27. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY

Emoluments accrued to the directors and prescribed officers of the Company for the year to 30 September, are set out below:

Shareholding

	2019			2018		
	Direct	Indirect[2]	Associate interest	Direct	Indirect[2]	Associate interest
Executive directors						
SB Viranna[1]	**170 515**	**224 731**	**–**	11 318	337 096	–
PP van der Westhuizen	**164 746**	**–**	**4 832**	136 046	26 696	4 832
	335 261	**224 731**	**4 832**	147 364	363 792	4 832

Total remuneration

	Salaries R'000	Bonus and performance-related payments R'000	Performance-related accrual relating to current year R'000
2019			
Executive directors			
SB Viranna[1]	**5 887**	**2 624**	**4 462**
PP van der Westhuizen	**4 084**	**2 352**	**2 311**
	9 971	**4 976**	**6 773**
2018			
Executive directors			
SB Viranna[1]	3 485	–	3 878
PP van der Westhuizen	3 486	880	2 748
PP van der Westhuizen[3]	–	–	–
	6 971	880	6 626

[1] *SB Viranna was appointed as Group Chief Executive Officer on 1 February 2018.*

[2] *The indirect beneficial shareholding is subject to vesting conditions. Refer note 20.*

[3] *PP van der Westhuizen in his capacity as acting Group Chief Executive Officer from 1 July 2017 to 31 January 2018.*

CEO acting allowance[3] R'000	Other allowances R'000	Gains on long-term incentive scheme R'000	Medical aid contributions R'000	Pension fund contribution R'000	Total remuneration R'000
–	33	3 038	32	247	16 323
–	95	460	37	174	9 513
–	128	3 498	69	421	25 836
–	112	–	21	146	7 642
–	64	418	35	149	7 780
2 500	–	–	–	–	2 500
2 500	176	418	56	295	17 922

27. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY continued

	Opening balance at 1 October 2018		Awards vested during 2019		
Long-term incentive scheme	Number of shares	Issue price R/share	Number of shares vested	Market price at vesting R/share	Value gained on vesting R
SB Viranna					
2018 allocation	337 096	26.46	(112 365)	27.04	3 038 050
Total	337 096		(112 365)		3 038 050

	Dividends	Closing balance at 30 September 2019	
Long-term incentive scheme	Value of dividends in respect of all plans (R)	Number of shares	Final vesting date
SB Viranna			
2018 allocation	258 440	224 731	Feb 2021
Total	258 440	224 731	

	Opening balance at 1 October 2018		Awards vested during 2019		
Long-term incentive scheme	Number of shares	Issue price R/share	Number of shares vested	Market price at vesting R/share	Value gained on vesting R
PP van der Westhuizen					
2014 allocation	26 696	35.05	(26 696)	27.24	459 350
Total	26 696		(26 696)		459 350

	Dividends	Closing balance at 30 September 2019	
Long-term incentive scheme	Value of dividends in respect of all plans (R)	Number of shares	Final vesting date
PP van der Westhuizen			
2014 allocation	13 348	–	Jan 2019
Total	13 348	–	

27. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY continued

	Total shareholding Shares		Directors' fees	
	2019	2018	2019 R'000	2018 R'000
Non-executive directors				
MA Brey[1]	**4 900 349**	6 000 402	**1 175**	1 116
PJ Golesworthy[2]	**31 224**	31 224	**1 080**	1 004
ME Jacobs	**–**	–	**507**	406
AM Mothupi	**–**	–	**664**	517
JK Netshitenzhe	**–**	–	**421**	347
MP Ngatane	**–**	–	**493**	433
MEK Nkeli[3]	**–**	–	**–**	310
M Sello	**–**	–	**421**	350
GC Solomon[2]	**143 612**	143 612	**810**	780
RT Vice	**–**	–	**826**	719
	5 075 185	6 175 238	**6 397**	5 982

[1] *MA Brey's direct beneficial shareholding is 716 370 (2018: 716 423), his indirect beneficial shareholding is 4 084 787 (2018: 5 184 787) and his associate interest is 99 192 (2018: 99 192).*

[2] *PJ Golesworthy and GC Solomon's total shareholding only includes direct beneficial shares.*

[3] *MEK Nkeli resigned as non-executive director on 31 May 2018.*

The directors' fees are paid by a subsidiary company of Life Healthcare Group Holdings Limited.

