

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

The definitions and interpretation commencing on page 7 of this Circular apply throughout this document.

Action required by holders of certificated shares and dematerialised shares (own name registration)

You are entitled to attend, or be represented by proxy, at the general meeting.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instruction contained therein, to be received by the transfer secretaries, Computershare Investor Services Proprietary Limited Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09h00 on Monday, 18 May 2015 or such later date and time which will be released on SENS and published in the press.

Action required by holders of dematerialised shares (other than own name registration)

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.

You are entitled to attend, or be represented by proxy, at the general meeting. You must however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend, or be represented by proxy at the general meeting.

If you do wish to attend or be represented by proxy at the general meeting, your CSDP or broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented by proxy at the general meeting.



Bowler Metcalf Limited

Bowler Metcalf Limited
(Incorporated in the Republic of South Africa)
(Registration number 1972/005921/06)
("Bowler Metcalf" or "the Company")
Share code: BCF ISIN: ZAE000030797

CIRCULAR TO BOWLER METCALF SHAREHOLDERS

Regarding

- **the proposed disposal by Bowler Metcalf of 100% held in Quality Beverages 2000 Proprietary Limited ("Quality Beverages") in exchange for 274 754 093 new shares in SoftBev Proprietary Limited, subject to certain conditions;**

and incorporating:

- **a notice of general meeting of the shareholders of Bowler Metcalf convened in accordance with Section 61(3) of the Companies Act, 2008 (No. 71 of 2008); and**

- **a form of proxy (white) in respect of the general meeting of Bowler Metcalf shareholders (for use by certificated Bowler Metcalf shareholders and own-name dematerialised Bowler Metcalf shareholders only).**

The directors, whose names are set out in paragraph 6 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to Bowler Metcalf, Quality Beverages and Shoreline and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

Sponsor



Advising Attorneys to Bowler Metcalf

HEROLD GIE | ATTORNEYS

established 1894

**Auditor to Bowler Metcalf, Reporting
Accountants to Bowler Metcalf, SoftBev and
Shoreline**



**Drafting Attorneys and Advising Attorneys to
Shoreline and MIF**

 **NORTON ROSE FULBRIGHT**

Advisor to Shoreline and MIF



Date of issue: 9 April 2015

This Circular is only available in English. Copies may be obtained from the registered office of Bowler Metcalf, being Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800 from Thursday, 9 April 2015 to Wednesday, 20 May 2015.

CORPORATE INFORMATION AND ADVISORS

Company secretary

Louis Vern Rowles

Harris Drive, Ottery
Cape Town, 7800
(PO Box 92, Ottery 7808)

Registered office

Bowler Plastics
Harris Drive
Ottery
Cape Town, 7800
(PO Box 92, Ottery 7808)

Transfer Secretaries

Computershare Investor Services (Pty) Ltd

(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(P.O. Box 61051, Marshalltown, 2107)

Sponsor

Arbor Capital Sponsors Proprietary Limited

(Registration number 2006/033725/07)
Ground Floor, One Health Building
Woodmead North Office Park
54 Maxwell Drive, Woodmead, 2191
Suite #439, Private Bag X29, Gallo Manor, 2052

Group Bankers

First National Bank of Southern Africa Ltd

Cape Town Corporate Branch
24th Floor, Portside Building
5 Buitenkant Street
Cape Town, 8001

Auditor to Bowler Metcalf, Reporting Accountants to Bowler Metcalf, SoftBev and Shoreline

Mazars

Registered Auditor
Chartered Accountants (SA)
Mazars House, Rialto Road, Grand Moorings
Precinct, Century City, 7441

Attorneys to Bowler Metcalf

Herold Gie Attorneys

Wembley 3, 80 McKenzie Street
Cape Town, 8001
(PO Box 105, Cape Town, 8000)

Attorneys to MIF

Norton Rose Fulbright, South Africa

3 Pencarrow Crescent, Pencarrow Park
La Lucia Ridge, Durban, 4051
(PO Box 5003, Pencarrow Park, 4019, Durban)

Advisors to Shoreline and MIF

KPMG

KPMG Crescent, 85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Place and date of incorporation

Incorporated in South Africa on 12 June 1972

Directors

#Brian James Frost; Chairman
*Michael Brain Vice Chairman;
#*Sarah Jane Gillett;
#*Finlay Craig Mac Gillivray;
! Paul Friedrich Sass;
! Grant Andrew Böhler;
! Michael Allan Olds

**Non-executive, # Independent, ! Executive*

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SALIENT DATES AND TIMES IN RESPECT OF THE GENERAL MEETING

2015

Record date in order to be eligible to receive the notice of general meeting	Friday, 27 March
Notice of general meeting posted to Bowler Metcalf shareholders	Thursday, 9 April
Last date to trade in order to be eligible to vote at the general meeting	Friday, 8 May
Record date in order to be eligible to vote at the general meeting	Friday, 15 May
Last date to lodge forms of proxy for the general meeting by 09h00	Monday, 18 May
General meeting at 09h00 on	Wednesday, 20 May
Results of general meeting released on SENS	Wednesday, 20 May

Notes

1. All times indicated in this Circular are local times in South Africa.
2. The dates and times indicated in the table above are subject to change. Any such changes will be released on SENS and published in the press.
3. To be valid, the completed forms of proxy must be lodged with the transfer secretaries, being Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, to reach them by no later than Monday, 18 May 2015 at 09h00, alternatively, such forms of proxy may be handed to the company secretary or chairperson of the Company at the meeting not later than 30 minutes prior to the commencement of the general meeting.

Shareholders entitled to attend and vote at the general meeting, may appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A form of proxy, in which the relevant instructions for its completion are set out, is attached for use by a certificated shareholder or dematerialised shareholder with "own name" registration who wishes to be represented by proxy at the general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the general meeting (provided that to the extent necessary a letter of representation is procured from your CSDP) and such shareholder shall be obliged to produce a proper form of identification at the meeting.

IMPORTANT LEGAL NOTES

The definitions and interpretations commencing on page 7 of this document shall apply mutatis mutandis to this section.

