12 Property, plant and equipment	2017			2016		
	Cost Rm	Accumulated depreciation and write-offs Rm	Carrying value Rm	Cost Rm	Accumulated depreciation and write-offs Rm	Carrying value Rm
Group						
Freehold land and buildings	6 707	(3 899)	2 808	6 318	(3 801)	2 517
Leasehold buildings	74	(40)	34	47	(37)	10
Network equipment	72 923	(54 718)	18 205	68 937	(51 407)	17 530
Support equipment	5 155	(4 155)	1 000	5 001	(3 936)	1 065
Furniture and office equipment	516	(180)	336	838	(559)	279
Data processing equipment and software	4 123	(2 993)	1 130	4 384	(3 336)	1 048
Under construction	4 241	–	4 241	2 739	–	2 739
Other	592	(428)	164	563	(401)	162
	94 331	(66 413)	27 918	88 827	(63 477)	25 350
Company						
Freehold land and buildings	3 408	(1 905)	1 503	6 006	(3 690)	2 316
Leasehold buildings	26	(24)	2	24	(21)	3
Network equipment	71 016	(53 353)	17 663	68 636	(51 243)	17 393
Support equipment	4 671	(3 659)	1 012	4 540	(3 505)	1 035
Furniture and office equipment	135	(107)	28	216	(123)	93
Data processing equipment and software	3 936	(3 116)	820	4 251	(3 481)	770
Under construction	3 807	–	3 807	2 716	–	2 716
Other	430	(327)	103	497	(364)	133
	87 429	(62 491)	24 938	86 886	(62 427)	24 459

Fully depreciated assets at a cost of R2 325 for group and R2 200 million for company (2016: R2 597 million for group and company) were derecognised in the current financial year. This has reduced both the cost price and accumulated depreciation of property, plant and equipment.

The capital expenditure under property, plant and equipment relates to expansions of R2 608 million for group and R2 420 million for company (2016 expansions: R1 669 million for group and R1 604 million for company). Expansion due to maintenance of R4 836 million for group and R4 730 million for company (2016 maintenance: R3 561 million for group and R3 501 million for company).

Property, plant and equipment with a carrying value of R11.4 million for group and Rnil for company (2016: R11.4 million for group and company) has been pledged as security. Details of the loans are disclosed in note 26.

An amount of Rnil million (2016: R9.5 million) under property, plant and equipment disposals relates to the sale of customer premises equipment in terms of a finance lease.

Notes to the consolidated annual financial statements – continued

for the year ended 31 March 2017

The carrying amounts of property, plant and equipment can be reconciled as follows:

12 Property, plant and equipment – continued	Group								
	Carrying value at beginning of year Rm	Additions Rm	Acquisition business combination Rm	Transfers Rm	Foreign currency translation Rm	Disposals Rm	Depreciation* Rm	Write-offs Rm	Carrying value at end of year Rm
2017									
Freehold land and buildings	**2 517**	**178**	**–**	**333**	**(3)**	**(27)**	**(186)**	**(4)**	**2 808**
Leasehold buildings	**10**	**30**	**–**	**–**	**(1)**	**(2)**	**(3)**	**–**	**34**
Network equipment	**17 530**	**3 297**	**–**	**1 249**	**–**	**–**	**(3 834)**	**(37)**	**18 205**
Support equipment	**1 065**	**184**	**–**	**85**	**–**	**(1)**	**(324)**	**(9)**	**1 000**
Furniture and office equipment	**279**	**270**	**–**	**(30)**	**(19)**	**(17)**	**(146)**	**(1)**	**336**
Data processing equipment and software	**1 048**	**147**	**–**	**175**	**–**	**(11)**	**(217)**	**(12)**	**1 130**
Under construction	**2 739**	**3 413**	**–**	**(1 835)**	**–**	**–**	**–**	**(76)**	**4 241**
Other	**162**	**17**	**–**	**38**	**(2)**	**(9)**	**(41)**	**(1)**	**164**
	25 350	**7 536**	**–**	**15**	**(25)**	**(67)**	**(4 751)**	**(140)**	**27 918**
2016									
Freehold land and buildings	2 086	495	151	80	–	(121)	(174)	–	2 517
Leasehold buildings	74	2	4	–	–	(58)	(12)	–	10
Network equipment	18 093	2 349	52	736	–	(4)	(3 660)	(36)	17 530
Support equipment	1 092	175	35	32	–	(11)	(264)	6	1 065
Furniture and office equipment	42	137	176	(5)	1	(21)	(54)	3	279
Data processing equipment and software*	1 001	180	–	107	–	(3)	(239)	2	1 048
Under construction	1 929	1 898	17	(976)	–	(1)	–	(128)	2 739
Other	154	27	27	5	–	(12)	(40)	1	162
	24 471	5 263	462	(21)	1	(231)	(4 443)	(152)	25 350

