

[Table of Contents](#)

9. Long-term debt

Debt consists of the following as at December 31, 2014 and 2013:

Figures in ZAR '000	December 31, 2014			December 31, 2013		
	Total	Current	Long-term	Total	Current	Long-term
Term loan	1 969 703	14 816	1 954 887	1 444 815	10 943	1 433 872
Accrued Interest	60 590	60 590	—	—	—	—
Debt discount	(30 389)	(2 808)	(27 581)	(33 139)	(2 750)	(30 389)
Total	1 999 904	72 598	1 927 306	1 411 676	8 193	1 403 483

On November 2, 2012, Core entered into a facility agreement with Standard Bank, which provided for a term loan facility with a limit of R1 056 million. The term loan facility bears interest at a rate of three month JIBAR plus a variable spread per annum, which represents liquidity and other risks, and matures in 2031. At December 31, 2014, the balance outstanding under the term loan facility was R1 073 million. At December 31, 2013, the balance outstanding under the term loan facility was R694 million. The average interest rates for the years ended December 31, 2014 and 2013 were 10.03% and 9.32%, respectively.

On November 2, 2012, Erika entered into a facility agreement with Standard Bank, which provided for a term loan facility with a limit of R956 million. The term loan facility bears interest at a rate of three month JIBAR plus a variable spread per annum, which represents liquidity and other risks, and matures in 2031. At December 31, 2014, the balance outstanding under the term loan facility was R958 million. At December 31, 2013, the balance outstanding under the term loan facility was R750 million. The average interest rates for the years ended December 31, 2014 and 2013 were 9.95% and 8.88%, respectively.

The estimated fair value of outstanding debt obligations was R2 159 419 065 and R1 444 709 767 at December 31, 2014 and December 31, 2013, respectively. The fair value of the outstanding debt is calculated based on expected future cash flows discounted at market interest rates for similar instruments with consideration for non-performance risk.

The combined aggregate amount of maturities for all long-term borrowings is as follows:

Contractual cash obligations	ZAR '000
2015	14 818
2016	17 062
2017	29 221
2018	44 262
2019	59 416
Thereafter	1 773 655
Total	1 938 434

A structuring and underwriting fee to the lender was incurred by Core and Erika as part of the establishment of this facility. The combined aggregate amount of the structuring and underwriting fee amounted to R33 867 285. This fee paid to the lender is recorded as a direct reduction of the carrying amount of the debt.

The carrying value of cash and cash equivalents, restricted cash, accounts receivable and property, plant and equipment have been pledged as collateral against the long-term borrowings of the Operating Entities. Refer to notes 3, 4, 5 and 6 for details.

F-315