APPLICABLE LAWS

The release, publication or distribution of this document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this document is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute the solicitation of an offer to purchase shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The Disposal may be affected by the laws of the relevant jurisdictions of non-resident shareholders. Such non-resident shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any non-resident shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Disposal, which is the subject of this document, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The Disposal is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Companies Act and the Takeover Regulations.

Any shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This document contains statements about Bowler Metcalf, Quality Beverages, Shoreline and SoftBev that are, or may be, forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Bowler Metcalf cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Bowler Metcalf operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this document.

All these forward-looking statements are based on estimates and assumptions, as regards Bowler Metcalf, made by Bowler Metcalf as communicated in publicly available documents by the respective companies, all of which estimates and assumptions, although Bowler Metcalf believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Bowler Metcalf or not currently considered material by Bowler Metcalf.

Bowler Metcalf shareholders should keep in mind that any forward-looking statement made in this document or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Bowler Metcalf not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Bowler Metcalf have no duty to, and do not intend to, update or revise the forward-looking statements contained in this document after the date of this document, except as may be required by law.

DEFINITIONS AND INTERPRETATION

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

"Acquisition"	the inter-related and conditional acquisition of an associate interest in SoftBev arising from the Quality Beverages Disposal and the simultaneous acquisition of 100% of the shareholding and claims in Shoreline by SoftBev in terms of the Proposed Transaction;
"Act" or "Companies Act"	the Companies Act, 2008 (Act 71 of 2008), as amended, and where appropriate in the context includes a reference to the Companies Regulations promulgated in terms of such Act;
"Arbor Capital Sponsors" or "Sponsor"	Arbor Capital Sponsors Proprietary Limited (Registration number 2006/033725/07), a private company duly incorporated in South Africa and having its registered address at Ground Floor, One Health Building, Woodmead North Office Park, 54 Maxwell Drive, Woodmead and the sponsor to the Company;
"BBP Claw Back Adjustment Amount"	the value associated with the amount of money by which the BBP Capital Expenditure and the BBP Incremental Costs exceed the forecast amount of capital expenditure and the forecast annualised incremental fixed and variable costs to be incurred in respect of and pursuant to the commissioning and installation of the blowing machines and related equipment at QB Western Cape in terms of the Bottle Blowing Project, which value will be determined in accordance with the methodology contained in the Quality Beverages Agreement;
"BBP Claw Back Date"	is the end of a predetermined period following the commissioning of the blowing machines and related equipment in terms of the Bottle Blowing Project;
"BBP Incremental Costs"	the actual annualised incremental fixed and variable costs incurred by Quality Beverages Western Cape in relation to the commissioning and installation of the blowing machines and related equipment at Quality Beverages Western Cape in terms of the Bottle Blowing Project;
"BBP Capital Expenditure"	the actual capital expenditure incurred by Quality Beverages Western Cape in respect of the commissioning and installation of the blowing machines and related equipment at Quality Beverages Western Cape in terms of the Bottle Blowing Project;
"Bottle Blowing Project" or "BBP"	means the project, to be detailed in the Bottle Blowing Agreement, which is to be undertaken by Bowler Plastics (through its management and overall responsibility), to enable Quality Beverages Western Cape to blow its own plastic bottles (currently this business is being conducted at a site separate to Quality Beverages Western Cape and under the management and control of Bowler Plastics) and to integrate this bottle blowing with the current filling operations to achieve maximum overall production line efficiencies and optimisation;

"Bottle Blowing Project Agreement"	means the agreement to be entered into pursuant to the Bottle Blowing Project;
"Bowler Metcalf" or "the Company"	Bowler Metcalf Limited (Registration number 1972/005921/06), incorporated in South Africa as a private company on 12 June 1972, converted to a public company on 1 September 1987 and whose shares are listed on the JSE, having its business address at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800;
"the Bowler Metcalf group" or "the group"	Bowler Metcalf and its subsidiaries from time to time;
"Bowler Plastics"	Bowler Plastics Proprietary Limited (Registration number 1997/012522/07), having its business address at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800, a wholly owned subsidiary of Bowler Metcalf and which company is responsible for undertaking (through its management and overall responsibility for the Bottle Blowing Project;
"Bowler Plastics Supply Agreement"	means the agreement to be entered into between Bowler Plastics and Quality Beverages in relation to the future supply of plastic preforms and bottles under normal, arm's length commercial terms and conditions, while ensuring a continuity of supply for Quality Beverages and securing a customer for Bowler Plastics;
"broker" or "stockbroker"	any person registered as a "broking member (equities)" in terms of the Rules of the JSE made in accordance with the provisions of the FMA;
"business day"	any day excluding a Saturday, Sunday or an official public holiday in South Africa;
"certificated shares"	Bowler Metcalf shares held in the form of certificates or other documents of title and which have not yet been surrendered for dematerialisation in terms of Strate;
"certificated shareholders"	Bowler Metcalf shareholders holding certificated shares;
"this Circular"	this circular and the annexures hereto dated 9 April 2015;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
"Coo-ee"	the main brand name under which the carbonated soft drinks of Shoreline are produced and marketed;
"Coo-ee Beverages"	Coo-ee Beverages Proprietary Limited (Registration number 2013/015917/07), a 100% dormant subsidiary of Shoreline after 31 August 2014, previously 100% by MIF;
"CSDP"	a Central Securities Depository Participant registered as a participant in terms of the FMA and licensed as a central securities depository under the FMA;

“dematerialised”	the process whereby paper share certificates or other documents of title are replaced with electronic records of ownership of shares or securities as contemplated in Section 49(5) of the Act under the Strate system with a CSDP or stockbroker;
“dematerialised shares”	shares which have been dematerialised and incorporated into Strate and which are no longer evidenced by share certificates or other physical documents of title;
“dematerialised shareholders”	Bowler Metcalf shareholders holding dematerialised shares;
“Disposal”	the Quality Beverages Disposal;
“documents of title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to shares acceptable to the board;
“Effective Date”	the effective date being 24h00 on the last day of the calendar month in which the last of the conditions precedent as detailed in clause 2.4 of this circular, is fulfilled;
“Epping Property”	the entire premises as located at 10 Benbow Avenue, Epping Industria, where the Quality Beverages Western Cape operations are conducted;
“FMA”	the South African Financial Markets Act, 2012 (Act 19 of 2012) (formerly the Securities Services Act), as amended or replaced from time to time;
“general meeting”	the shareholders meeting to be held on Wednesday, 20 May 2015 in order to present the proposed resolutions as set out in the notice of general meeting attached to this Circular;
“IFRS”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board or its successor body;
“Income Tax Act”	the Income Tax Act, 1962, as amended;
“JSE” or “the JSE”	the Johannesburg Stock Exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa on 01 July 2005 having its registered address at 1 Exchange Square, 2 Gwen Lane, Sandown, a licensed stock exchange in accordance with the FMA;
“KZN”	Kwa-Zulu Natal;
“Last Practicable Date”	27 March 2015, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE;

