

Notes to the group financial statements continued

for the year ended 31 December 2017

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.4 Capital commitments

Commitments for the acquisition of property, plant and equipment and software:

	2017 Rm	2016 Rm
Capital expenditure authorised not yet incurred at the reporting date is as follows:		
Contracted	6 958	11 458
– Property, plant and equipment	6 519	10 883
– Software	439	575
Not contracted	20 789	23 295
– Property, plant and equipment	17 787	18 992
– Software	3 002	4 303
Total commitments for property, plant, equipment and software	27 747	34 753

Capital expenditure will be funded from operating cash flows, existing borrowing facilities and, where necessary, by raising additional facilities.

6.5 Operating lease commitments

Leases, where substantially all of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Sub-lease income is recognised in profit or loss on a straight-line basis over the term of the lease.

In all significant operating lease arrangements in place during the year, the group acted as the lessee.

The group leases various premises and sites under non-cancellable/cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Penalties are chargeable on certain leases should they be cancelled before the end of the agreement.

	2017 Rm	2016 Rm
The future aggregate minimum lease payments under non-cancellable operating lease arrangements are as follows:		
Not later than one year	9 066	10 712
Later than one year but no later than five years	34 576	59 919
Later than five years	51 335	53 462
	94 977	124 093