

29. PROVISIONS

	2016 R'000	2015 R'000
Long-term portion	397 970	340 649
Short-term portion	358 319	267 094
	756 289	607 743

	Onerous contracts R'000	Dismantling and site restoration R'000	Customer loyalty programme R'000	Other R'000	Total R'000
Balance at July 1 2014	42 760	324 039	98 599	44 815	510 213
Created	22 847	69 909	35 846	39 764	168 366
Utilised	259	(58 329)	(28 845)	(13 940)	(100 855)
Net acquisition of businesses	–	2 704	–	25 238	27 942
Exchange rate adjustments	1 908	5 692	(5 931)	408	2 077
Balance at June 30 2015	67 774	344 015	99 669	96 285	607 743
Created	806	166 865	25 031	53 173	245 875
Utilised	(31 649)	(65 400)	(18 832)	(60 039)	(175 920)
Net acquisition of businesses	–	2 149	(178)	(1 533)	438
Exchange rate adjustments	7 338	27 912	17 159	17 136	69 545
Effect of discounting	1 383	7 225	–	–	8 608
Balance at June 30 2016	45 652	482 766	122 849	105 022	756 289

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.

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 statement of profit or loss 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

Other consists of various individually insignificant provisions.