"Mahmood Ismail Family Trust"	the Mahmood Ismail Family Trust (Masters reference IT8440/91 represented by its trustees for the time being, namely Mr Mahmood Ismail, Identity Number: 510927 5135 055, the holder of the entire issued share capital of MIF, which in turn owns the entire issued share capital of Shoreline and thus the ultimate vendor of Shoreline into SoftBev, which trust, trustees and beneficiaries are not related parties to Bowler Metcalf;
"MIF"	MIF Holdings Proprietary Limited (Registration number 2012/113972/07) having its registered address at 23 Palmgate Crescent, Southgate Business Park, Amanzimtoti, 4135, a company held by the Mahmood Ismail Family Trust;
"MOI" or "memorandum of incorporation"	shall bear the meaning ascribed thereto in the Act or equivalent document constituting or defining the constitution of a company;
"MS Parker"	Mr Mohammed Sharief Parker, (ID 580817 5995 084), the Chief Executive Officer of Quality Beverages;
"NPAT"	audited net profit after tax attributable to equity holders;
"ordinary share(s)"	ordinary shares in the capital of the Company of no par value, which shares are listed on the JSE Main Board;
"own name dematerialised shareholders"	Bowler Metcalf shareholders who have dematerialised their shares through a CSDP and have instructed that CSDP to hold their shares in their own name on the sub-register, being the list of shareholders maintained by the CSDP and forming part of the register of Bowler Metcalf;
"PAT"	audited profit after tax;
"Postal Presents"	Postal Presents Proprietary Limited (Registration number 1983/011982/07), being the owner of the Epping Property and a 100% subsidiary of Quality Beverages but excluded from the Quality Beverages Disposal;
"Proposed Transaction"	the simultaneous acquisition by SoftBev of Quality Beverages and Shoreline in return for the issue of shares in SoftBev to Bowler Metcalf (43%) and MIF (57%) respectively as an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act, as well as ancillary and related issues, including the intended Bottle Blowing Project;
"Purchase Price"	R274 754 093 (two hundred and seventy four million seven hundred and fifty four thousand and ninety three Rand) to be settled through the issue of 274 754 093 new shares in SoftBev in terms of the Quality Beverages Agreement;

"Quality Beverages"	Quality Beverages 2000 Proprietary Limited, (Registration number 2000/017352/07), a company duly registered and incorporated on 3 July 2000 in accordance with the company laws of South Africa and a wholly owned subsidiary of the Company prior to the Quality Beverages Disposal, with its registered and business address at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800;
"Quality Beverages Disposal" or "the Disposal"	the disposal by Bowler Metcalf of 100% of the shares and claims of Quality Beverages in terms of the Quality Beverages Agreement dated 10 March 2015, which includes the sale of Quality Beverages Johannesburg (operating in Gauteng) and Quality Softdrinks (dormant) but excluding the sale of Postal Presents;
"Quality Beverages Agreement"	the share transfer agreement entered into on 10 March 2015 between Bowler Metcalf, Bowler Plastics, Quality Beverages, MIF, Shoreline, the Mahmood Ismail Family Trust and SoftBev in relation to the Proposed Transaction;
"Quality Beverages Johannesburg"	Quality Beverages Johannesburg Proprietary Limited (Registration number 2010/016377/07), a wholly owned subsidiary of Quality Beverages, operating in Gauteng, which company is included in the Quality Beverages Disposal;
"Quality Softdrinks"	Quality Softdrinks Proprietary Limited (Registration number 2006/015305/07), a dormant wholly owned subsidiary of Quality Beverages, which company is included in the Quality Beverages Disposal;
"Quality Beverages Western Cape"	the Quality Beverages bottle filling business at the Epping Property;
"Rand"	the lawful currency of the Republic, being South African Rand;
"Republic"	Republic of South Africa;
"SENS"	Stock Exchange News Service of the JSE;
"shareholders"	holders of ordinary shares in Bowler Metcalf as at the Last Practicable Date;
"Shoreline"	Shoreline Sales and Distribution Proprietary Limited, (Registration number 2012/125816/07), a company duly registered and incorporated on 28 September 2001 in accordance with the company laws of South Africa and a wholly owned subsidiary of MIF, with its registered and business address at 23 Palmgate Crescent, Southgate Business Park, Amanzimtoti, 4135 and which company manufactures beverages mainly under the brand name Coe-ee and holds 100% in Coe-ee Beverages, a dormant company held for name protection purposes;

