

Notes to the consolidated annual financial statements continued

for the year ended 30 September

	2013	2012	2011
	Rm	Rm	Rm
16. OTHER NON-CURRENT LIABILITIES			
Bills and leases discounted with recourse and repurchase obligations			13
Fair value of derivatives	16		13
Retirement benefit obligation	1 391	938	907
Other payables	323	353	330
Total group	1 730	1 291	1 263
Amounts classified as held for sale	(5)		
Total per statement of financial position	1 725	1 291	1 263
Per category			
Financial liabilities at fair value through profit or loss			
– Designated as such at initial recognition	16		14
Financial liabilities measured at amortised cost	309	346	336
	325	346	350

Retirement benefit information

It is the policy of the group to encourage, facilitate and contribute to the provision of retirement benefits for all permanent employees. To this end, the group's permanent employees are usually required to be members of either a pension or provident fund, depending on their preference and local legal requirements.

Altogether 54% of employees belong to one defined benefit and nine defined contribution retirement funds in which group employment is a prerequisite for membership. Of these, the defined benefit and five defined contribution funds are located outside South Africa and accordingly are not subject to the provisions of the Pension Funds Act of 1956. Altogether 21% of employees belong to defined contribution funds associated with industry or employee organisations.

Defined contribution plans

The total cost charged to profit or loss of R675 million (2012: R542 million; 2011: R472 million) represents contributions payable to these schemes by the group at rates specified in the rules of the schemes (note 20).

Defined benefit plans

Amounts recognised in the income statement in respect of defined benefit schemes are as follows:

	2013	2012	2011
	Rm	Rm	Rm
Current service cost	2	18	20
Interest costs	334	307	264
Expected return on plan assets	(385)	(316)	(287)
Change in RPI/CPI statutory index		(81)	
Net (gain)/loss recognised in profit or loss (note 20)	(49)	(72)	(3)
Actual return on plan assets	356	684	6

The triennial valuation of the United Kingdom defined benefit pension schemes was completed as at 1 April 2011 and updated at 30 September 2013. The scheme reflected a deficit, calculated in terms of IAS 19 Employee Benefits of £85.4 million at the end of the financial year. A recovery plan has been negotiated with trustees to pay £3.2 million per annum for the next nine years. The scheme was closed to new entrants from 1 April 2002, with all new employees in the United Kingdom required to join the defined contribution scheme.

The estimated contributions (inclusive of a recovery plan) to be paid to the plan during the next financial year amounts to £3.3 million (R54 million).

During the year, as part of the trustee and company's strategy to de-risk the scheme, the fund purchased an insurance policy structured as a buy in, for a category of pensioners. This was funded through the sale of government gilts and a special contribution by the company of £3.0 million.

Notes to the consolidated annual financial statements continued

for the year ended 30 September

16. OTHER NON-CURRENT LIABILITIES continued

The amount included in the statement of financial position arising from the group's obligations in respect of defined benefit retirement plans is set out below.

	2013	2012	2011
	Rm	Rm	Rm
Present value of funded obligation	8 244	6 470	5 654
Fair value of plan assets	6 853	5 532	4 747
Net liability per statement of financial position	1 391	938	907
Movement in present value of funded obligation			
At beginning of year	6 470	5 654	4 859
Current service cost	2	18	20
Interest cost	334	307	264
Actuarial losses recognised in the statement of comprehensive income	400	515	57
Benefits paid	(377)	(260)	(232)
Employee contributions	1	13	13
Change in liabilities as a result of change in index from RPI to CPI		(131)	
Other movements		(5)	(3)
Exchange differences	1 414	359	676
At end of year	8 244	6 470	5 654
Movement in fair value of plan assets			
At beginning of year	5 532	4 747	4 344
Expected return on plan assets	385	316	287
Actuarial (losses)/gains recognised in the statement of comprehensive income	(30)	366	(294)
Contributions	121	48	25
Benefits paid	(377)	(260)	(232)
Employee contributions	1	13	13
Exchange differences	1 221	302	604
At end of year	6 853	5 532	4 747
Cumulative actuarial losses	2 457	2 027	1 878
Plan assets consist of the following:			
– Equity instruments (%)	53	48	45
– Bonds (%)	35	51	53
– Insurance annuity (%)	11		
– Cash (%)	1	1	2

Amount included in the fair value of assets for Barloworld Limited shares and property occupied by the group is nil.

Notes to the consolidated annual financial statements continued

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16. OTHER NON-CURRENT LIABILITIES continued

Defined benefit funds are valued by independent actuaries as follows:

	Valuation interval	Latest statutory valuation	
Barloworld UK Pension Scheme	Triennial	1 April 2011	
Key assumptions used	2013	2012	2011
Discount rate (%)	4.5	4.4	5.3
Expected return on plan assets (%)	6.1	5.9	6.4
Expected rate of salary increases (%)	3.2	2.6	3.0
Future pension increases (%)	3.1	2.6	3.0

	2013	2012	2011	2010	2009
	Rm	Rm	Rm	Rm	Rm
Historical disclosures					
Present value of obligation	8 244	6 470	5 654	4 859	4 824
Fair value of plan assets	6 853	5 532	4 747	4 344	4 503
Net liability	1 391	938	907	515	321
Experience adjustments (%)					
Plan liabilities	(1.2)		0.4	8.8	8.5
Plan assets	0.4	(6.6)	6.2	4.0	2.0

Historically, qualifying employees were granted certain post-retirement medical benefits. The obligation for the employer to pay medical aid contributions after retirement is not part of the conditions of employment for new employees. A number of pensioners and employees in the group remain entitled to this benefit, the cost of which has been fully provided (note 15).

	2013	2012	2011
	Rm	Rm	Rm
17. TRADE AND OTHER PAYABLES			
Trade and other payables	10 863	9 521	8 393
Fair value of derivatives	14	27	2
Total group	10 877	9 548	8 395
Amounts classified as held for sale	(90)		
Total per statement of financial position	10 787	9 548	8 395
Per category			
Financial liabilities at fair value through profit or loss			
– Designated as such at initial recognition	8	11	
– Held for trading items		11	
Financial liabilities measured at amortised cost	8 580	6 940	6 964
Derivatives designated as effective hedging instruments	5	5	2
	8 593	6 967	6 966

Refer note 9 for details of inventory pledged as security for payables.