15. OPERATING LOSS

Operating loss is arrived at after including the following:

	Notes	2024 R'000	2023 R'000
Audit fees		**335**	323
Consulting fees		**5 509**	1 693
Depreciation		**6**	266
Impairment losses on financial assets and financial guarantees*	6,11	**418 541**	311 799
Legal expenses		**257**	377
Secretarial fees		**1 542**	1 482

* The impairment losses of R419 million (2023: R312 million) includes the increase in the ECL provision of R369 million (2023: R268 million) relating to the loan owing by The Prepaid Company to BLT, refer to note 6. In addition, the impairment losses include an ECL adjustment of R47 million (2023: R40 million) relating to the financial guarantee issued to Dark Fibre Africa (SPV5), refer to note 11.

16. FINANCE INCOME

Accounting policy

Finance income is recognised using the effective interest method. When a loan or receivable is impaired, BLT reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as finance income. Finance income on impaired loans and receivables is recognised using the original effective interest rate.

	2024 R'000	2023 R'000
Interest received		
Bank	**138**	432
South African Revenue Service	**2**	—
Deposits*	**1 682**	—
Total finance income	**1 822**	432

* Interest earned on funds deposited with Lombard Insurance Company Limited which has been fully refunded.

17. INCOME TAX

Accounting policy

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the year, except to the extent that the tax arises from:
- a transaction or event which is recognised, in the same or different year, to other comprehensive income; or
- a business combination.

Critical accounting estimates and assumptions

Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable income is estimated based on business plans which include estimates and assumptions regarding economic growth, interest rates, inflation and competitive forces. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of BLT to realise net deferred tax assets recorded at the end of the reporting period could be impacted.