"SoftBev"	SoftBev Proprietary Limited (Registration number 2012/031847/07, formerly Fast Brands Franchising Proprietary Limited, a dormant entity incorporated in South Africa on 17 February 2012, which entity is to be utilised to hold 100% of Quality Beverages and 100% of Shoreline with its registered and business address to be at 23 Palmgate Crescent, Southgate Business Park, Amanzimtoti, 4135, in which: • Bowler Metcalf will hold 274 754 093 new shares, being approximately 43% prior to the additional SoftBev Share Issues and SoftBev Options; and • MIF will hold 364 208 915 new shares in SoftBev, being approximately 57% prior to the additional SoftBev Share Issues and SoftBev Options, which will then in terms of IFRS (IAS 28) be classified as an associate of Bowler Metcalf as Bowler Metcalf will have significant influence; subject to shareholder approval of the Proposed Transaction;
"SoftBev Share Issues"	the additional shares intended to be issued for cash by SoftBev subject to all shareholder and regulatory approvals being received, as follows: - 4 250 000 shares for cash to be issued by SoftBev to M Brain, a director of Bowler Metcalf, at fair value; and - 10 000 000 shares for cash to be issued by SoftBev to MS Parker, at fair value, which share issues will dilute the shareholding of Bowler Metcalf and MIF on a proportionate basis;
"SoftBev Options"	the options intended to be issued by SoftBev subject to all shareholder and regulatory approvals being received for the Proposed Transaction, as follows: - 750 000 share options to be issued to M Brain, a director of Bowler Metcalf; and - 10 000 000 share options to be issued to MS Parker, which options will dilute the shareholding on a proportionate basis;
"Strate"	the settlement and clearance system used by the JSE, managed by Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in South Africa on 9 November 1998 having its registered address at 9 Fricker Road, Illovo Boulevard, Illovo and which company is a registered Central Securities Depository in terms of the FMA;
"transfer secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa; and
"VAT"	Value Added Taxation.

ACTION REQUIRED BY SHAREHOLDERS

The definitions commencing on page 7 apply *mutatis mutandis* to the information set out below.

Please take note of the following provisions regarding the action required by Bowler Metcalf shareholders:

If you have disposed of all of your Bowler Metcalf shares, this Circular should be handed to the purchaser of such shares or the CSDP, broker, banker, attorney or other agent who disposed of your Bowler Metcalf shares for you.

If you are in any doubt as to what action to take, consult your broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

This Circular contains information relating to the Disposal. You should carefully read this Circular and decide how you wish to vote on the resolutions to be proposed at the general meeting.

The general meeting, convened in terms of the notice incorporated in this Circular, will be held at the Company's offices at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800, at 09h00 on Wednesday, 20 May 2015.

If you have dematerialised your Bowler Metcalf shares

Own-name registration

You are entitled to attend in person, or to be represented, at the general meeting. If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy (white), in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09h00 on Monday, 18 May 2015.

Other than own-name registration

You are entitled to attend, or to be represented by proxy, at the general meeting. You must not however, complete the attached form of proxy (white). You must advise your CSDP or broker timeously if you wish to attend, or be represented at the general meeting.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you do wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary Letter of Representation to you to enable you to attend or to be represented at the general meeting.

If you hold certificated Bowler Metcalf shares

You are entitled to attend, or to be represented by proxy, at the general meeting. If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries, Computershare, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09h00 on Monday, 18 May 2015.

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

On 26 September 2014, Bowler Metcalf announced via SENS the Proposed Transaction following the signing of heads of agreement with MIF, the holding company of Shoreline, whereby Bowler Metcalf will dispose of 100% of Quality Beverages and MIF will dispose of 100% in Shoreline to SoftBev and in return for which Bowler Metcalf will hold 274 754 093 new shares in SoftBev, being approximately 43% and MIF will hold 364 208 915 new shares in SoftBev, being approximately 57% before any dilution in terms of the additional SoftBev Share Issues and SoftBev Options.

The disposal of Quality Beverages requires the Company to call a meeting of shareholders for the purpose of considering and voting on the resolution set out in this notice of general meeting.

This Circular is delivered in accordance with the announcement as required by the JSE. The proposed Disposal is a Category 1 disposal for the Company in term of the JSE Listings Requirements, and accordingly a circular to shareholders, incorporating a notice of general meeting, is required. Similarly, the acquisition of shares in SoftBev is considered a Category 1 acquisition in accordance with the JSE Listings Requirements and also requires approval by Bowler Metcalf shareholders. The Disposal and Acquisition are inter-conditional.

The Disposal is not a disposal of the majority of Bowler Metcalf's assets or business and only requires the approval of 50% plus one share of the votes in General Meeting.

The inter-related Disposal and Acquisition will result in Bowler holding 43% in an enlarged beverage business as SoftBev will simultaneously acquire 100% in Shoreline from MIF. Bowler Metcalf's and MIF's shareholdings will be proportional to the respective valuations placed on Quality Beverages and Shoreline in terms of the Proposed Transaction, before dilution through the SoftBev Share Issues and the SoftBev Share Options. Bowler Metcalf, its subsidiaries or associates have no interest in the SoftBev Acquisition nor in Shoreline other than as a consequence of the Quality Beverages Disposal.

The accompanying explanatory material, opinions and information provided in this Circular and the annexures thereto are, unless otherwise specifically set out to the contrary, or appears from the context, solely those of Bowler Metcalf.

Bowler Metcalf takes full responsibility for the contents of the Circular, the proposed resolutions and the accompanying explanatory material, opinions and information contained in the Circular.

2. DETAILS OF THE QUALITY BEVERAGES DISPOSAL

The Company entered into the Quality Beverages Agreement on 10 March 2015 pursuant to concluding a heads of agreement, details of which were first announced in a detailed cautionary announcement on SENS on 26 September 2014 and in the press on 29 September 2014 and in a final terms announcement on SENS on 24 March 2015 and in the press on 25 March 2015.

Bowler Metcalf has not entered into restraint agreements in relation to the Disposal.

2.1 Business of Quality Beverages

Quality Beverages is a mainly carbonated soft drinks manufacturing, sale and distribution company, whose majority of products are sold and distributed under its own well-known brand of Jive and Vimto, a licenced brand. Further, some products are manufactured for third parties (mainly retailers) under their own brand labels. Quality Beverages Johannesburg is a wholly owned subsidiary of Quality Beverages and is the entity through which Quality Beverages manufactures carbonated soft drinks in Gauteng. Quality Beverages currently purchases blown plastic bottles from Bowler Plastics.

2.2 Rationale for the Quality Beverages Disposal

In 2002 the Company acquired a 30% interest in Quality Beverages with a view to achieving vertical integration for symbiotic growth. This interest was expanded to 51% in 2003. In 2006, to provide expansion finance for Quality Beverages, the Company followed its rights in a share issue by Quality Beverages, which increased its interest therein to 74.9%. During 2013, Quality Beverages became a wholly owned subsidiary of the Company following the acquisition of the remaining minority interests in Quality Beverages.

