

The adoption of amendments to IAS19 – *Employee Benefits*, as outlined in note 2, resulted in the recognition of all previously unrecognised actuarial gains and losses so that the net pension liability reflect the full value of the plan deficit.

The expected payments to retired employees for the next financial year is R40 million and the average duration of the retirement plans varies from 9 to 37 years with a median of 15 years.

A quantitative sensitivity analysis for significant assumptions as at 30 June 2014 is as shown below:

| Assumptions Sensitivity level | Discount rate | | Future pension cost | |
|--|---------------|-------------|---------------------|-------------|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Impact on defined benefit obligation (R million) | (155) | 195 | 140 | (118) |

Based on past experience life expectancy is assumed to remain unchanged.

The sensitivity analysis have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in the key assumptions occurring at the end of the reporting period.

| | 2014 Rm | 2013 Rm |
|--|---------------|------------|
| 21. INTEREST-BEARING BORROWINGS | | |
| Long-term | | |
| - Loans secured by mortgage bonds over fixed property | 96 | 93 |
| - Liabilities under capitalised finance leases | 211 | 173 |
| - Instalment sale creditors secured by assets | 20 | 50 |
| - Corporate bonds listed on the Bond Exchange of South Africa | 5 837 | 4 330 |
| - IPL 4 – matured in March 2014 | | 1 533 |
| - IPL 5 – maturing in September 2015 | 500 | 500 |
| - IPL 6 – maturing in September 2017 | 1 536 | 1 536 |
| - IPL 7 – maturing in April 2018 | 762 | 761 |
| - IPL 8 – maturing in October 2020 | 1 525 | |
| - IPL 9 – maturing in May 2021 | 756 | |
| - IPL 10 – maturing in May 2021 | 758 | |
| - Syndicated bank term loan – maturing in September 2016 | 3 467 | 3 257 |
| - Bilateral loan – maturing in November 2018 | 1 080 | |
| - Revolving credit facility term loan – maturing in March 2021 | 1 500 | |
| - Unsecured loans | 128 | 337 |
| | 12 339 | 8 240 |
| Short-term | | |
| - Unsecured loans, call borrowings and bank overdrafts | 1 601 | 1 633 |
| - Commercial paper | 604 | 695 |
| Total borrowings at amortised cost | 14 544 | 10 568 |
| Less: Current portion of interest-bearing borrowings | 2 697 | 4 995 |
| Long-term borrowings | 11 847 | 5 573 |

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS – continued
for the year ended 30 June 2014

21. INTEREST-BEARING BORROWINGS continued

| Interest rate analysis | Current year effective rates (%) | 2014 Rm | 2013 Rm |
|--|--|---------------|---------------|
| Fixed | | | |
| - Mortgage bonds, capitalised finance leases and instalment sale creditors | 3,0 – 7,0 | 245 | 154 |
| - Capitalised finance leases | 16,0 | | 28 |
| - Corporate bonds – IPL 4 | 9,1 | | 1 533 |
| - Corporate bonds – IPL 6 | 9,8 | 1 536 | 1 536 |
| - Corporate bonds – IPL 10 | 9,4 | 758 | |
| - Syndicated bank term loan | 3,1 – 3,5 | 2 480 | 2 618 |
| - Unsecured loans | 2,0 – 6,0 | 116 | 30 |
| - Bilateral loan – maturing in November 2018 | 2,5 | 1 080 | |
| Variable linked | | | |
| - Mortgage bonds, capitalised finance leases and instalment sale creditors | 8,0 – 10,0 | 82 | 134 |
| - Corporate bonds – IPL 5 | 7,1 – 7,7 | 500 | 500 |
| - Corporate bonds – IPL 7 | 6,6 – 7,2 | 762 | 761 |
| - Corporate bonds – IPL 8 | 6,7 – 7,5 | 1 525 | |
| - Corporate bonds – IPL 9 | 7,4 – 7,5 | 756 | |
| - Syndicated bank term loan | 1,4 – 2,6 | 987 | 639 |
| - Revolving credit facility term loan – maturing in March 2021 | 7,3 – 7,4 | 1 500 | |
| - Unsecured loans | 4,0 – 9,0 | 230 | 207 |
| - Floorplan – Unsecured loans | 4,0 – 11,0 | 731 | 696 |
| - Commercial paper | 5,3 – 5,9 | 604 | 695 |
| - Notice loans | 5,0 – 5,5 | | 142 |
| - Call borrowings | 4,5 – 7,5 | 583 | 867 |
| - Bank overdrafts | 1,7 – 6,0 | 69 | 28 |
| | | 14 544 | 10 568 |

