# Notes to the condensed consolidated annual financial statements – continued

for the year ended 31 March 2017

| 16 Interest-bearing debt | 2017 Rm | 2016 Rm |
|---|---|---|
| **Non-current interest-bearing debt** | **4 744** | 4 566 |
| Local debt | **4 550** | 4 340 |
| Foreign debt | **123** | 154 |
| Finance leases | **71** | 72 |
| **Current portion of interest-bearing debt** | **1 541** | 703 |
| Local debt | **1 500** | 654 |
| Foreign debt | **2** | 18 |
| Finance leases | **39** | 31 |

The current portion of interest-bearing debt of R1.541 million (2016: R703 million) for group as at 31 March 2017 is expected to be repaid from operational cash flow and other borrowings.

| 17 Provisions | 2017 Rm | 2016 Rm |
|---|---|---|
| **Non-current portion of provisions** | **1 592** | 1 731 |
| Employee related | **1 536** | 1 665 |
| Non-employee related | **56** | 66 |
| **Current portion of provisions** | **1 521** | 2 373 |
| Employee related | **1 397** | 2 231 |
| Non-employee related | **124** | 142 |

The decrease in the non-current employee provision is mainly due to the change in assumptions used to value Telkom's obligation to future retirees in the Telkom retirement fund. The assumptions used are based on the valuation techniques prescribed by IAS 19.

The decrease in the current employee provision is mainly due to the settlement of the VSP/VERP packages provided in the prior financial year and a lower bonus provision in the current financial year due to changes to the remuneration policy.

| 18 Trade and other payables | 2017 Rm | 2016 Rm |
|---|---|---|
| **Trade and other payables** | **7 516** | 7 134 |
| Trade payables | **3 870** | 3 872 |
| Finance cost accrued | **60** | 54 |
| Accruals and other payables | **3 586** | 3 208 |

Accruals and other payables mainly represent amounts payable for goods received net of value added tax, obligations and licence fees.

Included in the current and prior year balance is the refund from SARS of R854 million including interest. Refer to note 20.

| 19 Commitments | 2017 Rm | 2016 Rm |
|---|---|---|
| Capital commitments authorised | **8 158** | 6 574 |
| Commitments against authorised capital expenditure | **6 594** | 3 388 |
| Authorised capital expenditure not yet contracted | **1 564** | 3 186 |

Capital commitments are largely attributable to purchases of property, plant and equipment and software. Management expects these commitments to be financed from internally generated cash and other borrowings.