The strategy of vertical integration proved to be extremely successful, with Jive (the principal brand of Quality Beverages) becoming a major brand in the Western Cape and Bowler Plastics benefitting from the concomitant bottle sales. The additional manufacture for confined label soft drinks for major retailers both in the Western Cape and Gauteng augmented the volumes beneficially. In 2014, after careful deliberation, it became apparent that in order to effect the next growth phase into the carbonated soft drink market, a step change was required. Carbonated soft drink manufacturing technology had rendered the external supply of bottles financially unviable, which was a major factor. Furthermore there was a need to improve critical mass, reduce vulnerability and to effect a strategy to move the Gauteng plant in to profitability. It was abundantly clear that the management team of Quality Beverages in the Western Cape would be unable to handle this step change on their own. The risk facing the Company was that any decrease in volumes of Quality Beverages would have a double financial effect on the Company, by reducing the volumes of bottles sold by Bowler Plastics as well.

Shoreline, which operates primarily in KZN under the brand name of Coo-ee runs a very successful business, nearly parallel with Quality Beverages in most respects. Shoreline has a strong management team and production facilities superior to those of Quality Beverages. There is no material competition between the companies in any element of the market and a very high overlap in business philosophies and ethics.

The plastic packaging sector in the meantime is in the process of significant adaptations and the changes require the focus of the specialised skills developed over the years in Bowler Plastics. There are good opportunities to position the business from which to extract value and growth.

In early 2014, the Company and MIF commenced discussions with regard to the merger of Quality Beverages and Shoreline, the intention being to take advantage of the strong regional presence of Quality Beverages in the Western Cape and Shoreline in KZN, their respective strong brand footprints and production facilities and the synergies in the respective businesses to form a formidable soft drinks business which can compete effectively and efficiently across South Africa. The synergies between the companies, including strong management, procurement, production, marketing and distribution are very promising.

The Bottle Blowing Agreement will effectively lead to the loss of profits for Bowler Plastics as a result of the move of the bottle blowing to Quality Beverages Western Cape (which loss was inevitable as intimated above). However, the full financial benefits accruing to Quality Beverages Western Cape from the integration of the bottle blowing into its filling operation have been included in the calculation of the value ascribed to Quality Beverages for the purpose of the Disposal. This value was then used to determine the Company's shareholding percentage in SoftBev.

The Proposed Transaction excludes the integration of bottle blowing into the Quality Beverages Gauteng filling operations. This integration is inevitable and would adversely impact on the Bowler Plastics (Johannesburg) profits. Financial effects of this integration are detailed in Annexure 1A to this circular.

2.3 Terms of the Quality Beverages Disposal

Heads of agreement in respect of the Proposed Transaction were signed by the Company and MIF on 25 September 2014, which were followed by the signing of the Quality Beverages Agreement on 10 March 2015. The sale consideration of R274 754 093 for the disposal of Quality Beverages is payable to Bowler Metcalf through the issue of new shares in SoftBev, which issue is expected to be during May 2015, subject to approval by Bowler Metcalf shareholders in General Meeting. This sale consideration includes the wholly owned subsidiaries, Quality Softdrinks (dormant) and Quality Beverages Johannesburg (operating in Gauteng), but excludes Postal Presents, being the owner of the Epping Property currently occupied by Quality Beverages Western Cape. Postal Presents will be retained by the Company through an unbundling transaction as contemplated by and in compliance with the provisions of Section 46 of the Income Tax Act.

In terms of the Proposed Transaction, the Company and MIF propose to dispose of their 100% shareholdings in Quality Beverages and Shoreline respectively to a newly formed holding company, SoftBev. The claims of Bowler Metcalf and MIF will also be acquired by SoftBev in return for a loan account owing to Bowler Metcalf and MIF respectively at the face value of the claims acquired.

Subject to a potential adjustment detailed below, it is envisaged that the Company will hold 274 754 093 new shares and MIF will hold 364 208 915 new shares of the initial equity interest in SoftBev, before any dilution in terms of the SoftBev Share Issues and SoftBev Options.

Included in the Bowler Plastics revenue stream for the year ended 30 June 2014, was an amount of R2,400,000 (R1 728 000 after tax) for administration fees received from Quality Beverages. As from the Effective Date, this revenue stream will no longer accrue to Bowler Plastics and the impact thereof is detailed in the *pro forma* financial effects in Annexure 1A to this Circular.

Through its subsidiary Bowler Plastics, the Company will be responsible for the implementation of the Bottle Blowing Project at the Epping Property of Quality Beverages. This project will enable Quality Beverages Western Cape to blow its own plastic bottles and will involve the integration of the bottle blowing equipment with the current filling operations to achieve maximum overall production line efficiencies and optimisation.

Upon successful implementation of the Bottle Blowing Project, Bowler will no longer supply blown bottles to Quality Beverages Western Cape but continue to supply the same quantity of preforms instead. The supply of blown bottles during the transition period of the Bottle Blowing Project, as well as the supply of preforms following the successful completion of the Bottle Blowing Project will be governed by the Bowler Plastics Supply Agreement. In terms of this agreement, Bowler Plastics will continue to supply preforms to Quality Beverages Western Cape for an initial period of 2 years following the successful completion of the Bottle Blowing Project. This integration of bottle blowing into a filling operation is consistent with best manufacturing practices and will achieve notable efficiencies and therefore reduce the cost of production for Quality Beverages in the Western Cape.

The loss to Bowler Metcalf, through its subsidiary Bowler Plastics of profits associated with the supply of blow bottles to Quality Beverages Western Cape will negatively affect the Company's annual operating profits by an estimated R24 994 000 (R17 996 000 after tax) (based on the volumes and pricing during the 2014 financial year) and the impact thereof is detailed in the *pro forma* financial effects in Annexure 1A to this circular. Similarly the envisaged loss to the Johannesburg division of Bowler Plastics will amount to R6 545 000 (R4 712 000 after tax) and the impact thereof is detailed in the *pro forma* financial effects in Annexure 1A to this circular. The future supply of preforms to Quality Beverages Johannesburg is not included in the Bottle Supply Agreement and will therefore be subject to negotiation. This loss of business for Bowler Plastics makes up a substantial part of its PET division (which is the division responsible for the manufacture of plastic packaging using a specific type of polymer raw material suited to carbonated soft drinks bottles).

