

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	2018	2017
Non-current		
Interest bearing borrowings (Note 18.1)	24 071	27 613
Current		
Interest bearing borrowings (Note 18.1)	7 784	3 326
Non-interest bearing borrowings (Note 18.2)	436	436
	8 220	3 762
18.1 Interest bearing borrowings		
Vodafone Investments Luxembourg s.a.r.l.	27 862	26 856
During the current year, the Group modified two of the existing loan facilities received from Vodafone Investments Luxembourg s.a.r.l. On 3 May 2017, R8 000 million and R4 000 million loan facilities were revised from variable interest rate loans to fixed interest rate loans. The loan facilities bear interest at fixed rates of 8.70% and 8.99% and are repayable on 26 November 2019 and 26 July 2021 respectively. Additionally, an existing fixed rate facility of R3 000 million was re-financed with a floating rate facility of R3 000 million at a rate of 3 month Jibar plus 1.50% with a repayment date of 24 May 2022. The Group also re-financed a R1 530 million facility on 24 November 2017 and increased the facility with an additional R1 000 million draw down. This R2 530 million loan bears interest at 3 month JIBAR plus 1.50% and is repayable on 24 November 2024.		
The loans with a combined nominal value of R27 606 million are unsecured, bear interest payable quarterly between JIBAR plus 1.15% and 1.57% and a fixed interest rate of between 8.64% and 8.99%, have repayment terms between three and seven years and are ultimately repayable between 15 July 2018 and 24 November 2024.		
Dark Fibre Africa (Pty) Limited, Link Africa (Pty) Limited And Metrofibre Networkx (Pty) Limited	1 634	1 595
The Group leases access transmission links under finance leases. These leases bear interest at a fixed interest rate of 7.53% 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	889	1 005
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 2.98% 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).		
Balance carried forward	30 385	29 456



Rm	2018	2017
18. Borrowings continued		
18.1 Interest bearing borrowings continued		
Balance brought forward	30 385	29 456
Mirambo Limited	1	3
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 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.	767	837
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	644	606
Other loans	58	37
	31 855	30 939

The aggregate fair value, if determinable, of interest bearing borrowings with a carrying amount of R31 088 million (2017: R30 102 million) amounts to R31 402 million (2017: R30 283 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 7.0% and 8.8% (2017: 8.4% and 9.1%) for rand-denominated borrowings and between 5.0% and 5.5% (2017: 4.2% and 4.6%) for foreign-denominated borrowings.

Maturity of finance lease liabilities:

Rm	0 – 1 year	2 – 5 years	5+ years
2018			
Future minimum lease payments payable	232	906	1 324
Future finance costs	(119)	(391)	(290)
Present value of minimum lease payments payable	113	515	1 034
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

Interest rate and currency of interest bearing borrowings:

Rm	Total	Floating rate	Fixed rate
2018			
Currency			
South African rand	29 525	14 759	14 766
Tanzanian shilling	29	–	29
United States dollar	2 301	998	1 303
	31 855	15 757	16 098
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

Rm	2018	2017
18.2 Non-interest bearing borrowings		
Royal Bafokeng Holdings (Pty) Limited	436	436