26. POST-RETIREMENT OBLIGATIONS

	2017 R'000	2016 R'000
Post-retirement assets		
Defined benefit pension assets	**(17 134)**	(15 255)
Post-retirement obligations	**41 657**	50 836
Defined benefit pension obligations	**31 038**	36 952
Unfunded defined benefit early retirement plan	**10 619**	13 884
	24 523	35 581

Pension and provident funds

The group provides retirement benefits for its permanent employees through pension funds with defined benefit and defined contribution categories and defined contribution provident funds or appropriate industry funds.

There are also a number of small funds within various subsidiaries of the group. All funds are administered independently of the group and are subject to the relevant pension fund legislation.

The defined benefit funds operated by the group are The Bidvest South Africa Pension Fund in South Africa and Angliss Hong Kong Food Service Limited Retirement Benefit Plan.

Employer contributions to defined contribution funds are set out in note 3.

Summarised details of the defined benefit pension funds

	2017 R'000	2016 R'000
Defined benefit pension obligations (assets) of the various funds		
The Bidvest South Africa Pension Fund in South Africa	**(17 134)**	(15 255)
Angliss Hong Kong Food Service Limited Retirement Benefit Plan	**31 038**	36 952
	13 904	21 697
Contributions to the funds		
Employer contributions	**12 678**	58 944
Employee contributions	**98**	6 685
Total pension fund asset (unfunded pension liability)		
Fair value of plan assets	**141 421**	133 768
Actuarial present value of defined benefit obligations	**(153 086)**	(154 824)
Net deficit in the plans	**(11 665)**	(21 056)
Amounts not recognised due to ceiling adjustments and other limitations	**(2 239)**	(641)
	(13 904)	(21 697)
Movement in the liability for defined benefit obligations		
Balance at beginning of year	**(154 824)**	(1 290 234)
Benefits	**2 284**	17 592
Risk premiums and expenses	**60**	5
Current service costs	**(16 102)**	(46 586)
Interest	**(1 813)**	(19 175)
Member contributions	**(98)**	(6 685)
Actuarial losses	**(2 593)**	(85 679)
Settlements	**–**	1 523 840
Transfer as a result from unbundling	**–**	(7 843)
Transfer from early retirement fund	**–**	(3 657)
Exchange rate adjustments on foreign plans	**20 000**	(236 402)
Balance at end of year	**(153 086)**	(154 824)

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	2017 R'000	2016 R'000
26. POST-RETIREMENT OBLIGATIONS *(continued)*		
Pension and provident funds *(continued)*		
Summarised details of the defined benefit pension funds *(continued)*		
Movement in the plans' assets		
Balance at beginning of year	**133 768**	1 302 426
Contributions paid into the plans	**12 776**	65 629
Benefits	**(2 284)**	(17 592)
Risk premiums and expenses	**(528)**	(1 633)
Interest income	**3 087**	20 156
Return on plan assets in excess of interest	**9 889**	3 455
Settlements	**–**	(1 505 388)
Transfer as a result of unbundling	**–**	25 128
Transfer from early retirement fund	**–**	3 657
Exchange rate adjustments on foreign plans	**(15 287)**	237 930
Balance at end of year	**141 421**	133 768
The plans' assets comprise		
Cash	**27 011**	14 932
Equity securities	**73 976**	69 161
Bills, bonds and securities	**39 706**	48 889
Other	**728**	786
	141 421	133 768
Amounts recognised in the statement of profit or loss		
Current service costs	**16 102**	46 586
Interest on obligations	**1 813**	19 175
Interest on assets	**(3 087)**	(20 156)
Ceiling adjustments and other limitations	**62**	641
Risk premiums and expenses	**82**	1 618
Loss (gain) arising from settlements, plan amendments and curtailments	**386**	(18 452)
	15 358	29 412
Amounts recognised in other comprehensive income		
Return on plan assets in excess of interest income	**(9 889)**	(3 455)
Actuarial losses	**2 593**	85 679
Ceiling adjustments and other limitations	**1 536**	(28 434)
	(5 760)	53 790
Key actuarial assumptions used in the actuarial valuations		
The Bidvest South Africa Pension Fund in South Africa		
Number of in service members June 30	**2**	2
Discount rate (%)	**9,9**	9,6
Inflation rate (%)	**6,8**	7,4
Salary increase (%)	**7,8**	8,4
Pension increase allowance (%)	**4,8**	5,2

