

Notes to the Group financial statements *continued*

for the year ended 31 December 2015

7 FINANCIAL RISK (continued)

7.5 Derivatives

The Group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge its foreign currency risks, and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

All gains and losses from changes in the fair value of derivatives are recognised immediately in profit or loss.

All remaining derivatives are accounted for in accordance with the accounting policy disclosed in note 7.1.

	2015 Rm	2014 Rm
Derivatives held for trading		
Current assets		
Forward exchange contracts	163	49
Equity derivative	–	134
	163	183
Current liabilities		
Floating-to-fixed interest rate swap	–	(2)
	–	(2)
Gains accounted for directly in profit or loss	141	23
Notional principal amount (US\$ forward exchange contracts)	2 789	3 837
Notional principal amount (EUR forward exchange contracts)	–	83
Notional principal amount (US\$ interest rate swap)	–	672