
–	–	–	–
(185)	(98)	(185)	(98)
(185)	(98)	(185)	(98)
(14)	(61)	(14)	(61)
(170)	(37)	(170)	(37)
(1)	–	(1)	–
(185)	(98)	(185)	(98)
(185)	(98)	(185)	(98)
(14)	(61)	(14)	(61)
(170)	(37)	(170)	(37)
(1)	–	(1)	–

Hedging activities and derivatives

Derivatives not designated as hedging instruments

The group only uses forward exchange contracts to economically and fair value hedge its transaction exposures. Derivative instruments are measured at fair value through profit or loss.

Fair value hedge

The foreign exchange forward contracts designated as fair value hedges are being used to hedge the exposure to changes attributable to movement in the spot exchange rate of its firm commitments.

An increase in fair value of the forward exchange contracts designated as fair value hedges of R172 million (2014: R90 million) has been recognised in finance charges and fair value movements and offset with a similar loss on the hedged items (property, plant and equipment and inventory). The ineffectiveness recognised in the current financial year was immaterial.

22. Net cash and cash equivalents

Cash disclosed as current assets

Cash and bank balances

Short-term deposits

Credit facilities utilised

Net cash and cash equivalents

Undrawn borrowing facilities

Group		Company	
2015 Rm	2014 Rm	2015 Rm	2014 Rm
3 616	1 842	3 544	1 747
135	193	120	153
3 481	1 649	3 424	1 594
(1)	(1)	(1)	(1)
3 615	1 841	3 543	1 746
6 450	5 950	6 450	5 950

The increase in cash and cash equivalents is mainly due to the inflow of a loan of R1 billion (refer to note 28). The balance includes R2 663 million ring-fenced for the acquisition of Business Connexion (BCX) subject to regulatory approval.

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 2015, R4 billion (2014: R4 billion) of these undrawn facilities were committed. There is no restriction on cash.