The successful integration of the bottle blowing into the filling operations of Quality Beverages Western Cape pursuant to the Bottle Blowing Project, is envisaged to be no later than 30 September 2015. Should this planned commissioning date not be achieved through unforeseen circumstances, then Bowler Plastics will be responsible for the continued supply of blown bottles at preform prices. It is estimated that in the event of a worst case scenario, such continued supply would cost Bowler Plastics approximately R750 000 per month (R540 000 after tax).

Should the unforeseen circumstances that prevent the successful completion of the Bottle Blowing project result in a "stock-out" scenario for Quality Beverages Western Cape, then Bowler Plastics will be responsible for making good the forfeited margin on the resulting lost sales. It is estimated that based on a worst case "stock-out" scenario of 35% of the selling days in a month for 25% of the available stock items, such forfeited margin would cost Bowler Plastics approximately R597 000 per month (R429 000 after tax) for a maximum period of six months.

The financial benefits accruing to Quality Beverages Western Cape from the integration of the bottle blowing into its filling operation have been included in the calculation of the value which was then used to determine the Company's shareholding percentage in SoftBev.

The Quality Beverages Agreement makes provision for a potential adjustment to the Company's shareholding percentage in SoftBev (BBP Claw Back Adjustment Amount) in the event that the final financial outcome of the Bottle Blowing Project is substantially negatively different to that as envisaged in the calculation of the value ascribed to Quality Beverages. Such value differences could be as a result of over expenditure on plant and equipment and / or under provision for the operating costs of the integrated bottle blowing operation and / or under provision of raw material weights relating to a new bottle design and / or production line efficiencies specifically relating to the bottle blowing.

The Quality Beverages Agreement contains the mechanism to calculate the potential adjustment as detailed above, which calculation shall take place after a predetermined period after the successful completion of the Bottle Blowing Project. The potential worst case scenario envisaged by Bowler Plastics, which is an accumulation of costs overruns on all aspects of the Bottle Blowing Project, could amount to a value reduction of Quality Beverages by R24 000 000. It should be noted that this amount has been estimated after taking into consideration an allowable tolerance on cost overruns that has been agreed upon between the parties and which is reasonable for a project of this nature.

In the unlikely event of a value adjustment as envisaged above, the Company has the option to either settle the amount by means of a payment of equal value to MIF or request that SoftBev issue further ordinary shares of equal value to MIF at no additional cost to MIF. Should the Company, in the event of the potential worst case scenario as sketched above, request the share settlement option, then the potential value adjustment would result in the Company's shareholding percentage in SoftBev reducing from 43% to 41% before any dilution in terms of the SoftBev Share Issues and SoftBev Options.

Such a potential issue of new shares to achieve the adjusted proportions of shareholding in SoftBev will be an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.

However, the Company is confident that Bowler Plastics has the experience and expertise to deliver the Bottle Blowing Project as envisaged and within the agreed upon tolerances that will result in there being no adjustments to the value of Quality Beverages as a direct result of the outcome of the Bottle Blowing Project. The parties to the Quality Beverages Agreement and the Bottle Blowing Project recognise that their co-operation and collaboration are paramount to the successful execution of the Bottle Blowing Project and have agreed to work closely with Bowler Plastics to achieve its objective. Bowler Plastics will not be held liable for any costs, penalties or damages arising from a force majeure event which impacts on the Bottle Blowing Project.

The 274 754 093 new shares in SoftBev will be retained by Bowler Metcalf.

2.4 Conditions precedent and Effective Date

The Disposal, which has been unconditionally approved by the Competition Authorities of South Africa on 3 March 2015 is subject to Bowler Metcalf shareholder approval as contemplated in the JSE Listings Requirements on or before 20 May 2015. It is intended that all other conditions precedent, as contained in the Quality Beverages Agreement, including the finalisation of outstanding related agreements, JSE approval and Takeover Regulation Panel approval, board approval by the Company and MIF board and shareholder approval, have been met at the Last Practicable Date. The Company and MIF may extend the period for the fulfilment or waiver of any one or more or part of any of the Conditions Precedent.

The Effective Date of the Proposed Transaction is the last day of the calendar month in which the last of the conditions precedent as detailed above, is fulfilled. As at the Effective Date, Bowler Metcalf and MIF will prepare effective date management accounts for Quality Beverages and Shoreline respectively. These accounts will be used to assess the adequacy of working capital and levels of debt of the two businesses in relation to those at the valuation dates. If necessary, effective date adjustments will be made to correct potential working capital and / or debt levels as is customary with transactions of this nature.

The closing date of the Disposal is 5 working days following the Effective Date.

2.5 Categorisation

In terms of the Listings Requirements, the Quality Beverages Disposal and the resultant inter-related SoftBev Acquisition are both categorised as Category 1 transactions in terms of the Listings Requirements and accordingly require Bowler Metcalf shareholder approval in General Meeting.

2.6 Future prospects

The prospects for Quality Beverages are sound with its market share and brand recognition for its products growing in the Western Cape, being the second largest producer and seller of carbonated soft drinks in the region. Under the larger SoftBev group, the prospects for further growth of the market share for both Quality Beverages and Shoreline is sound, in addition to which synergies via economies of scale should be achieved. These economies of scale and resulting financial benefits will no doubt be most evident in the Gauteng based operations of Quality Beverages and Shoreline where to date both businesses have struggled to gain market traction for their own brands.

If the Proposed Transaction is approved, the benefits thereof to the Quality Beverages stakeholders (including consumers) should become apparent within a period of twelve months.

The most significant additional prospect that arises from the Proposed Transaction is the ability to now offer, between Quality Beverages and Shoreline, a national manufacture, sales and distribution infrastructure to brand holders of non-alcoholic beverages for the co-packing, sales and distribution of their products.

The proposed transaction will give Bowler Metcalf and its shareholders a meaningful stake in SoftBev, which will immediately become the second largest carbonated soft drinks company in South Africa, with a turnover significantly in excess of R1 billion. The synergies of this merger are likely to result in a reduction of the cost of goods, logistics and other related expenses, which augers well for the future profitability. In particular, the transaction will provide the critical mass to the Gauteng operation which is currently running at a loss for Quality Beverages.