** Restated, refer to Note 2.6*

The carrying amounts of property, plant and equipment can be reconciled as follows:

12 Property, plant and equipment – continued	Company								
	Carrying value at beginning of year Rm	Additions Rm	Transfers Rm	Disposals Rm	Depreciation* Rm	Write-offs Rm	Carrying value before impairment Rm	Impairment Rm	Carrying value at end of year Rm
2017									
Freehold land and buildings	**2 316**	**154**	**(782)**	**(21)**	**(160)**	**(4)**	**1 503**	**–**	**1 503**
Leasehold buildings	**3**	**1**	**1**	**–**	**(3)**	**–**	**2**	**–**	**2**
Network equipment	**17 393**	**3 278**	**1 088**	**(284)**	**(3 781)**	**(32)**	**17 663**	**–**	**17 663**
Support equipment	**1 035**	**156**	**84**	**–**	**(254)**	**(9)**	**1 012**	**–**	**1 012**
Furniture and office equipment	**93**	**8**	**(56)**	**(1)**	**(15)**	**(1)**	**28**	**–**	**28**
Data processing equipment and software	**770**	**132**	**174**	**(34)**	**(210)**	**(12)**	**820**	**–**	**820**
Under construction	**2 716**	**3 413**	**(1 896)**	**(350)**	**–**	**(76)**	**3 807**	**–**	**3 807**
Other	**133**	**6**	**–**	**–**	**(35)**	**(1)**	**103**	**–**	**103**
	24 459	**7 148**	**(1 387)**	**(690)**	**(4 458)**	**(135)**	**24 938**	**–**	**24 938**
2016									
Freehold land and buildings	2 086	493	78	(180)	(161)	–	2 316	–	2 316
Leasehold buildings	72	(1)	–	(58)	(10)	–	3	–	3
Network equipment	18 033	2 322	736	(42)	(3 620)	(36)	17 393	–	17 393
Support equipment	1 091	145	28	–	(235)	6	1 035	–	1 035
Furniture and office equipment	38	70	1	(4)	(12)	–	93	–	93
Data processing equipment and software	920	169	107	(196)	(232)	2	770	–	770
Under construction	1 929	1 891	(976)	–	–	(128)	2 716	–	2 716
Other	154	15	8	(10)	(35)	1	133	–	133
	24 323	5 104	(18)	(490)	(4 305)	(155)	24 459	–	24 459

25 percent of capital expenditure relates to the expansion of existing networks and services. 35 percent of capital expenditure contributed to the new Next Generation Network programme. 25 percent of expansion of the mobile network also contributed to the growth of property, plant and equipment. The balance of 14 percent capital expenditure is mainly attributable to investment in submarine cable systems, network evolution initiatives, sustainment programmes, IT and OSS systems and property upgrade and growth projects. An extensive build programme that provides capacity for growth in services, focusing on Next Generation Network and Mobile technologies, is expected to continue over the next few years.

Changes to the estimated useful lives of property, plant and equipment were necessary due to the transformation programme and the group policies and procedures, resulting in an increase in the depreciation by a further R325 million (2016: R192 million).

The Group and Company has a process of determining whether an asset which incorporates both a tangible and an intangible element, should be recognised as tangible or intangible assets, based on management's judgement and on facts available and the significance of each element to the total value of the asset. Assets with a carrying value to the net amount of Rnil million for Group and Rnil million for Company (2016: R21 million for Group and R18 million for Company) were reclassified from property, plant and equipment to intangible assets in the current year.

Assets with a carrying value to the net amount of R22 million for Group and R22 million for Company relates to inventory that was transferred to property, plant and equipment in the current year. In addition, assets with a carrying value of R12 million for Group and R1 409 million for Company were reclassified from property, plant and equipment to assets held for sale in the current year.