

7.1 Related party transactions

Transactions with the State Treasury and its other related parties

In the financial year ended 31 December 2018 and the financial year ended 31 December 2017, the State Treasury was an upper level parent entity for the PKP CARGO Group. Accordingly, all companies owned by the State Treasury (directly or indirectly) are the Group's related parties and are presented separately as PKP Group related parties and other State Treasury related parties. In these Consolidated Financial Statements, the Management Board of the Parent Company has disclosed transactions with significant related parties identified as such according to the best knowledge of the Management Board

In the financial years ended 31 December 2018 and 31 December 2017, there were no transactions effected between the PKP CARGO Group and the State Treasury or other entities related to the State Treasury which would be significant due to a non-standard scope or amount. In the periods covered by these Consolidated Financial Statements, the Group's most important clients among other parties related to the State Treasury were members of the following groups: ENEA, JSW, PGE, Azoty and PGG. In the periods covered by these Consolidated Financial Statements, there were no purchase transactions with other entities related to the State Treasury with any material value.

Transactions with PKP Group related parties

In the periods covered by this Consolidated Financial Statements the Group entered into the following commercial transactions with PKP Group related parties:

	2018		31/12/2018	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent Company (PKP S.A.)	0.4	71.1	1.4	9.6
Subsidiaries/co-subsidiaries - unconsolidated	9.2	14.4	2.6	1.5
Associates	1.7	0.3	-	-
Other PKP Group related parties	12.9	721.3	1.9	63.3

	2017		31/12/2017	
	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Parent Company (PKP S.A.)	0.4	68.5	1.3	8.0
Subsidiaries/co-subsidiaries - unconsolidated	9.5	15.3	1.2	1.6
Associates	2.5	0.5	0.2	-
Other PKP Group related parties	26.4	692.4	2.5	60.9

Purchase transactions with the Parent Company (PKP S.A.) pertain in particular to rental and lease of real estate, supply of utilities and occupational medicine services.

In the PKP CARGO Group sales transactions covered freight transport services, lease of equipment and sub-lease of real estate. Purchase transactions comprised, among other maintenance and repair of rolling stock, freight forwarding services, transshipment services and intermodal transport.

Sales transactions with other PKP Group related parties comprised, among others, train traction services, lease and operation of locomotives, services related to financial settlements with foreign rail freight companies, rolling stock maintenance services and sub-lease of real estate. Purchase transactions comprised, among others, access to rail infrastructure, lease of real estate, supply of utilities, maintenance of rail traffic facilities, purchase of network maintenance services, operation of IT systems.

Loans granted to / received from related parties

31/12/2018

31/12/2017

	31/12/2018	31/12/2017
Loans granted to related parties	-	1.1
Loans received from related parties	1.4	1.3

Remunerations of key management personnel

Remunerations of key management personnel presented in this note include the amounts of benefits disbursed in the relevant period.

	Parent Company		Subsidiaries	
	2018	2017	2018	2017
Remunerations of Management Board members				
Short-term benefits	2.4	2.4	6.5	8.8
Post-employment benefits	0.5	1.1	3.1	0.8
Termination benefits	0.1	0.4	0.1	0.3
Total	3.0	3.9	9.7	9.9

	Parent Company		Subsidiaries	
	2018	2017	2018	2017
Remunerations of Supervisory Board Members				
Short-term benefits	1.0	1.1	1.2	1.5
Total	1.0	1.1	1.2	1.5

	Parent Company		Subsidiaries	
	2018	2017	2018	2017
Remunerations of other members of the key management personnel				
Short-term benefits	6.4	6.2	20.8	19.3
Post-employment benefits	0.7	1.1	1.2	0.5
Termination benefits	0.1	0.5	0.2	0.1
Total	7.2	7.8	22.2	19.9

In the financial year ended 31 December 2018 and 31 December 2017, the members of the key management personnel of the Parent Company and the PKP CARGO Group subsidiaries did not enter into any loan and guarantee transactions with the Group.

All related party transactions were effected on an arm's length basis.