Notes to the consolidated financial statements

for the year ended June 30

23. SHARE-BASED PAYMENTS *(continued)*

Conditional share plan

A conditional share plan, which awards executives of Bidcorp a conditional right to receive shares in Bidcorp free of any cost. Conditional awards granted are subject to performance conditions measured over a three-year performance period. Subject to the achievement of the performance conditions, 75% of the conditional awards vest after year three, and the remaining 25% after year four. Due to the unbundling, the 2015 awards for executive directors were restructured into replacement CSPs over Bidcorp shares. As it is anticipated that the participants will receive shares in settlement of their awards, a share-based payment reserve has been recognised. These share awards do not carry voting rights attributable to ordinary shareholders.

The fair value of services received in return for the conditional share awards has been determined by multiplying the number of conditional share awards expected to vest, by the share price at the date of the award discounted by anticipated future distribution flows. A total of 86 528 of the 124 000 shares are expected to vest, taking into account the performance of the group to date and forecasts to the end of the performance period, against the targets set at the time of the award. The average discounted share price used in the calculation of the share-based payment charge on the conditional share awards allotted during the year is R273,91 per share. These awards will vest in the next three years, where the executive will receive these awards in shares.

A total of 34 816 (2015: 5 348) conditional share awards were forfeited as a result of performance conditions not being met.

The number of conditional share awards in terms of the conditional share award scheme are:

	2016 Number	2015 Number
Beginning of year	**151 163**	190 000
Allotted during the year	**35 000**	37 500
Transfer as a result of unbundling	**89 000**	–
Awarded during the year	**(47 930)**	(70 989)
Vesting arising out of unbundling	**(68 417)**	–
Forfeited during the year	**(34 816)**	(5 348)
End of year	**124 000**	151 163

	2016 R'000	2015 R'000
24. BORROWINGS		
Loans secured by mortgage bonds over fixed property (refer to note 13)	**78 436**	21 372
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements (refer to note 13)	**284 365**	158 622
Unsecured borrowings	**6 825 353**	5 053 356
Other borrowings	**–**	1 122 195
Borrowings	**7 188 154**	6 355 545
Bank overdrafts	**–**	4
Total borrowings	**7 188 154**	6 355 549
Less: Short-term portion of borrowings	**(4 845 484)**	(4 534 115)
Long-term portion of borrowings	**2 342 670**	1 821 434
Schedule of repayment of borrowings		
Year to June 2016	**–**	4 534 115
Year to June 2017	**4 845 484**	1 235 046
Year to June 2018	**1 425 966**	236 080
Year to June 2019	**747 223**	224 561
Year to June 2020	**66 940**	44 280
Year to June 2021	**14 183**	81 463
Thereafter	**88 358**	–
	7 188 154	6 355 545

	2016 R'000	2015 R'000
24. BORROWINGS *(continued)*		
Total borrowings comprise		
Foreign subsidiaries borrowings	**6 181 866**	6 355 545
South African subsidiary borrowings	**1 006 288**	–
Foreign subsidiaries overdraft	**–**	4
	7 188 154	6 355 549

	2016 %	2015 %
Effective weighted average rate of interest on		
South African borrowings excluding overdrafts	**8,5**	–
Foreign borrowings excluding overdrafts	**2,0**	2,1

	2016 Currency	2016 Nominal interest rate %	2016 Financial year of maturity	2016 R'000	2015 R'000
Terms and debt repayment schedule					
Terms and conditions of outstanding loans were:					
Borrowings of South African subsidiaries					
Unsecured loans	**ZAR**	**8,5**	**2017**	**1 006 288**	–
Borrowings of foreign subsidiaries				**6 181 866**	5 233 350
Loans secured by mortgage bonds over fixed property	**GBP**	**2,2 – 2,7**	**2020 – 2022**	**42 014**	7 344
	EUR	**1,6 – 10,0**	**2017 – 2022**	**23 554**	–
	CZK	**1,9**	**2020**	**12 868**	14 028
Loans secured by lien over certain property, plant and equipment in terms of financial leases and suspensive sale agreements	**GBP**	**3,4 – 6,6**	**2017 – 2019**	**4 270**	1 302
	PLN	**2,2 – 2,3**	**2020 – 2021**	**41 973**	37 900
	EUR	**1,7 – 6,1**	**2017 – 2022**	**232 773**	119 420
	BRL	**2,5 – 18,2**	**2017 – 2018**	**5 349**	–
Unsecured borrowings	**GBP**	**0,0 – 9,6**	**2018 – 2023**	**535 563**	365 913
	EUR	**0,0 – 3,2**	**2017 – 2021**	**2 739 544**	2 220 621
	HKD	**0,9 – 3,3**	**2016 – 2018**	**1 415 240**	1 172 791
	SGD	**1,3 – 2,5**	**2017 – 2019**	**656 758**	740 089
	CZK	**1,5 – 5,0**	**2017 – 2019**	**233 866**	376 705
	PLN	**2,8 – 3,6**	**2017 – 2020**	**49 408**	30 968
	CLP	**0,0 – 8,9**	**2017 – 2022**	**71 138**	62 765
	AED	**0,0 – 5,0**	**2017 – 2022**	**52 621**	43 191
	USD	**1,9**	**2017**	**50 576**	–
	Other	**0,0 – 15,0**	**2017 – 2022**	**14 351**	15 086
	NZD	**–**	**–**	**–**	25 227
Total interest-bearing borrowings				**7 188 154**	5 233 350

The expected maturity dates are not expected to differ from the contractual maturity dates.

Refer to note 32 for further disclosure.