Notes to the consolidated annual financial statements (continued)

For the year ended 31 March 2015

26. Non-distributable reserves (continued)

Fair value of ordinary shares in Telkom are held as follows:

26. Non-distributable reserves	2015 Number of shares	2015 Rm	2014 Number of shares	2014 Rm
Escrow	**6 558 915**	**519**	–	–
Rossal No 65 Proprietary Limited	**2 046 528**	**162**	2 046 528	69
Acajou Investments Proprietary Limited	**1 584 641**	**126**	8 143 556	274
Total	**10 190 084**	**807**	10 190 084	343

All shares will be allocated to employees as part of the new employee share plan.

27. Non-controlling interest	Group 2015 Rm	Group 2014 Rm
	363	377
Balance at beginning of year	**377**	379
Share of earnings	**105**	121
Dividend declared	**(119)**	(123)

The non-controlling interest relates to the minority shareholders of Trudon.

28. Interest-bearing debt	Group 2015 Rm	Group 2014 Rm	Company 2015 Rm	Company 2014 Rm
Non-current interest-bearing debt	**3 244**	3 775	**3 244**	3 775
Total interest-bearing debt (refer to note 15)	**4 856**	4 096	**4 856**	4 094
Gross interest-bearing debt	**4 966**	4 228	**4 966**	4 228
Discount on debt instruments issued	**(761)**	(870)	**(761)**	(870)
Finance leases	**651**	738	**651**	736
Less: Current portion of interest-bearing debt	**(1 612)**	(321)	**(1 612)**	(319)
Local debt	**(1 260)**	–	**(1 260)**	–
Bond	**(1 160)**	–	**(1 160)**	–
Other loans	**(100)**	–	**(100)**	–
Foreign debt	**(239)**	(236)	**(239)**	(236)
Finance leases	**(113)**	(85)	**(113)**	(83)

	Group		Company	
	2015 Rm	2014 Rm	2015 Rm	2014 Rm
Total interest-bearing debt is made up as follows:	**4 856**	4 096	**4 856**	4 094
(a) Local debt	**3 865**	2 815	**3 865**	2 815
Locally registered Telkom debt instruments	**3 865**	2 815	**3 865**	2 815
Name, maturity, rate p.a., nominal value				
TL15, 2015, 11.9%, R1 160 million (2014: R1 160 million)	**1 160**	1 160	**1 160**	1 160
TL20, 2020, 15%, R2 500 million (2014: R2 500 million)	**1 755**	1 655	**1 755**	1 655
Term loan, 2019, 8.375%, R950 million (2014: Rnil)	**950**	–	**950**	–
Total group interest-bearing debt is made up of R4 856 million debt at amortised cost (2014: R4 096 million debt at amortised cost). Finance costs accrued on debt are included in trade and other payables (refer to note 32).				
The local Telkom bonds are unsecured, but a Side letter to the Subscription Agreement (as amended) of the TL20 bond contains a number of restrictive covenants, which, if not met, could result in the early redemption of the loan at the option of the specific bondholder. The local bonds limit Telkom's ability to create encumbrances on revenue or assets, and secure any indebtedness without securing the outstanding bonds equally and rateably with such indebtedness.				
The Side letter's conditions and restrictive covenants fell away subsequently, with effect from 11 April 2014.				
Other loans consist of a five year loan, repayable biannually and with a balloon payment of R550 million.				
(b) Foreign debt	**340**	543	**340**	543
Maturity, rate p.a., nominal value				
Euro: 2022 – 2025 0.14% (2014: 0.14%), €7.6 million (2014: €7.6 million)	**100**	111	**100**	111
USD: 2011 – 2016 2.2031% (2014: 2.1318%), USD21 million (2014: USD43 million)	**240**	432	**240**	432
(c) Finance leases	**651**	738	**651**	736
The finance leases are secured by buildings with a carrying value of R58 million (2014: R73 million) (refer to note 13). These amounts are repayable within a period of 4 years. Interest rates are approximately 13.43%. Refer to note 38.				
Included in non-current and current debt is:				
Debt guaranteed by the South African government	**100**	111	**100**	111

The company may issue or re-issue locally registered debt instruments in terms of the Post Office Amendment Act 85 of 1991. The borrowing powers of the company are set out as per note 22.

Repayments/refinancing of current portion of interest-bearing debt

The repayment of the current portion of interest-bearing debt of R1 612 million (2014: R321 million) (nominal) for group and R1 612 million (2014: R319 million) (nominal) for company as at 31 March 2015 is expected to be repaid from available cash balances, available operational cash flow and/or the issue of new debt instruments.

Management believes that sufficient funding facilities will be available at the dates of repayment.