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.

28. RELATED PARTIES continued

Associate companies and joint ventures – refer Annexure C

The Group has investments in a number of associate companies and joint ventures. Details are disclosed in note 12 and Annexure C to the financial statements. No provision has been required in 2019 and 2018 for the loans made to associates and joint ventures.

Loans to associates and joint ventures	2019 R'm	2018 R'm
Balance at 1 October	**10**	9
Net movements in amounts owned	**(4)**	1
Balance at 30 September	**6**	10

Directors and director-related entities

Details of directors are disclosed in the administration to the financial statements on page 2. No direct loans were made to or received from any director and no other transactions were entered into with any director. Refer note 27 for details on directors' emoluments.

Key management

Key management is defined as all executive management, functional heads, hospital managers, pharmacy managers, nursing managers, administration managers and patient service managers.

Key management disclosure excludes non-executive directors' fees – refer note 27.

	2019 R'm	2018 R'm
Remuneration		
Salaries	**444**	374
Medical aid contributions	**6**	6
Pension fund costs – defined benefit and contribution plans	**3**	4
Provident fund costs – defined contribution plans	**15**	13
	468	397

29. COMMITMENTS AND CONTINGENCIES

Capital commitments

Capital expenditure approved for property, plant and equipment	**2 532**	2 570

Funds to meet capital expenditure will be provided from Group resources.

Operating lease commitments

The Group is a lessee to various hospital and administration office properties as well as medical and office equipment under non-cancellable lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Not later than one year	**218**	204
Later than one year and not later than five years	**651**	664
Later than five years	**424**	457
	1 293	1 325