

	2017 R'000	2016 R'000
31. COMMITMENTS		
Capital expenditure approved:		
Contracted for	675 164	568 683
Not contracted for	873 494	939 434
	1 548 658	1 508 117

Capital expenditure amounting to R1 516 million (2016: R1 459 million) is in respect of property, plant and equipment and the remaining balance is in respect of computer software. It is anticipated that capital expenditure will be financed out of existing cash resources.

32. CONTINGENT LIABILITIES

The group has outstanding legal and other claims arising out of its normal ongoing operating activities which have to be resolved. None of these claims are significant.

33. FINANCIAL INSTRUMENTS

33.1 Risk management overview

The group has exposure to the following risks from its use of financial instruments: credit risk; liquidity risk; foreign currency risk; interest rate risk and equity price risk.

This note presents information about the group's exposure to each of the aforementioned risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. IFRS 7 requires certain disclosures by class of instrument which the group has determined would be the segments as disclosed in the segmental report.

The group's major financial risks are mitigated in the way that it operates firstly through diversification of geography and secondly through decentralisation of the business model. Bid Corporation Limited (Bidcorp) is an international group with operations in United Kingdom, Europe, Asia, Australia, New Zealand, South America, Middle East and various southern African countries.

Bidcorp's philosophy has always been to empower management through a decentralised structure thereby making operational management responsible and accountable for the performance of their operations, including managing the financial risks of the operation. The operational management report to the CE who in turn reports to the Bidcorp board of directors. Operational management's remuneration is based on their operation's performance resulting in a decentralised and entrepreneurial environment.

Due to the diverse structure and decentralised management of the group, the group audit and risk committee has implemented guidelines of acceptable practices and basic procedures to be followed by divisional and operational management. The information provided below for each financial risk has been collated for disclosure based on the manner in which the business is managed and what is believed to be useful information for stakeholders.

The overall process of risk management in the Bidcorp group, which includes the related system of control, is the responsibility of the Bidcorp board of directors. The Bidcorp group audit and risk committee is governed by a charter and reports regularly to the board of directors on its activities.

The Bidcorp group audit and risk committee's (GARC) primary risk responsibilities include:

- review of the group's risk policies and approach to risk management;
- to consider all material risks to which the group is exposed, ensuring that the requisite risk management culture, policies and systems are progressively implemented and functioning effectively;
- management is accountable to the board for implementing and monitoring the processes of risk management and integrating this into day-to-day activities; they confirm these processes through the completion of the quarterly Bidcorp management representation letter submitted to the Bidcorp GARC;
- performance of ongoing monitoring of the enterprise-wide risk assessment process to ensure risks and opportunities are adequately identified, evaluated and managed at the appropriate level in each business, and that the individual and joint impact of risks identified on the group is considered;
- to review legal matters that could have a material impact on the group, as well as considering the adequacy and effectiveness of the group's procedures to ensure compliance with legal and regulatory responsibilities; and
- consideration of reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements.