21. Financial instruments *(continued)*

	Group		Company	
	2018	2017	**2018**	2017
	R'000	R'000	**R'000**	R'000
21.4 **Financial instruments carrying amounts**				
Loans and receivables	**1 079 390**	1 511 605	**1 769 460**	1 551 625
Inter company loan	**-**	-	**1 759 108**	1 532 928
Trade and other receivables	**817 598**	826 086	**5 464**	158
Long term receivable	**12 995**	13 864	**-**	-
Cash and cash equivalents	**248 797**	671 655	**4 888**	18 539
Financial assets/liabilities at fair value – embedded derivative	**(48 767)**	(35 175)	-	-
Financial liabilities measured at amortised cost	**(315 348)**	(335 554)	**(471 367)**	(228 229)
Loans and borrowings – long-term	**(9 879)**	(11 094)	**-**	-
Loans and borrowings – short-term	**(1 233)**	(1 044)	**-**	-
Bank overdraft	**(1 182)**	-	**-**	-
Trade and other payables	**(303 054)**	(323 416)	**(471 367)**	(228 229)

The carrying amount of financial assets and financial liabilities reflected in the statements of financial position approximate their fair values.

22. Capital management

The board's policy is to maintain a strong capital base in order to maintain investor, debt providers and the market confidence in the business.

The strong capital base should ensure that any organic or acquisitive growth in the business is sustainable and provides a cushion for the cyclical nature of the resources business.

The board has actively pursued a policy of debt reduction and its objective is to maintain its net gearing level to a maximum of 25% versus total assets. This ratio is calculated taking into account interest bearing debt excluding cash balances divided by total assets. At 31 December 2018 year end, the gearing level was 0.2% (31 December 2017: 0.2%).

As the required gearing level has been achieved, the board will focus on balancing the requirement to pay dividends, while at the same time ensuring that there is sufficient capital in the business to see the company through the continued global economic uncertainty, to fund working capital, to fund capital expenditure requirements and to fund other growth opportunities in the business.

When analysing growth opportunities, the board seeks to obtain a minimum internal rate of return of 20%.

Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.