

Notes to the consolidated financial statements
for the year ended June 30

	2015 R'000	2014 R'000
34. Provisions		
Long-term portion	511 246	509 980
Short-term portion	501 611	420 999
	1 012 857	930 979

	Onerous contracts R'000	Insurance liabilities R'000	Dismantling and site restoration R'000	Customer loyalty programme R'000	Other R'000	Total R'000
Balance at July 1 2013	86 649	274 408	223 876	102 861	46 695	734 489
Created	34 941	196 253	89 581	54 043	71 019	445 837
Utilised	(69 233)	(135 147)	(25 790)	(69 130)	(29 556)	(328 856)
Net acquisition of businesses	3 368	–	81	–	13 492	16 941
Exchange rate adjustments	6 796	–	41 741	10 825	3 206	62 568
Balance at June 30 2014	62 521	335 514	329 489	98 599	104 856	930 979
Created	22 847	258 317	70 244	35 846	52 828	440 082
Utilised	(14 251)	(242 860)	(60 162)	(28 845)	(43 029)	(389 147)
Net acquisition of businesses	653	–	2 704	–	25 238	28 595
Exchange rate adjustments	1 908	–	5 964	(5 931)	407	2 348
Balance at June 30 2015	73 678	350 971	348 239	99 669	140 300	1 012 857

Onerous contracts

Onerous contracts are identified through regular reviews of the terms and conditions of contracts as well as on the acquisition of businesses. A provision for onerous contracts is calculated as the present value of the portion which management deems to be onerous in light of the current market conditions, discounted using market-related rates. An annual expense is recognised over the life of the contracts.

Insurance liabilities

Insurance liabilities include amounts provided for: unearned premiums, which represent the proportion of premiums written in the current year which relate to risks that have not expired by the end of the financial year and are calculated on a time proportionate basis; deferred acquisition costs, which are recognised on a basis consistent with the related provisions for unearned premiums; claims, which are calculated on the settlement amount outstanding at year-end; and claims incurred but not reported, for claims arising from events that occurred before the close of the accounting period but which had not been reported to the Group by that date, and are calculated based on the preceding six years' insurance premium revenue multiplied by percentages specified in the Short-Term Insurance Act.

Provision for cost of dismantling and site restoration

A provision is raised for the estimated costs of dismantling and removing items, and restoring the property on which they are located. The change in the liability arising as a result of unwinding the discount is recognised in the income statement as a finance charge. The dismantling of the plant and recommissioning of buildings is expected to coincide with the end of the useful life of the plant and lease periods.

Customer loyalty programme

This is a customer loyalty programme introduced by certain operations within the Group, whereby customers can earn points for redemption in the form of gift certificates and products of the operations. The provision is calculated based on the points outstanding at year-end.

Other

Consists of various individually insignificant provisions.