

Notes to the consolidated annual financial continued**18. Borrowings**

In terms of the memorandum of incorporation of Vodacom Group Limited, the borrowing powers of the Company are unlimited.

Rm	2016	2015
Non-current		
Interest bearing borrowings (Note 18.1)	26 658	20 308
Current		
Interest bearing borrowings (Note 18.1)	1 848	4 915
Non-interest bearing borrowings (Note 18.2)	436	436
	2 284	5 351
18.1 Interest bearing borrowings		
Vodafone Investments Luxembourg s.a.r.l.	24 256	21 201
During the current year, two additional loans, with a combined nominal value of R6 000 million were raised. R2 000 million was utilised to settle short-term overnight borrowings; R1 000 million was utilised to repay existing borrowings and the remainder was utilised to refinance an existing loan that was repayable in March 2016, thereby extending the repayment date to 22 March 2019 with a new fixed interest rate of 9.39%.		
The loans with a combined nominal value of R24 100 million are unsecured, bear interest payable quarterly between JIBAR plus 1.15% and 1.50% and a fixed interest rate of 8.64%, have repayment terms between three and seven years and are ultimately repayable between 24 November 2017 and 28 September 2020.		
Dark Fibre Africa (Pty) Limited, Link Africa (Pty) Limited And Metrofibre Networx (Pty) Limited	1 527	1 395
The Group leases access transmission links under finance leases. These leases bear interest at a fixed interest rate of 6.71% and lease payments are made monthly over a lease term of 15 years per link. The finance lease liability is secured by the lessor's title to the leased assets (Note 9).		
The Standard Bank of South Africa Limited	1 102	911
These loans with nominal values of US\$35 million and US\$40 million were raised in favour of Vodacom Congo (RDC) SA to finance capital expenditure and working capital requirements and to repay short-term borrowings. The loans bear interest payable quarterly at three-month LIBOR plus 2.45% and LIBOR plus approximately 3.10% respectively, have a five-year term and are ultimately repayable on 2 October 2019 and 12 December 2019 respectively. The Group has issued guarantees for these borrowings (Note 26).		
Old Mutual Specialised Financing (Pty) Limited and Minervois Trading No. 2 (Pty) Limited	–	999
The loan with a nominal value of R1 000 million was utilised to refinance existing borrowings, for capital expenditure and working capital requirements. It bore interest, payable quarterly, at JIBAR plus 1.8%, was repaid on 30 September 2015 and was unsecured (Note 31.4.1.2).		
Balance carried forward	26 885	24 506

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18.1

Rm	2016	2015
Borrowings continued		
Interest bearing borrowings continued		
Balance brought forward	26 885	24 506
Mirambo Limited	9	11
The loan with a nominal value of US\$18 million was provided to Vodacom Tanzania Limited. In the prior years the nominal value of the loan was converted to equity. The remaining portion of the loan bears interest, payable quarterly, at LIBOR plus 5.0%. The loan shall be repaid in the next financial year.		
Congolese Wireless Network s.a.r.l.	886	706
The loan with a nominal value of US\$37 million, forms part of the capital structure of Vodacom Congo (RDC) SA, bears interest at 4.0% per annum and is repayable at the discretion of the shareholders and simultaneously in proportion to their shareholding.		
Bank borrowings classified as financing activities	685	–
Other loans	41	–
	28 506	25 223

The aggregate fair value, if determinable, of interest bearing borrowings with a carrying amount of R27 620 million (2015: R24 517 million) amounts to R27 507 million (2015: R24 280 million). Where the fair value could be determined by using the discounted cash flow method, with a discount rate based on market-related interest rates, the discount rate varied between 8.6% and 9.5% (2015: 6.3% and 8.8%) for rand-denominated borrowings and between 3.5% and 4.3% (2015: 2.7% and 4.9%) for foreign-denominated borrowings.

Maturity of finance lease liabilities:

Rm	0 – 1 year	2 – 5 years	5+ years
2016			
Future minimum lease payments payable	189	757	1 305
Future finance costs	(102)	(341)	(281)
Present value of minimum lease payments payable	87	416	1 024
2015			
Future minimum lease payments payable	166	662	1 257
Future finance costs	(92)	(314)	(284)
Present value of minimum lease payments payable	74	348	973

Interest rate and currency of interest bearing borrowings:

Rm	Total	Floating rate	Fixed rate
2016			
Currency			
South African rand	25 825	20 288	5 537
United States dollar	2 681	1 269	1 412
	28 506	21 557	6 949
2015			
Currency			
South African rand	23 595	21 201	2 394
United States dollar	1 628	921	707
	25 223	22 122	3 101

Notes to the consolidated annual financial continued

Rm	2016	2015
18. Borrowings continued		
18.2 Non-interest bearing borrowings		
Royal Bafokeng Holdings (Pty) Limited	436	436
	436	436
Due to the absence of repayment dates, fair value is not determinable.		
19. Trade and other payables		
Trade payables	9 335	7 918
Capital expenditure creditors	3 963	4 088
Value added tax	1 268	1 175
Accruals	4 883	3 962
Deferred revenue	3 306	3 332
Derivative financial liabilities	169	95
Other	736	778
	23 660	21 348
Timing		
Non-current	815	759
Current	22 845	20 589
	23 660	21 348
Trade payables are carried at cost which normally approximates fair value due to short-term maturity.		
Included within derivative financial liabilities:		
Cash flow hedges:		
Interest rate swaps	–	6
Fair value hedges:		
Foreign exchange forward contracts	132	43
Firm commitment liability – fair value hedge	37	46
	169	95

The fair value of foreign exchange forward contracts is determined with reference to quoted market prices for similar instruments, being the mid forward rates as at the reporting dates. During the prior year the Group designated certain foreign exchange forward contracts as fair value hedges to hedge its exposure to variability in the fair value that is attributable to changes in foreign exchange rates.