

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.6 Finance lease commitments

Assets held under finance leases are capitalised at the lower of the fair value of the leased asset and the estimated present value of the minimum lease payments at the inception of the lease. The corresponding liability to the lessor, net of finance charges, is included in the statement of financial position under other non-current/current liabilities. Each lease payment is allocated between the liability and finance charges. Finance charges, which represent the difference between the total lease commitments and fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance of the obligation for each accounting period.

In all significant finance lease arrangements in place during the period, the Group acted as the lessee.

Sale and leaseback

In sale and leaseback transactions that result in finance leases, any excess of sale proceeds over the carrying amount is deferred and amortised over the lease term.

At the reporting date, the Group had outstanding commitments under non-cancellable finance leases which fall due as follows:

	Minimum lease payments Rm	Future finance charges Rm	Present value Rm
2015			
Current			
Not later than one year	100	(35)	65
Non-current (note 6.2)	945	(234)	711
Later than one year and no later than five years	419	(135)	284
Later than five years	526	(99)	427
	1 045	(269)	776
	Minimum lease payments Rm	Future finance charges Rm	Present value Rm
2014			
Current			
Not later than one year	143	(36)	107
Non-current (note 6.2)	921	(225)	696
Later than one year and no later than five years	395	(135)	260
Later than five years	526	(90)	436
	1 064	(261)	803