

24 Provisions

Group (R'million)	Leave pay	Other	Total
2018			
Balance at beginning of the year	341,8	273,1	614,9
Raised during the year	242,7	102,6	345,3
Utilised during the year	(201,6)	(235,4)	(437,0)
Balance at end of the year	382,9	140,3	523,2
2017			
Balance at beginning of the year	332,4	192,9	525,3
Raised during the year	207,6	189,6	397,2
Utilised during the year	(198,2)	(109,4)	(307,6)
Balance at end of the year	341,8	273,1	614,9

Leave pay is provided on accumulated leave balances at year end based on employees' cost to company. Included in other is a provision for cash-settled share-based payments of R14,5 million (2017: R27,5 million). Other provisions include employee-related benefits of R36,8 million (2017: R153,4 million) and restructuring provisions of R71,7 million (2017: R78,5 million).

Company			Group	
2018	2017	(R'million)	2018	2017
		25 Borrowings		
		In terms of the company's memorandum of incorporation the group's borrowings are unlimited. The secured and unsecured loans are all at floating rates unless otherwise mentioned.		
		25.1 Secured loans		
		Loan bearing interest at		
		Year of repayment		
		Denomination	77,3	51,5
		19,0% per annum*	77,3	–
		22,0% per annum	–	37,4
		6,8% per annum	–	13,3
		7,0% per annum	–	0,8
		Analysis of secured loans by nature of security:		
		Corporate guarantee	77,3	37,4
		Property, plant and equipment	–	0,8
		Put option against Tiger Brands	–	13,3
			77,3	51,5
		<i>* During the year, Deli Foods (Nigeria) Limited entered into a term loan. The tenure of the loan is 18 months. The term loan is secured by a corporate guarantee that has been issued by Tiger Consumer Brands Limited.</i>		
		25.2 Capitalised finance leases	2,0	4,0
		Repayment during the next year	1,4	2,0
		Repayments later than one year and no later than five years	0,6	2,0
		Refer to note 26.4.		
		Liabilities under capitalised finance leases bear interest at 9,25% (2017: 9,25%) per annum.		
		Capitalised finance leases relate to plant and equipment with a book value of R3,3 million (2017: R4,9 million).		
			79,3	55,5

Notes to the financial statements continued

for the year ended 30 September 2018

Company					Group		
2018	2017	(R'million)			2018	2017	
	25	Borrowings continued					
	25.3	Instalments disclosed as:					
		Short-term borrowings			5,0	53,5	
		Long-term borrowings			74,3	2,0	
					79,3	55,5	
	25.4	Short-term borrowings			916,9	788,6	
		Bank overdrafts			911,9	735,1	
		Current portion of long-term borrowings			5,0	53,5	
	25.5	Changes in liabilities arising from financing activities					
			September 2017	Cash flows	Forex	Other*	September 2018
		Current portion of long-term borrowings	53,5	(52,9)	3,0	1,4	5,0
		Long-term borrowings	2,0	86,3	(12,6)	(1,4)	74,3
		Total liabilities from financing activities	55,5	33,4	(9,6)	–	79,3
		* The "Other" column includes the effect of reclassification of the long-term position of interest-bearing debt to short-term due to the passage of time. The group classifies interest paid as cash flows from operating activities.					
	26	Group commitments					
	26.1	Approved capital expenditure, which will be financed from the group's own resources, is as follows:					
		Contracted				96,5	476,3
		Not contracted				1 779,9	1 698,1
						1 876,4	2 174,4

26.2 Additional capital commitments of R109,0 million are expected to be approved in 2019.

The capital commitments noted above include various capital efficiency and expansion projects.

26.3 Commitments in respect of operating leases

Group

(R'million)	Land and buildings	Motor vehicles	Property, plant and equipment	Total commitments
2018				
During 2019	26,2	33,0	35,0	94,2
During 2020	16,7	23,8	35,1	75,6
During 2021	0,6	13,6	34,8	49,0
During 2022 and thereafter	–	6,7	1,5	8,2
During 2023 and thereafter	–	0,9	1,5	2,4
	43,5	78,0	107,9	229,4
2017*				
During 2018	38,1	51,7	39,3	129,1
During 2019	25,7	37,9	35,8	99,4
During 2020	13,7	26,0	35,0	74,7
During 2021	0,1	18,0	35,2	53,3
During 2022 and thereafter	–	11,4	1,9	13,3
	77,6	145,0	147,2	369,8

With the exception of the lease described below, operating leases are generally three to six years in duration, without purchase options and in certain instances have escalation clauses of between 7% and 10% or are linked to the prevailing prime rate of interest or consumer price index (CPI). Other contingent rentals are generally not applicable, with the exception of one lease, relating to fruit processing equipment, had contingent rental linked to the tons of fruit processed and escalates based on the American CPI, which amounts to R3,5 million (2017: R4,0 million).

* The prior year commitments in respect of operating leases has been updated to reflect new information obtained during the current year in terms of tenure and amount.