

Notes to the financial statements continued

for the year ended 30 September 2018

32 Related-party disclosures

The board of directors of Tiger Brands Limited has given general declarations in terms of section 75 of the Companies Act on directors' personal financial interests. These declarations indicate that certain directors hold positions of influence in other entities which are suppliers, service providers, customers and/or competitors of Tiger Brands Limited. Transactions conducted with these director-related customers and suppliers were on an arm's-length basis.

The sales to and purchases from related parties are made at normal market prices. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which they operate. Given the ongoing liquidity and forex shortages experienced within Nigeria and Zimbabwe, the expected timing of receipt of the amounts owing from these related parties has been assessed. As a result, a provision of R30 million (2017: R40 million) has been provided against these outstanding balances, being the impact of the discounting factor applied.

Details of material transactions with related parties not disclosed elsewhere in the financial statements are as follows:

(R'million)	Management fees	Directors' fees	Amounts owed by related parties
2018			
Group			
Related party – associates			
Oceana Group Limited	–	0,8	0,2
Empresas Carozzi (Chile)	–	3,3	–
National Foods Holdings Limited	3,3	–	36,8
2017			
Group			
Related party – associates			
Oceana Group Limited	–	0,7	0,2
Empresas Carozzi (Chile)	–	2,8	–
National Foods Holdings Limited	3,2	–	50,8
UAC Foods	2,7	–	20,1
		Group	
(R'million)		2018	2017
Other related parties			
Key management personnel*			
Short-term employee benefits		78,3	99,4
Post-employment and medical benefits		7,2	8,4
Share-based payments		35,2	51,5
Total compensation paid to key management personnel		120,7	159,3

* Key management personnel comprise the top tier of the organisation and the managing executives of the individual businesses.

(R'million)	2018		2017	
	Amounts owed by/(to) related parties	Dividends received	Amounts owed by/(to) related parties	Dividends received
32 Related-party disclosures continued				
Company				
Related party – intergroup				
Subsidiaries¹				
Durban Confectionery Works Proprietary Limited	33,0	–	33,0	–
Tiger Consumer Brands Limited	(120,1)	1 500,0	(108,7)	1 335,0
Tiger Brands (Mauritius) Limited ²	343,0	–	(234,0)	–
Enterprise Foods Proprietary Limited	0,4	–	0,4	–
Langeberg Holdings Limited	500,8	–	702,4	–
Langeberg Foods Africa Proprietary Limited	–	–	(201,6)	–
Langeberg & Ashton Foods Proprietary Limited	499,5	–	499,5	–
The Duntulum Trust ²	–	–	18,9	–
Gloriande NV ²	–	–	0,2	–
Tiger Food Brands Intellectual Property Holding Company Proprietary Limited	271,0	–	249,9	–
Pharma I Holdings Proprietary Limited	1 211,2	–	1 227,6	–
Investment and dormant companies	165,5	–	149,1	–
Chocolaterie Confiserie Camerounaise	–	58,1	–	49,0
Deli Foods Nigeria Limited ³	–	–	30,5	–
Davita Trading Proprietary Limited	–	150,0	–	100,0
Empowerment entities				
Tiger Brands Foundation	719,5	188,3	599,6	183,0
Thusani II	130,7	36,6	110,6	35,9
Associates				
Oceana Group Limited	0,2	64,0	0,2	255,3
National Foods Holdings Limited	36,8	16,6	50,8	36,4
UAC Foods	–	12,5	20,1	11,0

¹ Interest-free with no fixed repayment terms. Not repayable before 30 September 2018 except for the amount owing by Langeberg & Ashton Foods Proprietary Limited, and the amount owing to Tiger Consumer Brands Limited that bear interest as may be agreed upon from time to time and are repayable on demand.

² The Duntulum Trust and Gloriande NV were both liquidated during the current year which resulted in R567,5 million profit on liquidation of investments in the company (refer to note 6). The intercompany loans with both these entities were combined, which resulted in a net loan receivable from Tiger Brands (Mauritius) Limited to the company.

³ The Deli loan was impaired in full in the current year at a company level and included in note 5 (Refer to Annexure A for further details).