

Notes to the consolidated annual financial statements (continued)

For the year ended 31 March 2015

22. Net cash and cash equivalents (continued)

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

To borrow money, 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 and subject to the provisions of any applicable law. The borrowing powers are also subject to the restrictive financial covenants as well as specific restrictive clauses in the current funding arrangements.

23. Share capital

Authorised and issued share capital is made up as follows:

Authorised

1 000 000 000 ordinary shares of R10 each

Issued and fully paid

520 783 900 (2014: 520 783 900) ordinary shares of R10 each

The following table illustrates the movement within the number of shares issued:

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
Authorised	10 000	10 000	10 000	10 000
Issued and fully paid	5 208	5 208	5 208	5 208
	Number of shares		Number of shares	
Shares in issue at beginning of year	520 783 900	520 783 900	520 783 900	520 783 900
Shares in issue at end of year	520 783 900	520 783 900	520 783 900	520 783 900

The unissued shares are under the control of the directors until the next annual general meeting. The directors have been given the authority by the shareholders to buy back Telkom's own shares up to a limit of 10% of the current issued share capital.

Capital management

Refer to note 15.6 for detailed capital management disclosure.

24. Treasury shares

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
	–	(771)	–	(775)

In the current financial year treasury shares were reclassified into non-distributable reserves to more appropriately reflect its nature.

Refer to note 26 for the shares held by subsidiaries and in escrow.