

Notes to the consolidated financial statements

for the year ended 30 June

40. Related parties

Identification of related parties

The Group has a related party relationship with its subsidiaries, associates and joint ventures. Key management personnel have 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 and non-executive directors' compensation are set out in the directors' report on pages 9 to 11. 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 year-end.

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

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:

	2017 R'000	2016 R'000
Sales and services provided by the Group	309	—
Purchases	1 068	1 060
Outstanding amounts due to the Group at year-end included in respect of the share purchase scheme	—	13 473

Transactions with associates

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	74 185	195 130
Purchases	10 810	10 067
Outstanding amounts due to the Group at year-end included in advances to associates	840	832
Outstanding amounts due to the Group at year-end included in trade receivables	58 854	30 295
Outstanding amounts due by the Group at year-end included in trade payables	156	388
Guarantees issued	16 000	166 000

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