

# Notes to the financial statements continued

for the year ended 30 September 2018

|                                                                                                                                  |  | Group   |         |
|----------------------------------------------------------------------------------------------------------------------------------|--|---------|---------|
| (R'million)                                                                                                                      |  | 2018    | 2017    |
| <b>28 Pension obligations</b>                                                                                                    |  |         |         |
| <b>Movement in the net asset/(liability) recognised in the statement of financial position</b>                                   |  |         |         |
| Balance at beginning of the year                                                                                                 |  | 121,5   | 105,1   |
| Contributions paid                                                                                                               |  | 268,5   | 239,4   |
| Other movements (net expense in the income statement)                                                                            |  | (261,3) | (235,2) |
| Interest cost                                                                                                                    |  | (25,0)  | (27,2)  |
| Current service cost                                                                                                             |  | (270,4) | (243,6) |
| Interest on plan assets                                                                                                          |  | 35,7    | 38,5    |
| Interest on limit                                                                                                                |  | (1,6)   | (2,9)   |
| Remeasurements recognised in other comprehensive income                                                                          |  | 4,4     | 12,2    |
| Net actuarial gains/(losses) raised in terms of IAS 19R                                                                          |  | 8,0     | (4,2)   |
| Unrecognised due to paragraph 65 limit in terms of IAS 19R                                                                       |  | (3,6)   | 16,4    |
| Balance at end of the year                                                                                                       |  | 133,1   | 121,5   |
| The net asset is included in the statement of financial position as follows:                                                     |  |         |         |
| Investments – refer to note 15                                                                                                   |  | 70,5    | 53,8    |
| Other receivables – refer to note 19                                                                                             |  | 64,5    | 70,3    |
| Other payables – refer to note 23                                                                                                |  | (1,9)   | (2,6)   |
|                                                                                                                                  |  | 133,1   | 121,5   |
| Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure E.                        |  |         |         |
| <b>29 Post-retirement medical aid obligations</b>                                                                                |  |         |         |
| <b>Group</b>                                                                                                                     |  |         |         |
| <b>Balance at end of the year</b>                                                                                                |  |         |         |
| Present value of obligations                                                                                                     |  | (617,5) | (619,1) |
| Liability at reporting date                                                                                                      |  | (617,5) | (619,1) |
| <b>Movement in the liability recognised in the statement of financial position:</b>                                              |  |         |         |
| Balance at beginning of the year                                                                                                 |  | (619,1) | (666,0) |
| Contributions paid                                                                                                               |  | 45,8    | 44,9    |
| Other expenses included in staff costs                                                                                           |  | (60,7)  | (67,2)  |
| Current service cost                                                                                                             |  | (2,4)   | (3,0)   |
| Interest cost                                                                                                                    |  | (58,3)  | (64,2)  |
| Actuarial gains raised in terms of IAS 19R in other comprehensive income                                                         |  | 16,5    | 69,2    |
| Balance at end of the year                                                                                                       |  | (617,5) | (619,1) |
| The employer's estimate of contributions expected to be paid for the 2019 financial year is R48,2 million (2018: R45,8 million). |  |         |         |
| Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure F.                        |  |         |         |
| <b>30 Guarantees and contingent liabilities</b>                                                                                  |  |         |         |
| Guarantees and contingent liabilities*                                                                                           |  | 30,0    | 11,5    |

\* The increase relates to the unutilised portion of the corporate guarantee for the Deli Foods (Nigeria) Limited facility (refer to note 25.1).

## Company

Guarantees exist against the company for the obligations of certain subsidiaries amounting to R3,6 million at 30 September 2018 (2017: R2,8 million).

## Contingent liability

The Listeria Class Action referred to in the company's SENS announcement dated 14 August 2018 has not yet been certified.

Following the certification of the claim and the members of the classes, it is anticipated that a quantified claim will be instituted against the company.

The company has product liability insurance cover appropriate for a group of its scale. Coverage has been confirmed by the Insurers, subject to the terms and limits of the policy. The policy will accordingly respond to the claim within its term in the event that the company is held liable.