

# Notes to the consolidated financial statements

for the year ended June 30

## 40. Related parties

### Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures. Key management personnel has been defined as the executive and non-executive directors of the Company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

### Transactions with key management personnel

Independent non-executive directors do not participate in the Group's share option and share purchase schemes or conditional share awards.

Details pertaining to executive directors' compensations are set out in the directors' report on pages 59 to 66. Directors' remuneration in total is included in note 2.

The Group encourages its employees to purchase goods and services from Group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at the year-end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at the Group level.

Certain of the directors of the Group are also non-executive directors of other public companies which may transact with the Group. The relevant directors do not believe they have significant influence over the financial or operational policies of those companies. Those companies are thus not regarded as related parties.

### Transactions with key management personnel

The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries of the Group and key management personnel (as defined above) and/or organisations in which key management personnel have significant influence:

|                                                                                                                                                               | 2016<br>R'000 | 2015<br>R'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Sales and services provided by the Group                                                                                                                      | –             | 606           |
| Purchases                                                                                                                                                     | 1 060         | 5 447         |
| Outstanding amounts due to the Group at year-end included in respect of the share purchase scheme                                                             | 13 473        | 23 072        |
| <b>Transactions with associates</b>                                                                                                                           |               |               |
| The following transactions were made on terms equivalent to those that prevail in arm's-length transactions between subsidiaries and associates of the Group: |               |               |
| Sales and services provided by the Group                                                                                                                      | 195 130       | 21 656        |
| Purchases                                                                                                                                                     | 10 067        | 723 632       |
| Outstanding amounts due to the Group at year-end included in advances to associates                                                                           | 832           | 58 667        |
| Outstanding amounts due to the Group at year-end included in trade receivables                                                                                | 30 295        | 22 034        |
| Outstanding amounts due by the Group at year-end included in trade payables                                                                                   | 388           | 56 853        |
| Guarantees issued                                                                                                                                             | 166 000       | 166 000       |

Details of effective interest, investments and loans to associates are disclosed in note 18.