| Capitalised finance leases | More than five years Rm | One to five years Rm | Less than one year Rm | 2014 Rm | 2013 Rm |
|---|-------------------------------|----------------------------|-----------------------------|------------|------------|
| Total minimum lease payments | 61 | 107 | 75 | 243 | 196 |
| Amounts representing finance charges | | (7) | (25) | (32) | (23) |
| Present value of minimum lease payments | 61 | 100 | 50 | 211 | 173 |

| Summary of long-term borrowings by currency and year of redemption or repayment | 2019 and onwards Rm | 2018 Rm | 2017 Rm | 2016 Rm | 2015 Rm | 2 014 Rm | 2 013 Rm |
|---|---------------------------|------------|------------|------------|------------|-------------|-------------|
| SA rand | 4 550 | 2 298 | 1 | 523 | 1 395 | 8 767 | 6 333 |
| British pound | | | | | 204 | 204 | 176 |
| Euro | 291 | 353 | 3 009 | 772 | 537 | 4 962 | 3 525 |
| Australian dollar | 13 | 1 | 1 | 1 | 429 | 445 | 452 |
| Other | 3 | 3 | 12 | 16 | 132 | 166 | 82 |
| | 4 857 | 2 655 | 3 023 | 1 312 | 2 697 | 14 544 | 10 568 |

The Syndicated bank term loan which commenced in September 2012 has repayments of 6,25% every six months and 50% on maturity in September 2016.

| | Debt secured | | Net carrying value of assets encumbered | |
|---|--------------|------------|---|------------|
| | 2014 Rm | 2013 Rm | 2014 Rm | 2013 Rm |
| Details of encumbered assets | | | | |
| Property, plant and equipment (refer to note 6) | | 29 | | 32 |
| Transport fleet (refer to note 7) | 310 | 249 | 399 | 274 |
| Vehicles for hire (refer to note 8) | 18 | 39 | 23 | 48 |
| Inventories (refer to note 12) | 427 | 452 | 417 | 435 |
| | 755 | 769 | 839 | 789 |
| Borrowing facilities | | | | |
| Total facilities established | | | 13 401 | 10 870 |
| Less: Utilised | | | 6 698 | 4 990 |
| Unutilised borrowing capacity | | | 6 703 | 5 880 |

In terms of the memorandum of incorporation the borrowing powers of the Group are unlimited.

For interest-rate swap arrangements and further disclosures refer to notes 38.1.3, 38.1.6, 38.2 and 38.3.

| | 2014 Rm | 2013 Rm |
|---|--------------|------------|
| 22. INSURANCE, INVESTMENT, MAINTENANCE AND WARRANTY CONTRACTS | | |
| Long-term insurance funds | 830 | 713 |
| Short-term insurance funds | 575 | 570 |
| Maintenance and warranty contracts | 2 905 | 2 687 |
| | 4 310 | 3 970 |
| Maturity analysis of insurance, investment, maintenance and warranty contracts | | |
| - Maturing within one year | 1 398 | 905 |
| - Maturing after one year but within five years | 2 180 | 2 445 |
| - Maturing after five years | 732 | 620 |
| | 4 310 | 3 970 |
| See Annexure A for details on insurance funds. | | |
| 23. OTHER FINANCIAL LIABILITIES | | |
| Cross currency and interest-rate swap instruments | 199 | 172 |
| Contingent consideration liabilities | 92 | 214 |
| Loans payable | 430 | 33 |
| Put option liability | 990 | |
| | 1 711 | 419 |

The put option liability is to the non-controlling shareholders of Eco Health Limited who have the right to put their remaining shareholding in Eco Health Limited to Imperial Mobility International B.V. Netherlands.

For a maturity analysis and further disclosures refer to notes 38.1.6 and 38.2.