29. RELATED PARTIES

Subsidiary companies – refer to 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 (2020: R391 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)	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 certain 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 is a lessor for a number of properties that are occupied by subsidiary companies. Rent is charged at market-related rates. AMG leases mobile scanners between certain Group companies at market-related rates.
Royalties	AMG charges a 3% fee of the relevant revenue where countries use the AMG brand.

Associate companies and joint ventures – refer to 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 2021 and 2020 for the loans made to associates and joint ventures.

	2021 R'm	2020 R'm
Loans to associates and joint ventures		
Balance at 1 October	**5**	10
Net movements in amounts owned	**(5)**	(5)
Balance at 30 September	**–**	5

29. RELATED PARTIES continued

Directors and director-related entities

Details of directors are disclosed in the administration to the financial statements on page 02. No direct loans were made to or received from any director and no other transactions were entered into with any director. Refer to note 28 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 28.

	2021 R'm	2020 R'm
Remuneration		
Salaries	**513**	524
Share-based payment – long-term incentive schemes	**66**	22
Medical aid contributions	**6**	5
Pension fund costs – defined benefit and contribution plans	**6**	6
Provident fund costs – defined contribution plans	**17**	15
	608	572

30. COMMITMENTS AND CONTINGENCIES

Capital commitments

Capital expenditure approved for property, plant and equipment	**2 889**	2 608

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

Contingent liabilities

The Group stands as guarantor in respect of certain instalment sale agreements and mortgage bonds concluded by subsidiaries and also pro rata in relation to the Group's interest in joint ventures.

The Group has issued various guarantees as security for leases and construction projects to the value of R19 million (2020: R25 million).

Certain subsidiary companies have issued letters of support to other fellow subsidiary companies, when required.

Disposal of Max Healthcare

As part of the conditions in the share purchase agreement (SPA) signed during the 2019 financial year, Life Healthcare indemnified the purchaser (Radiant Life Care Private Limited) from and against, any and all losses incurred or suffered by the purchaser in relation to claims set out in the SPA. The value of the contingent liability is limited to a maximum exposure of R206 million to Life Healthcare (excluding tax payable in respect of any indemnification payments). In the event, where tax is payable on the indemnification payment, the tax liability will be payable equally by Life Healthcare and the purchaser. The liability for Life Healthcare with respect to the payment of the specific indemnity tax shall be in addition to the liability of R206 million. The contingent liability is valid for a period of three years from the closing date (i.e. until 21 Jun 2022). No claims arose during the year ended 30 September 2021.

31. EVENTS AFTER THE REPORTING PERIOD

No event which is material to the understanding of this report has occurred between year-end and the date of the annual financial statements, other than:

Cash dividend declaration

The Board of Directors approved a final gross cash dividend of 25.0 cents per ordinary share for the year ended 30 September 2021. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 20.0 cents per share.