It is also believed that the strength of the SoftBev Group will attract additional opportunities which could augment profitability. The continued growth of Quality Beverages is well documented and it should be noted that Shoreline Beverages have also succeeded in robust growth. SoftBev will commence business immediately with a national footprint of high-tech manufacturing ability with the concomitant logistics requirements, cooler penetration and marketing expertise.

Although Bowler Metcalf will retain a substantial exposure to this market through its shareholding in SoftBev, it will concentrate fully on its plastics operations through Bowler Plastics. This focus targets the rapidly growing middle to high income group needs by committing the resources to new technologies and solutions relevant to the specific South African packaging market. This is in addition to the strong organic growth opportunities in the current market.

2.7 Other salient information regarding the Proposed Transaction

The Quality Beverages Disposal requires the approval of the Company's shareholders in order for the shares in Quality Beverages to be transferred to SoftBev at the same time as SoftBev acquires 100% of Shoreline. The respective consideration will be settled by way of the issue of 274 754 093 new shares in SoftBev to the Company and 364 208 915 new shares in SoftBev to MIF, subject to any adjustment as referred to in clause 2.3 of this circular.

It is the intention of SoftBev to issue the following shares in terms of the additional SoftBev Share Issues and SoftBev Options (both as detailed in the Definitions and Interpretations of this document), subject to shareholder and regulatory approvals of the Quality Beverages Disposal. Although this matter still needs to be finalised between the parties, provision has been made therefore in the *pro forma* financial effects of SoftBev in Annexure 1B to this circular in order to best reflect the potential dilution to shareholding that may occur once these agreements are finalised:

- Approximately 3% of SoftBev is intended to be issued to MS Parker (approximately 1.5% in terms of SoftBev Shares at fair value and 1.5% as SoftBev Options); and
- Approximately 0.8% of SoftBev is intended to be issued to Mr M Brain (approximately 0.7% in terms of SoftBev Shares at fair value and 0.1% as SoftBev Options).

The terms and conditions of the SoftBev Share Issues and SoftBev Share Options will be recorded in the relevant agreements with MS Parker and Mr M Brain. These agreements have not been entered into at the Last Practicable Date.

Although the total percentage allocations per individual of SoftBev Share Options will not exceed those recorded above, it is noted that negotiations are still underway to finalised values, terms and conditions. Once the matter has been finalised, the details of the SoftBev Share Issues and SoftBev Share Options will be recorded in the relevant agreements with MS Parker and Mr M Brain.

Warranties, which are standard for a transaction of this nature, have been provided, other than the requirement to implement the Bottle Blowing Project as detailed above. Bowler Metcalf has not guaranteed the book debts or assets of Quality Beverages.

The directors believe that a capital gains tax ("CGT") of a maximum of R39 894 000 may arise as a result of the Disposal and has been provided for in *pro forma* financial effects in Annexure 1A to this circular. However, the CGT trigger is dependent upon various circumstances as the Proposed Transaction is an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.

2.8 Opinions and recommendations

The Board has considered the terms and conditions of the Quality Beverages Disposal, and is of the opinion that the Quality Beverages Disposal and the inter-related SoftBev Acquisition will be beneficial to shareholders. The Board has considered the future prospects of the SoftBev business and its subsidiaries, comprising both Shoreline and Quality Beverages and their respective subsidiaries, together with any material information that was relevant thereto. Furthermore, the Proposed Transaction will free the management of Bowler Plastics to focus on the core business of technologically innovative rigid plastic packaging. This has been identified as a sector in which Bowler Plastics is uniquely positioned to grow.

In the opinion of the Board the Quality Beverages Disposal and inter-related SoftBev Acquisition will be beneficial to shareholders. Amongst other indicators supporting this opinion, is the growth in net asset value per share as evidenced in clause 4 of this circular.

Accordingly the Board recommends to shareholders to vote in favour of the Proposed Transaction which it deems to be at fair value. The Board members, who are eligible to vote, intend voting in favour of the relevant resolutions.

It is further noted that the Quality Beverages Disposal is not a related party disposal as defined in the JSE Listings Requirements and thus no shareholders are precluded from voting at the General Meeting for the purposes of the Quality Beverages Disposal. However, Mr M Brain and MS Parker, will have a future opportunity to subscribe for shares in SoftBev in terms of the intended SoftBev Share Issues and SoftBev Options and thus both Mr M Brain, MS Parker and their associates will be precluded from voting at the General Meeting for the purposes of the Quality Beverages Disposal.

3. SALIENT INFORMATION ON BOWLER METCALF

The extract below is from the segmental results of Bowler Metcalf as contained in the audited consolidated financial statements for the year ended 30 June 2014, which can be inspected on the website of the Company at www.bowlermetcalf.co.za.

The filling operations reflect the results for Quality Beverages, which is the subject of the Disposal, details of which are set out in Annexure 3 to this Circular and have been reported on by the Reporting Accountants in Annexure 4 to this Circular.

Details	Plastic operations R'000	Filling operations R'000	Property investment R'000	Unallocated R'000	Eliminations R'000	Total R'000
Revenue	303 303	422 812	204			726 319
Inter segment revenue	115 976	-	19 708		(135 684)	-
Operating profit	47 659	8 834	14 833	3 941		75 267
Net income before taxation	57 133	4 874	14 953	3 591		80 551
Taxation	(15 824)	(317)	(4 208)			(20 349)
Net income for the year	41 309	4 557	10 745			60 202
Attributable to equity holders of the parent	41 309	4 557	10 745	3 591		60 202

There has been no change in the trading objectives or in control of the Bowler Metcalf group over the past five years.

4. PRO FORMA FINANCIAL EFFECTS

The *pro forma* financial effects detailed in this circular are based on two reporting periods:

- The most recent twelve month annual audited reporting period, being 30 June 2014; and

The most recent six month unaudited interim reporting period of Bowler Metcalf, being 31 December 2014 and published on 31 March 2015.

