

Notes to the financial statements continued

for the year ended 31 March 2022

16. Lease receivables

16.1 Finance lease receivables

The Group provides voice and non-voice services to its customers, which make use of router and PABX equipment that is dedicated to specific customers. The disclosed information relates to those arrangements which were assessed to be finance leases in terms of IFRS 16.

Group	Total Rm	<1 year Rm	1 - 5 years Rm	>5 years Rm
2022				
Minimum lease payments receivable				
Lease payments receivable	453	207	246	–
Unearned finance income	(46)	(24)	(22)	–
Present value of minimum lease income (Lease receivables)	407	183	224	–

2021				
Minimum lease payments receivable				
Lease payments receivable	565	260	305	–
Unearned finance income	(67)	(32)	(35)	–
Present value of minimum lease income (Lease receivables)	498	228	270	–

Company	Total Rm	<1 year Rm	1 - 5 years Rm	>5 years Rm
2022				
Minimum lease payments receivable				
Lease payments receivable	114	55	59	–
Unearned finance income	(15)	(8)	(7)	–
Present value of minimum lease income (Lease receivables)	99	47	52	–

2021				
Minimum lease payments receivable				
Lease payments receivable	189	93	96	–
Unearned finance income	(25)	(14)	(11)	–
Present value of minimum lease income (Lease receivables)	164	79	85	–

16.2 Operating lease revenue

Group operating leases				
	Total Rm	<1 year Rm	1 - 5 years Rm	>5 years Rm
2022				
Rental receivable on buildings	(94)	(14)	(46)	(34)
Customer premises equipment receivables	(6)	(4)	(2)	–
Exchanges	(381)	(126)	(189)	(66)
Masts and towers	(1 634)	(535)	(1 079)	(20)
Total	(2 115)	(679)	(1 316)	(120)
2021				
Rental receivable on buildings	(102)	(31)	(39)	(32)
Exchanges	(196)	(62)	(134)	–
Masts and towers	(1 376)	(484)	(866)	(26)
Total	(1 674)	(577)	(1 039)	(58)

	Company operating leases			
	Total Rm	<1 year Rm	1 - 5 years Rm	>5 years Rm
2022				
Rental receivable on buildings	(8)	(2)	(3)	(3)
Customer premises equipment receivables	(6)	(4)	(2)	–
Exchanges	(171)	(53)	(85)	(33)
Total	(185)	(59)	(90)	(36)
2021				
Rental receivable on buildings	(24)	(21)	(2)	(1)
Exchanges	(165)	(53)	(112)	–
Total	(189)	(74)	(114)	(1)

17. Deferred taxation

	Group		Company	
	31 March 2022 Rm	31 March 2021 Rm	31 March 2022 Rm	31 March 2021 Rm
Deferred taxation	71	497	(28)	376
Opening balance	497	675	376	575
Profit and loss and opening balance movements	(348)	(197)	(325)	(218)
Capital allowances	(493)	(156)	(566)	(154)
Provisions and other allowances	(186)	(196)	(128)	(264)
Tax losses ¹	353	234	345	234
Overprovision/(underprovision) prior year ¹	(6)	(88)	39	(34)
Rate change ²	(24)	–	(15)	–
Common control transactions/business combinations	8	9	–	–
Other comprehensive income deferred tax impact ¹	(78)	19	(79)	19
The balance comprises:	71	497	(28)	376
Capital allowance	(3 628)	(3 247)	(3 654)	(3 222)
Provisions and other allowances	3 215	3 468	3 038	3 218
Business combination	(49)	(39)	–	–
Common control transaction	(30)	(32)	–	–
Tax losses	1 028	733	1 017	730
Other comprehensive income tax impact	(465)	(386)	(429)	(350)
Deferred taxation balance is made up as follows: ¹	71	497	(28)	376
Deferred taxation assets	308	723	–	376
Deferred taxation liabilities	(237)	(226)	(28)	–

¹ The decrease of R426 million in the deferred tax asset (DTA) balance is attributable to the following:

- R347 million is the net movement in temporary differences through the statement of profit or loss, primarily as a result of a deferred tax liability (DTL) attributable to fixed assets or movement in provisions, set off by the DTA recognised on tax losses; and
- R79 million movement through other comprehensive income (OCI) due to the additional liability raised in Telkom SA SOC Ltd, including actuarial gains recognised on the post-employment benefit plans.

² As per the announcement by the Minister of Finance in the 2022 budget speech, the corporate tax rate is changing from 28% to 27% effective for years of assessment ending on or after 31 March 2023. The reduction of the corporate tax rate resulted in a reduction of the Group's deferred tax asset balance to align to the future utilisation thereof.