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15. Other income/ (expenses)

Figures in ZAR '000	December 31, 2014	December 31, 2013
Other Income		
Interest income earned on cash and cash equivalents	46 182	18 996
	46 182	18 996
Other Expenses		
Interest expense on long-term debt	(226 408)	(51 004)
Interest expense on shareholder loans – related parties	(8 825)	—
Less: capitalized interest	96 376	19 031
	(138 857)	(31 973)
Total	(92 675)	(12 977)

The interest expense was capitalized at a rate of 10.05% (2013: 9.51%) for Core, and 10.59% (2013: 9.49%) for Erika based on the effective interest rate for each instrument.

16. Income taxes

Income tax expense (benefit) for the years ended December 31, 2014 and 2013 consists of the following:

Figures in ZAR '000	December 31, 2014	December 31, 2013
Current	—	2 790
Deferred	307 171	—
Benefits of operating loss carryforwards	(296 123)	—
	11 048	2 790

Effective tax rate

Income tax expense (benefit) for the years ended December 31, 2014 and 2013, differed from the amounts computed by applying the statutory South African income tax rate of 28% (2013: 28%). The significant reconciling items have been noted below:

%	December 31, 2014	December 31, 2013
Income tax on SA statutory rate	28.0%	28.0%
Permanent items	(66.0%)	5.8%
Change in valuation allowance	21.0%	(37.7%)
Effective benefit rate	(17.0%)	(3.9%)

Deferred taxes

Deferred income taxes for the Operating Entities' taxable project entities reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

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