

Notes to the consolidated financial statements (continued)

for the year ended 30 June

	2019 R'000	2018 R'000
35. Provisions		
Long-term portion	350 705	248 633
Short-term portion	332 465	281 532
	683 170	530 165

	Onerous contracts R'000	Insurance liabilities R'000	Legal claims R'000	Other R'000	Total R'000
Balance at 1 July 2017	9 821	329 263	25 374	64 031	428 489
Created	19 596	28	5 658	17 435	42 717
Utilised	(10 126)	(5 588)	(2 873)	(37 341)	(55 928)
Net acquisition of businesses	3 306	–	106 698	(399)	109 605
Exchange rate adjustments	–	–	4 995	287	5 282
Balance at 30 June 2018	22 597	323 703	139 852	44 013	530 165
Created	16 099	171 745	394 048	23 980	605 872
Utilised	(23 346)	(191 127)	(223 301)	(38 592)	(476 366)
Net acquisition of businesses	10 238	–	15 954	–	26 192
Exchange rate adjustments	–	–	(2 577)	(116)	(2 693)
Balance at 30 June 2019	25 588	304 321	323 976	29 285	683 170

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 deem 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 under IFRS 4 and include: 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.

Legal claims

Legal claims include provisions raised under IAS 37 for the estimated cost of claims not covered by the Group's insurance policies and in certain instances for the cost of claims below the Group's inner deductibles. Legal claims have long lead times and the provision is determined using actuarial assumptions.

Other

Included in other is a provision raised for the estimated cost of honouring warranties on certain products sold where the manufacturers' warranty is inadequate or not available, R21 million (2018: R32 million).