

Notes to the financial statements continued

for the year ended 30 September 2017

Company		(R'million)	Group	
2017	2016		2017	2016
		26 Borrowings		
		In terms of the company's memorandum of incorporation the group's borrowings are unlimited. The secured and unsecured loans are all at floating rates unless stated otherwise.		
		26.1 Secured loans		
		Loan bearing interest at Year of repayment Denomination	51,5	149,8
		22,0% per annum 2018 Nigerian naira	37,4	–
		6,8% per annum 2018 South African rand	13,3	13,3
		7,0% per annum 2018 Nigerian naira	0,8	3,8
		9,5% per annum 2017 Ethiopian birr	–	11,3
–	98,2	6,8% per annum 2018 CAF franc	–	98,2
		12,0% per annum 2020 Kenyan shilling	–	22,0
		0% per annum 2056 Ethiopian birr	–	1,2
		Analysis of secured loans by nature of security:		
–	98,2	Pledge of shares	–	98,2
		Property, plant and equipment	38,2	38,3
		Put option against Tiger Brands	13,3	13,3
–	98,2		51,5	149,8
		Refer to note 12 for details of security.		
		26.2 Unsecured loans		
		Loan bearing interest at Year of repayment Denomination	–	1 000,0
		8,1% per annum* – South African rand	–	1 000,0
		* This relates to a Revolving Credit Facility (RCF) which has a 13-month notice period. No utilisation of this facility as at 30 September 2017 (2016: R1 billion).		
		26.3 Capitalised finance leases	4,0	3,2
		Repayment during the next year	2,0	2,2
		Repayments later than one year and no later than five years	2,0	1,0
		Refer to note 27.4.		
		Liabilities under capitalised finance leases bear interest at 9,25% (2016: 9,5%) per annum.		
		Capitalised finance leases relate to plant and equipment with a book value of R4,9 million (2016: R4,2 million) as per note 12.		
–	98,2		55,5	1 153,0

Company		(R'million)	Group	
2017	2016		2017	2016
		26 Borrowings continued		
		26.4 Instalments disclosed as:		
–	47,2	Short-term borrowings	53,5	83,7
–	51,0	Long-term borrowings	2,0	1 069,3
–	98,2		55,5	1 153,0
–	47,2	26.5 Short-term borrowings	788,6	1 695,7
–	–	Bank overdrafts	735,1	1 612,0
–	47,2	Current portion of long-term borrowings	53,5	83,7
		27 Group commitments		
		27.1 Approved capital expenditure, which will be financed from the group's own resources, is as follows:		
		Contracted	476,3	92,0
		Not contracted	1 698,1	1 041,7
			2 174,4	1 133,7

27.2 Additional commitments of R434,9 million are expected to be approved in 2018.

The capital commitments noted above include various capital efficiency and expansion projects.

27.3 Commitments in respect of operating leases

Group (R'million)	Land and buildings	Motor vehicles	Property, plant and equipment	Total commitments
2017				
During 2018	122,3	51,7	130,7	304,7
During 2019	109,9	37,9	33,8	181,6
During 2020	97,9	26,0	1,5	125,4
During 2021	7,8	18,0	0,7	26,5
During 2022 and thereafter	–	11,4	0,4	11,8
	337,9	145,0	167,1	650,0
2016				
During 2017	35,1	82,2	35,9	153,2
During 2018	19,0	66,5	3,6	89,1
During 2019	6,0	49,8	2,3	58,1
During 2020	–	33,4	1,7	35,1
During 2021 and thereafter	–	26,0	1,5	27,5
	60,1	257,9	45,0	363,0

With the exception of the lease described below, operating leases are generally three to six years in duration, without purchase options and in certain instances have escalation clauses of between 7% and 10% or are linked to the prime rate of interest or Consumer Price Index (CPI). Other contingent rentals are generally not applicable. One lease, relating to fruit processing equipment, has a contingent rental linked to tons of fruit processed and escalates based on the American CPI, which amounts to R4,0 million (2016: R5,8 million).