18. POST-EMPLOYMENT MEDICAL OBLIGATIONS CONTINUED

Disclosure requirement paragraph 145 of IAS 19

	Healthcare cost inflation		
	Central assumption 7.10%	**(1%)**	**1%**
Accrued liability 30 June 2017 (R'million)	2 770	2 750	2 793
% Change	–	(0.7%)	0.8%
Interest cost 2017/18	0.203	0.201	0.205
% Change	–	(1.0%)	1.0%

	Central assumption 9.10%	**(1%)**	**1%**
Sensitivity results from previous valuation			
Interest Cost 2016/17	0.229	0.227	0.231
% Change	–	(0.9%)	0.9%

	Healthcare cost inflation		
	Central assumption 7.10%	**5% for 5 years**	**10% for 10 years**
Accrued liability 30 June 2017 (R'million)	2.770	2.836	2.913
% Change	–	2.4%	5.1%

	Discount rate		
	Central assumption 8.00%	**(1%)**	**1%**
Accrued liability 30 June 2017 (R'million)	2.770	2.916	2.638
% Change	–	5.3%	(4.8%)

19. ACCRUAL FOR STRAIGHT-LINING OF LEASES

All leased assets in the Group relate to operating leases of property. Below is a summary of the most significant leasing arrangements:

Property Location	Start date	End date	Rental per month	Escalation rate
The Boulevard, Woodstock Cape Town	1 October 2014	30 September 2019	2.8 million	8.0%
Florida North, Roodepoort	1 December 2014	30 November 2019	1.8 million	7.5%

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2017

19. ACCRUAL FOR STRAIGHT-LINING OF LEASES CONTINUED

	GROUP
	June 2017 R'000
Balance as at 30 June 2015	**11 956**
Credited to the statement of comprehensive income:	
– movements in provision	**3 686**
Balance as at 30 June 2016	**15 642**
Credited to the statement of comprehensive income:	
– movements in provision	**230**
Balance as at 30 June 2017	**15 872**

	GROUP	
	June 2017 R'000	**June 2016 R'000**
Non-current portion	**18 979**	21 289
Current portion	**(3 107)**	(5 647)
	15 872	15 642

20. EMPLOYMENT BENEFIT LIABILITY

	GROUP		
	Bonuses R'000	**Leave pay R'000**	**Total R'000**
Balance as at 30 June 2015	70 878	40 227	111 105
Charged/(credited) to the statement of comprehensive income:			
– additional provisions	93 081	14 108	107 189
– amounts reversed	–	(8 528)	(8 528)
Utilised during the year	(102 842)	(147)	(102 989)
Balance as at 30 June 2016	61 117	45 660	106 777
Charged/(credited) to the statement of comprehensive income:			
– additional provisions	**81 003**	**–**	**81 003**
– amounts reversed	**–**	**(1 158)**	**(1 158)**
Utilised during the year	**(95 621)**	**(4 768)**	**(100 389)**
Balance as at 30 June 2017	**46 499**	**39 734**	**86 233**

	COMPANY		
	Bonuses R'000	**Leave pay R'000**	**Total R'000**
Balance as at 30 June 2016	**–**	**–**	**–**
Charged/(credited) to the statement of comprehensive income:			
– additional provisions	**4 500**	**–**	**4 500**
Balance as at 30 June 2017	**4 500**	**–**	**4 500**

The provision for management incentive bonuses is payable at the end of October 2017, while the remaining provision for staff is payable at the end of December 2017 as part of a salary restructuring arrangement based on their cost to company. The leave pay provisions are primarily in respect of leave pay to be settled in the next financial year.