	2017 R'000	2016 R'000

26. POST-RETIREMENT OBLIGATIONS *(continued)*

Pension and provident funds *(continued)*

Summarised details of the defined benefit pension funds *(continued)*

Key actuarial assumptions used in the actuarial valuations *(continued)*

	2017	2016
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Number of in service members June 30	**260**	303
Discount rate (%)	**1,2**	0,8
Inflation rate (%)	**3,2**	3,3
Salary increase (%)	**5,0**	5,0
Date of valuation of all funds	**June 30 2017**	June 30 2016

Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

The table below summarises the impact that a reasonably possible change in the respective assumption, occurring at the end of the year, would have, by increasing (decreasing) the net deficit in the plans, while holding all the other assumptions constant.

	Impact of an increase in assumption R'000	Impact of a decrease in assumption R'000
2017		
The Bidvest South Africa Pension Fund in South Africa		
Discount rate – 1%	**1 055**	**(1 837)**
Salary increase – 1%	**(993)**	**455**
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Discount rate – 0,25%	**2 098**	**(2 153)**
Salary increase – 0,25%	**(1 897)**	**1 859**
2016		
The Bidvest South Africa Pension Fund in South Africa		
Discount rate – 1%	2 207	(1 413)
Salary increase – 1%	(473)	1 613
Angliss Hong Kong Food Service Limited Retirement Benefit Plan		
Discount rate – 0,25%	1 831	(1 882)
Salary increase – 0,25%	(1 672)	1 639

The sensitivity analyses presented above may not be representative of the actual change in the net deficit in the plans as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Unfunded defined benefit retirement plans

Distrubuzione Alimentari Convivenze SPA (Italian Subsidiary) provide a retirement plan for its employees. The liability recognised is based on the actuarial valuation performed as at June 30.

	2017 Number	2016 Number
Number of members at June 30	**314**	229

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	2017 R'000	2016 R'000
26. POST-RETIREMENT OBLIGATIONS *(continued)*		
Unfunded defined benefit retirement plans *(continued)*		
Movement in the liability for unfunded defined benefit early retirement plan *(continued)*		
Balance at beginning of year	**13 884**	177 041
Benefits paid	**–**	(3 657)
Current service costs	**–**	3 335
Interest expense	**144**	1 067
Actuarial adjustments recognised in other comprehensive income	**(633)**	3 454
Settlement	**(1 395)**	(199 705)
Exchange rate adjustments on foreign plans	**(1 381)**	32 349
Balance at end of year	**10 619**	13 884

	%	%
Key actuarial assumptions		
Discount rate	**1,5**	0,5 – 1,2
Inflation rate	**1,5**	1,75
Salary increase rate	**2,55**	1,5 – 2,75
Date of valuation	**June 30 2017**	June 30 2016

27. PUTTABLE NON-CONTROLLING INTEREST LIABILITIES

The acquisition of Guzmán Gastronomía and Cuttings, and Quartiglia Food Service SPA during the year resulted in a put option being agreed with the non-controlling shareholders. The put options entitle the non-controlling shareholders to sell their holdings in the subsidiaries to the group at contracted dates and amounts.

The group has the following put options:

- The non-controlling shareholders in Distrubuzione Alimentari Convivenze SPA (DAC) have the option to put their 40% interest in DAC to the group, using a market valuation formula on or about September 30 2017.
- The non-controlling shareholders in Guzmán have the option to put their 10% interest in Guzmán to the group, using a market valuation formula on or about June 30 2021.
- The non-controlling shareholders in Caterfood have the option to put their 12% interest in Caterfood to the group, using a market valuation formula on or about September 30 2017.
- The non-controlling shareholders in Quartiglia Food Service Spa have the option to put their 40% interest in Quartiglia Food Service Spa to the group, using a market valuation formula on or about September 30 2019.

	2017 R'000	2016 R'000
The affect of granting these put options on the group's results can be summarised as follows:		
Balance at beginning of year	**1 168 921**	913 638
Arising on the granting of put options to non-controlling interests during the year	**119 832**	44 700
Payments made to non-controlling interests during the year	**(39 927)**	–
Remeasurement of puttable option during the year	**48 076**	–
Unwinding of present value discount recognised in the statement of profit or loss	**21 167**	23 085
Exchange rate adjustments	**(122 873)**	187 498
	1 195 196	1 168 921
Long-term portion	**118 028**	1 168 921
Short-term portion	**1 077 168**	–