

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2013	2012	2011
	Rm	Rm	Rm
15. PROVISIONS			
Non-current	294	254	265
Current	1 079	839	633
	1 373	1 093	898

	Total 2013	Insurance claims	Warranty claims	Credit life and warranty products	Maintenance contracts	Post-retirement benefits	Restructuring	Other
Movement of provisions	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balance at beginning of year	1 093	20	277	62	332	80	60	262
Amounts added	1 503	7	360	28	744	8	3	353
Amounts used	(1 163)	(16)	(282)	(23)	(656)	(5)	(30)	(151)
Reallocation of amounts	5	5						
Amounts reversed unused	(138)		(89)	(1)	(20)			(28)
Disposal of subsidiaries	(27)		(3)	(24)				
Unwinding of discount on present valued amounts	15		5		10			
Translation adjustments	94	4	32	10	24	4	13	7
Total group	1 382	20	300	52	434	87	46	443
Amounts classified as held for sale	(9)		(3)				(2)	(4)
Total per statement of financial position	1 373	20	297	52	434	87	44	439
To be incurred								
Within one year	1 079	18	262	17	354	64	27	337
Between two and five years	277	2	35	35	80	7	17	101
More than five years	17					16		1
	1 373	20	297	52	434	87	44	439

Insurance claims

The provision arises from outstanding claims to third parties from Barloworld Insurance Limited that manages the group's insurance programme.

Warranty claims

The provisions relate principally to warranty claims on capital equipment, spare parts and service. The estimate is based on claims notified and past experience.

Credit life and warranty products

The provision relates to credit life and warranty products sold by the Automotive segment. Refer to note 31 on insurance contracts.

Maintenance contracts

This relates to deferred revenue on maintenance and repair contracts on equipment, forklift trucks and motor vehicles. Assumptions include the estimation of maintenance and repair costs over the life cycle of the assets concerned.

Post-retirement benefits

The provisions comprise mainly of post-retirement benefits for existing and former employees. Actuarial valuations were used to determine the value of the provisions where necessary. The actuarial valuations are based on assumptions which include employee turnover, mortality rates, discount rates, the expected long-term rate of return of retirement plan assets, healthcare inflation cost and rates of increase in compensation costs.

Restructuring

The provision includes obligations related to the closure of operations.

Other

Included in other provisions are the amounts raised in terms of the Share Appreciation Right Scheme amounting to R188 million (refer note 33).