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The fair value of the Operating Entities' long-term debt was determined using inputs classified as Level 2 and a discounted cash flow approach using market rates for similar debt instruments. The carrying amount and estimated fair value of the Operating Entities' long-term debt as at March 31, 2015 and December 31, 2014 are as follows:

Figures in ZAR '000	As at March 31, 2015		As at December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities:				
Long-term debt, including current portion	1,933,380	2,081,775	1,999,904	2,159,419

Recurring fair value measurements

The following table summarizes the financial instruments measured at fair value on a recurring basis classified in the fair value hierarchy (Level 1, 2 or 3) based on the inputs used for valuation in the accompanying combined balance sheet:

Figures in ZAR '000	As at March 31, 2015				As at December 31, 2014			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities:								
Interest rate swaps	—	12,276	—	12,276	—	18,763	—	18,763
Total Derivative Liabilities	—	12,276	—	12,276	—	18,763	—	18,763

18. Commitments and contingencies

From time to time, management is notified of possible litigation or claims arising in the normal course of business operations. Management continually evaluates such matters with legal counsel and believes that, although the ultimate outcome is not presently determinable, these matters will not result in a material adverse impact on the financial position or operations.

Operating lease

The Operating Entities are obligated under certain long-term noncancelable operating leases related to land for its solar energy systems. Certain of these lease agreements contain renewal options. Below is a summary of the Operating Entities' future minimum lease commitments as at March 31, 2015:

Contractual cash obligations	ZAR
2015	486,780
2016	511,119
2017	536,675
2018	563,509
2019	591,684
Thereafter	16,987,545
Total	19,677,312

Total rental expense was R241 637 and R241 637 for the three months ended March 31, 2015 and 2014, respectively.

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