NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2019

	(R'million)	GROUP 2019	GROUP 2018
28	**Pension obligations**		
	Movement in the net asset/(liability) recognised in the statement of financial position		
	Balance at the beginning of the year	**133,1**	121,5
	Contributions paid	**268,7**	268,5
	Other movements (net expense in the income statement)	**(260,7)**	(261,3)
	Interest cost	**(24,9)**	(25,0)
	Current service cost	**(271,6)**	(270,4)
	Interest on plan assets	**38,0**	35,7
	Interest on limit	**(2,2)**	(1,6)
	Remeasurements recognised in other comprehensive income	**7,9**	4,4
	Net actuarial gain raised in terms of IAS 19R	**1,9**	8,0
	Unrecognised gain/(loss) due to paragraph 65 limit in terms of IAS 19R	**6,0**	(3,6)
	Balance at the end of the year	**149,0**	133,1
	The net asset is included in the statement of financial position as follows:		
	Investments – refer note 15	**75,3**	70,5
	Other receivables – refer note 19	**75,7**	64,5
	Other payables – refer note 23	**(2,0)**	(1,9)
		149,0	133,1
	Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure E.		
29	**Post-retirement medical aid obligations**		
	Balance at the end of the year		
	Present value of obligations	**(582,8)**	(617,5)
	Liability at reporting date	**(582,8)**	(617,5)
	Movement in the liability recognised in the statement of financial position:		
	Balance at the beginning of the year	**(617,5)**	(619,1)
	Contributions paid	**48,2**	45,8
	Other expenses included in staff costs	**(60,2)**	(60,7)
	Current service cost	**(2,2)**	(2,4)
	Interest cost	**(58,0)**	(58,3)
	Actuarial gain released in terms of IAS 19R in other comprehensive income	**46,7**	16,5
	Balance at the end of the year	**(582,8)**	(617,5)
	The employer's estimate of contributions expected to be paid for the 2020 financial year is R49,8 million (2019: R48,2 million).		
	Detailed disclosure and the respective assumptions and valuation inputs have been included in Annexure F.		
30	**Guarantees and contingent liabilities**		
	Guarantees (unutilised)	**21,0**	30,0

During the course of the financial year, the performance of Deli Foods Nigeria Limited was negatively affected by currency devaluation and has also been severely affected by ongoing unfavourable economic conditions. A guarantee with Rand Merchant Bank Nigeria Limited was established in favour of Deli Foods Nigeria Limited which is almost fully utilised.

Company

Guarantees exist against the company for the obligations of certain subsidiaries amounting to R4,1 million at 30 September 2019 (2018: R3,6 million).

Contingent liability

The class action against the company arising from the outbreak of listeriosis was certified by the High Court on 3 December 2018. Summons was issued on 16 April 2019. A plea was filed by the company on 8 August 2019. The parties are now engaged in pre-trial preparation while subpoenas have been issued for the disclosure of information by third parties, which is pertinent to the outbreak.

As previously confirmed, the company has product liability insurance cover appropriate for a group of its scale. Coverage is subject to the terms and limits of the policy. Our insurers have advised that the product liability policy does not include cover for exemplary or punitive damages should such an award be made by the court and, in addition, should an award be made for constitutional damages, the product liability policy will not cover that portion of the award which relates to exemplary or punitive damages not compensatory in nature. The company reserves its rights in this regard.