Notes to the financial statements continued

for the year ended 31 March 2021

23. Share capital

Authorised and issued share capital is made up as follows:	Group 31 March 2021 Rm	Group 31 March 2020 Rm	Company 31 March 2021 Rm	Company 31 March 2020 Rm
Authorised				
1 000 000 000 ordinary shares of R10 each	10 000	10 000	10 000	10 000
Issued				
504 975 439 (31 March 2020: 504 975 439) ordinary shares of R10 each (fully paid up)	5 050	5 050	5 050	5 050
6 164 800 (31 March 2020: 6 164 800) shares at no consideration	–	–	–	–

The following table illustrates the movement within the number of shares issued:	Number of shares		Number of shares	
Shares in issue at the beginning of the year	511 140 239	511 140 239	511 140 239	511 140 239
Shares repurchased and cancelled during the year	–	–	–	–
Shares in issue at the end of the year	**511 140 239**	511 140 239	**511 140 239**	511 140 239

There is only one class of shares, ordinary shares. Each share has the same right to receive dividends and the repayment of capital and represents one vote at shareholders' meetings of Telkom SA SOC Ltd. Other than voting rights, there are no other preferences attached to the shares.

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 14.7 for detailed capital management disclosure.

24. Share-based compensation reserve

Telkom's shareholders approved the Telkom Group share plan at the September 2013 annual general meeting. The scheme covers certain operational and management employees and is aimed at giving shares to Group employees, at a Rnil exercise price, at the end of the vesting period. Although the number of shares awarded to employees was communicated at the grant date, the ultimate number of shares that vest may differ based on certain performance conditions being met. Refer to note 29.

The movement within the share-based compensation reserve is:	Group 31 March 2021 Rm	Group 31 March 2020 Rm	Company 31 March 2021 Rm	Company 31 March 2020 Rm
Balance at the beginning of the year	835	512	810	487
Net increase in equity	201	323	154	323
Employee cost (refer to note 6)	203	328	154	323
Vesting of shares	(2)	(5)	–	–
Balance at the end of the year	**1 036**	**835**	**964**	**810**

The increase in the share-based payment reserve relates to the accelerated vesting of shares due to the voluntary severance, retirement and retrenchment packages in the current year.