

sasol limited group

accounting policies and glossary

of financial reporting terms (continued)

Financial instruments

Available-for-sale financial asset	<p>A financial asset, excluding a loan or receivable issued by an originating entity, an investment acquired for trading purposes and a derivative instrument.</p> <p>An investment intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, is classified as a non-current available-for-sale financial asset.</p>
Cash and cash equivalents	Cash on hand, demand deposits and other short-term, highly liquid investments.
Cash flow hedge	A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction and that will affect the income statement.
Derivative instrument	<p>A financial instrument</p> <ul style="list-style-type: none"> • whose value changes in response to movements in a specified interest rate, commodity price, foreign exchange rate or similar variable; • that requires minimal initial net investment; and • whose terms require or permit net settlement at a future date.
Financial asset	Cash or cash equivalents, a right to receive cash or cash equivalents, equity instrument or a right to exchange a financial instrument under favourable conditions.
Financial instrument	A financial asset or financial liability.
Financial liability	A contractual obligation to pay cash or transfer other benefits or an obligation to exchange a financial instrument under unfavourable conditions.
Monetary asset	An asset which will be settled in a fixed or easily determinable amount of money.
Monetary liability	A liability which will be settled in a fixed or easily determinable amount of money.
Trading investment	An investment acquired principally for the purpose of generating economic benefits from short-term fluctuations in price.
Held-to-maturity investment	An investment, with a fixed maturity and fixed or determinable future payments, that management has the positive intent and ability to hold to maturity. The investment is classified as a non-current asset, except when it has a maturity within twelve months from the balance sheet date, in which case it is classified as a current asset.
Trade date	The date an entity commits itself to purchase or sell a financial instrument.