

# Notes to the consolidated Annual Financial Statements (continued)

for the year ended 31 July 2019

## 37. Contingencies and commitments

### Contingencies

#### Guarantees

The Group has issued guarantees and performance bonds from various Group companies as well as through available third-party facilities. At this stage, the Group is not aware of any guarantees or bonds issued which may be exercised by holders. The balance at 31 July 2019 was R358 million (2018: R305 million).

#### Legal claims

The Company and its subsidiaries are involved in various litigation matters arising in the ordinary course of business. Although at this stage it is not possible to predict what the outcome of the various matters will be, nor what portion of any costs will be attributable to the Company, or whether all or any portion of such costs will be covered by insurance or will be recoverable from other, management has no reason to believe that the disposition of these matters will have a materially adverse effect on the consolidated financial position of the Company.

EOH has blacklisted and suspended payments to 50 enterprise development partners who were implicated in this activity. Some of these partners have initiated legal challenges against the Company; however, EOH will robustly oppose legal challenges brought by such parties.

### Commitments

Figures in Rand thousand

	2019	2018
Expected, but not yet contracted capital expenditure	112 846	125 000
Operating leases		
Minimum operating lease payments due – as lessee		
– within one year	(153 717)	(139 851)
– within two to five years	(260 596)	(265 386)
– beyond five years	–	(1 406)
	(414 313)	(406 643)

Operating lease payments represent rentals payable for certain office premises and equipment rental. No contingent rent is payable. Average escalation percentages, already taken into account in the above amounts, are between 7% and 10% (2018: 7% and 10%).

## 38. Retirement benefits

The Group is a member of a corporate defined contribution retirement scheme which is governed by the Pensions Fund Act to which employees elect to make retirement contributions on an income sacrifice basis. The Group makes no additional contribution and is under no obligation to cover any other benefits. Employees are, however, eligible and obliged to become members of the Group risk benefit scheme, providing certain minimum death and disability benefits.

At 31 July 2019, the membership of the fund was 5 709 (2018: 6 478) employees.

At 31 July 2019, the Group's contribution to the fund was R182 million (2018: R176 million).