

Notes to the consolidated annual financial statements *continued*

18. Borrowings

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

Rm	2017	2016
Non-current		
Interest bearing borrowings (Note 18.1)	27 613	26 658
Current		
Interest bearing borrowings (Note 18.1)	3 326	1 848
Non-interest bearing borrowings (Note 18.2)	436	436
	3 762	2 284
18.1 Interest bearing borrowings		
Vodafone Investments Luxembourg s.a.r.l.	26 856	24 256
During the current year the Group utilised funds from a Vodafone Investments Luxembourg s.a.r.l. facility with a nominal value of R4 000 million, which will be utilised primarily for capital expenditure. The loan bears interest payable quarterly at three-month JIBAR plus 1.57%, is unsecured and repayable on 29 July 2021. The Group repaid R1 470 million on a 3 year, R3 000 million Vodafone Investments Luxembourg s.a.r.l. loan on 31 March 2017, reducing the capital balance to R1 530 million. The loan bears interest at three-month JIBAR plus 1.15% and is repayable on 24 November 2017.		
The loans with a combined nominal value of R26 630 million are unsecured, bear interest payable quarterly between JIBAR plus 1.15% and 1.57% and a fixed interest rate of 8.64% and 9.39%, have repayment terms between three and seven years and are ultimately repayable between 24 November 2017 and 29 July 2021.		
Dark Fibre Africa (Pty) Limited, Link Africa (Pty) Limited And Metrofibre Networx (Pty) Limited	1 595	1 527
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	1 005	1 102
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 3.31% 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 25.6).		
Mirambo Limited	3	9
The unsecured loan with a nominal value of US\$18 million was provided to Vodacom Tanzania Public Limited Company. 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 total outstanding amount of loan and accrued interest shall be repaid on approval by shareholders holding at least 60% of voting rights of the Group.		
Congolese Wireless Network s.a.r.l.	837	886
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	606	685
Other loans	37	41
	30 939	28 506

18. Borrowings continued

18.1 Interest bearing borrowings continued

The aggregate fair value, if determinable, of interest bearing borrowings with a carrying amount of R30 102 million (2016: R27 620 million) amounts to R30 283 million (2016: R27 507 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 8.4% and 9.1% (2016: 8.6% and 9.5%) for rand-denominated borrowings and between 4.2% and 4.6% (2016: 3.5% and 4.3%) for foreign-denominated borrowings.

Maturity of finance lease liabilities:

Rm	0 – 1 year	2 – 5 years	5+ years
2017			
Future minimum lease payments payable	207	828	1 322
Future finance costs	(110)	(366)	(286)
Present value of minimum lease payments payable	97	462	1 036
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

Interest rate and currency of interest bearing borrowings:

Rm	Total	Floating rate	Fixed rate
2017			
Currency			
South African rand	28 488	22 883	5 605
United States dollar	2 451	1 137	1 314
	30 939	24 020	6 919
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

Rm	2017	2016
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.