

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 30 June 2018

29 CAPITAL MANAGEMENT

The board's policy regarding capital management is to maintain a strong capital base so as to maintain stakeholder confidence and to sustain future development of the business. The group considers its capital to comprise total equity and borrowing facilities. The group manages its capital structure in light of changes in economic conditions and the board of directors monitors the capital adequacy, solvency and liquidity of the group on a continuous basis.

The group holds mineral rights over resources with remaining lives which fluctuate in accordance with current commodity prices. Decisions to exploit resources would be made at board level and only following the completion of a bankable feasibility study based on the current life of mine and estimated capital cost, operating cost and cost of finance, where required, to ensure that as far as possible the deposit can be mined on a sustainable basis to the end of its estimated life.

There were no changes in the group's approach to capital management during the year.

30 COMMITMENTS

At year-end, the group had the following commitments:

	2018 R'000	2017 R'000
Capital		
Expenditure authorised and contracted for	229 906	—
Expenditure authorised but not contracted for	102 583	101 164
	332 469	101 164
Operating lease commitments		
Future minimum rentals payable under non-cancellable operating leases over premises and equipment which are payable as follows:		
Within one year	1 310	1 230
After one year but not more than five years	3 149	1 737
The group's commitments will be met by future anticipated cash flows	4 459	2 967
31 CONTINGENT LIABILITIES		
Guarantees issued		
Guarantees issued by holding company to bankers to secure short-term export facility*	180 000	180 000
Cash-covered guarantees issued by bankers to the Department of Mineral Resources for rehabilitation required on the group's mines (refer note 9)	70 660	71 261
Performance guarantees issued to third parties by subsidiary companies	21 244	26 101
Financial guarantee issued to third party by subsidiary company	87 893	30 000
	359 797	307 362

* The facility is primarily utilised for and on behalf of Assmang in which the group holds a 50% interest and which in turn has provided a back-to-back guarantee against any claims made by bankers in terms of this facility. The facility was unused at year-end.