Prescribed officers

In line with the requirements of the Companies Act, the Group discloses the remuneration paid to prescribed officers who are defined as the Group's Chief Executive Officer, the Group's Chief Financial Officer, Chief Executive Office – southern Africa and Chief Executive Officer – Alliance Medical.

	Total share-holding	Sever-ance pay-ment R'000	Salaries R'000	Bonus and perform-ance-related pay-ments R'000	Perform-ance-related accrual relating to current year R'000	Other allow-ances R'000	Gains on long-term incentive scheme R'000	Medical aid contri-butions R'000	Pension fund contri-butions R'000	Total remun-eration R'000
2019										
SB Viranna	**Refer emoluments disclosed under executive directors**									
PP van der Westhuizen	**Refer emoluments disclosed under executive directors**									
AM Pyle[4]	**–**	**–**	**3 374**	**1 469**	**2 357**	**151**	**–**	**37**	**142**	**7 530**
MD Chapman[5]	**–**	**–**	**1 681**	**–**	**1 232**	**61**	**–**	**–**	**168**	**3 142**
2018										
SB Viranna	Refer emoluments disclosed under executive directors									
PP van der Westhuizen	Refer emoluments disclosed under executive directors									
AM Pyle[4]	–	–	932	–	482	5	–	9	32	1 460
CLW Bekker[4]	–	–	2 076	1 954	–	750	500	26	644[6]	5 950
GE Blomfield[7]	–	7 920	7 260	–	–	202	–	–	957	16 339

[4] *CLW Bekker retired on 31 October 2018, and AM Pyle was appointed as acting CEO – SA on an interim handover period from 1 July 2018 (permanently from 22 November 2018).*

[5] *MD Chapman was appointed as a prescribed officer from 1 June 2019.*

[6] *Includes contributions paid from the employer surplus account in the Life Healthcare DB Pension Fund.*

[7] *GE Blomfield ceased being a prescribed officer from 4 September 2018.*

27. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY continued

Prescribed officers continued

	Opening balance at 1 October 2017		Dividends	Closing balance at 30 September 2018	
Long-term incentive scheme (C-shares)	Number of shares	Issue price GBP/share	**Value of dividends in respect of all plans**	**Number of shares**	**Final vesting date**
MD Chapman					
C convertible shares	10 000	n/a	**n/a**	**10 000**	**30 Sept 2021**

No director or prescribed officer has a notice period of more than six months. No director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

28. RELATED PARTIES

Subsidiary companies – refer Annexure B

During the year, certain companies in the Group entered into transactions with other companies in the Group. These intra-group transactions have been eliminated on consolidation. The net loan receivable balance with subsidiary companies is R391 million (2018: R390 million). The complete list of outstanding balances is available at the Company's registered office.

Related-party transactions

Management fees	A management fee is charged to subsidiaries and is charged to cover costs associated with services carried out on their behalf, for example: tariff negotiations, treasury, tax compliance, human resource, payroll, marketing, nursing management, engineering, credit control, insurance claim management, etc. The fees are based on a percentage of revenue for most southern Africa subsidiaries. The percentage varies between 1% and 4% depending on the types of service Life Healthcare Group Proprietary Limited (LHC) carries out on behalf of the southern Africa subsidiary. The fees to international businesses are based on a cost plus margin basis.
Information management fees (IM fees)	In southern Africa, an IM fee is charged to subsidiaries to recover the cost incurred to run the IM infrastructure and services. The fee is based on a net cost recovery basis.
Guarantee fees	The Group charges a fee to the relevant subsidiaries where the Group is used as guarantor for debt.
Pharmacy fees	LHC charges all units that utilise the central purchasing and pharmacy management services a 1% fee on the monthly purchases.
Other cost recharges	The Group recharges all other costs it incurs on a cost recovery basis without any margin.
Interest	Interest is charged or paid on all inter-group balances at market-related rates.
Rentals	LHC and Scanmed S.A. (Scanmed) are lessors for a number of properties that are occupied by subsidiary companies. Rent is charged at market-related rates. Alliance Medical leases mobile scanners between certain Group companies at market-related rates.
Royalties	Alliance Medical charges a 1% fee of the relevant revenue where countries use the Alliance Medical brand. Scanmed charges a 1.5% fee of revenue where Group companies use the Scanmed trademark.