34. RELATED PARTIES

Identification of related parties

The group has a related-party relationship with its subsidiaries and associates. Key management personnel has been defined as the executive and non-executive directors of the company. The definition of key management includes the close members of family of key management personnel and any other entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependants of the individual or the individual's domestic partner.

Transactions with key management personnel

Directors' remuneration in total, paid by a subsidiary, is included in note 3. Details pertaining to executive and non-executive directors' compensation are set out in the directors' report on pages 49 to 52.

The group encourages its employees to purchase goods from group companies. These transactions are generally conducted on terms no more favourable than those entered into with third parties on an arm's-length basis, although in some cases nominal discounts are granted. Transactions with key management personnel are conducted on similar terms. No abnormal or non-commercial credit terms are allowed, and no impairments were recognised in relation to any transactions with key management personnel during the year, nor have they resulted in any non-performing debts at the year-end.

Similar policies are applied to key management personnel at subsidiary level who are not defined as key management personnel at group level.

Transactions with related parties

	2016 R'000	2015 R'000
Management fee paid to The Bidvest Group Limited pre-unbundling (note 3)	**23 119**	27 887
Outstanding amounts due at year-end by associates (note 17)	**37 696**	55 906
Outstanding amounts due at year-end by The Bidvest Group Limited entities pre-unbundling (note 20)	**–**	4 320
Outstanding amounts due at year-end to The Bidvest Group Limited entities pre-unbundling (note 24)	**–**	(1 122 195)

Details of effective interest, investments and loans to associates are disclosed in note 17.

35. ACCOUNTING ESTIMATES AND JUDGEMENTS

The board of directors has considered the group's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the group's accounting policies.

Critical accounting policies

The group audit and risk committee is satisfied that the critical accounting policies are appropriate to the group.

Critical accounting judgements in applying the group's accounting policies

Judgements made in the application of IFRS that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property, plant and equipment

The residual values of these assets are reviewed annually after considering future market conditions, the remaining life of the asset and projected disposal values. The estimation of the useful lives is based on historic performance as well as expectation about future use and, therefore, requires a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets. Certain properties are accounted for as own use assets and are thus held at cost less accumulated depreciation. Market indicators reflect that these properties could realise more than their carrying values if disposed of.