NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2019

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 further provision of R28,9 million (2018: R30,0 million) has been provided against these outstanding balances, being the impact of the discounting factor applied and expected liquidity premiums payable.

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

Group (R'million)	**Management fees**	**Directors' fees**	**Amounts owed by related parties**
2019			
Related party – associates			
Empresas Carozzí (Chile)	–	3,8	–
National Foods Holdings Limited	3,5	–	13,9
2018			
Related party – associates			
Oceana Group Limited	–	0,8	0,2
Empresas Carozzí (Chile)	–	3,3	–
National Foods Holdings Limited	3,3	–	36,8

	GROUP	
(R'million)	**2019**	2018
Other related parties		
Key management personnel*		
Short-term employee benefits	**94,2**	78,3
Post-employment and medical benefits	**8,2**	7,2
Share-based payments	**10,2**	35,2
Total compensation paid to key management personnel	**112,6**	120,7

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

Company (R'million)	**2019** Amounts owed by/(to) related parties	**2019** Dividends received	2018 Amounts owed by/(to) related parties	2018 Dividends received
32 Related-party disclosures continued				
Related party – intergroup				
Subsidiaries[1]				
Durban Confectionery Works Proprietary Limited	**33,0**	**–**	33,0	–
Tiger Consumer Brands Limited	**1,8**	**350,0**	(120,1)	1 500,0
Tiger Brands International Holdings Limited	**249,6**	**–**	343,0	–
Enterprise Foods Proprietary Limited	**0,4**	**–**	0,4	–
Langeberg Holdings Limited	**500,8**	**–**	500,8	–
Langeberg & Ashton Foods Proprietary Limited	**499,5**	**–**	499,5	–
Tiger Food Brands Intellectual Property Holding Company Proprietary Limited	**293,9**	**550,0**	271,0	–
Pharma I Holdings Proprietary Limited	**1 211,2**	**–**	1 211,2	–
Chocolaterie Confiserie Camerounaise	**64,0**	**74,5**	–	58,1
Davita Trading Proprietary Limited	**–**	**150,0**	–	150,0
Investment and dormant companies	**99,6**	**–**	165,5	–
Empowerment entities				
Tiger Brands Foundation	**567,0**	**200,5**	719,5	188,3
Thusani II	**113,1**	**38,6**	130,7	36,6
Associate				
Oceana Group Limited	**–**	**173,6**	0,2	64,0
National Foods Holdings Limited	**13,9**	**9,6**	36,8	16,6
UAC Foods	**–**	**14,5**	–	12,5

[1] *Interest-free with no fixed repayment terms. These balances are not expected to be called upon within the next 12 months.*

In assessing the credit risk of intercompany transactions, the company considers the liquidity position, available cash resources and the industry. These factors are considered to give rise to a low credit risk and, therefore, no further disclosure is required.