Both reporting periods have been included as the twelve month annual reporting period gives a full year overview of the Proposed Transaction, while the six month interim reporting period is necessitated as it represents Bowler Metcalf's most recent published results; although in isolation, would not comprehensively convey the essence of the Proposed Transaction to the shareholders.

The *pro forma* financial effects of the Proposed Transaction are the responsibility of the Bowler Metcalf directors and have been prepared for illustrative purposes only to provide information about how the Proposed Transaction may affect the financial position and results of Bowler Metcalf and, because of its nature, may not give a fair reflection of Bowler Metcalf's financial performance and position, changes in equity, and results of operations and cash flows after the Proposed Transaction, and are based on the assumptions that:

- For the purpose of calculating earnings per share and headline earnings per share, the Proposed Transaction was implemented from 1 July 2013 for the twelve month annual reporting period and 1 July 2014 for the six month interim reporting period; and
- For the purpose of calculating net asset value per share and net tangible asset value per share, the Proposed Transaction was implemented on 30 June 2014 for the twelve month annual reporting period and 31 December 2014 for the six month interim reporting period.

The accounting policies of Bowler Metcalf have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Bowler Metcalf and the accounting policies have been applied on the same basis.

The *pro forma* financial information is prepared in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants. The shareholders attention is drawn to the fact that the Quality Beverages interim financial information prepared in accordance with IAS 34 (Annexure 3B to this circular) from which the interim *pro forma* financial information (i.e. based on the six months ended 31 December 2014) is derived, has not been reviewed by the Reporting Accountant. The Directors are satisfied that this interim financial information of Quality Beverages is prepared with the same due care and skill applied to the recently published Bowler Metcalf interim financial results.

There have been no adjustments regarding post balance sheet events.

The summary extract below from the *pro forma* information, is based on the Bowler Metcalf shareholding after dilution through the SoftBev Share Issues and the SoftBev Share Option costs; but before consideration of the dilution through the SoftBev Share Options or potential dilution through the BBP Claw Back Adjustment Amount (which are recorded in note 1 of Annexure 1A of this circular).

The table and notes below are an extract out of the *pro forma* financial effects of the Proposed Transaction on Bowler Metcalf based on the **most recent twelve months audited annual reporting period of 30 June 2014** (fully detailed in Annexure 1A to this circular):

TABLE 1:

PER SHARE INFORMATION BASED ON AUDITED ANNUAL REPORTING PERIOD: 30 JUNE 2014	Before the Disposal ("A")	After the Disposal ("B")	Change (%)
Earnings and diluted earnings per share (cents)	73.26	259.33	254.0
Headline and diluted headline earnings per share (cents)	74.87	58.43	-22.0
Net asset value per share (cents)	557.71	754.03	35.2
Tangible net asset value per share (cents)	538.41	748.12	39.0
Weighted average number of shares in issue	82 179 427	82 179 427	0.0
Number of shares in issue	82 453 263	82 453 263	0.0

Notes and assumptions:

The columns

1. The amounts set out in the "Before the Disposal" column A have been extracted or based on the audited consolidated financial statements of Bowler Metcalf for the year ended 30 June 2014.
2. Column ("B"), reflects the position:
 - after the disposal of the assets and liabilities of Quality Beverages including the disposal of goodwill arising on the acquisition of Quality Beverages, and the recognition of previously eliminated related company loan.
 - after accounting for the profit on disposal of Quality Beverages.
 - and providing for deferred tax on the capital gain arising thereon, as the directors believe that such tax will eventually have to be paid although the trigger is, at this stage, uncertain as the Proposed Transaction is an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.
 - after the de-recognition of the income and expenses of Quality Beverages for the year then ended as previously included within the consolidated financial statements of Bowler Metcalf for the year to 30 June 2014.
 - after eliminating from the plastics operations of Bowler Metcalf the profits associated with the bottle blowing for Quality Beverages Western Cape which, in terms of the Bottle Blowing Project, will in the future accrue to Quality Beverages under the SoftBev shareholding structure and after eliminating the Bowler Metcalf profits associated with the bottling blowing for the Johannesburg subsidiary.
 - after the settlement of the disposal by way of shares issued in a new company referred to as SoftBev and the recognition of income from associate.
 - after expensing the estimated costs of the transaction against the profit on disposal of Quality Beverages.

The table and notes below are an extract out of the *pro forma* financial effects of the Proposed Transaction on Bowler Metcalf based on the **most recent six months unaudited interim reporting period of 31 December 2014** (fully detailed in Annexure 1A to this circular):

TABLE 2:

PER SHARE INFORMATION BASED ON UNAUDITED INTERIM REPORTING PERIOD: 31 DECEMBER 2014	Before the Disposal ("A")	After the Disposal ("B")	Change (%)
Earnings and diluted earnings per share (cents)	40.11	223.78	457.9
Headline and diluted headline earnings per share (cents)	41.72	29.08	-30.3
Net asset value per share (cents)	581.22	778.05	33.9
Tangible net asset value per share (cents)	561.91	772.15	37.4
Weighted average number of shares in issue	82 453 263	82 453 263	0.0
Number of shares in issue	82 453 263	82 453 263	0.0

Notes and assumptions:

The columns

1. The amounts set out in the "Before the Disposal" column A have been extracted or based on the unaudited consolidated financial results of Bowler Metcalf for the interim period ended 31 December 2014 prepared in accordance with IAS 34.
2. Column ("B"), reflects the position:
 - after the disposal of the assets and liabilities of Quality Beverages including the disposal of goodwill arising on the acquisition of Quality Beverages, and the recognition of previously eliminated related company loan.
 - after accounting for the profit on disposal of Quality Beverages,
 - and providing for deferred tax on the capital gain arising thereon, as the directors believe that such tax will eventually have to be paid although the trigger is, at this stage, uncertain as the Proposed Transaction is an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.
 - after the de-recognition of the income and expenses of Quality Beverages for the six months then ended as previously included within the consolidated financial statements of Bowler Metcalf for the interim period to 31 December 2014.
 - after eliminating from the plastics operations of Bowler Metcalf the profits associated with the bottle blowing for Quality Beverages Western Cape which, in terms of the Bottle Blowing Project, will in the future accrue to Quality Beverages under the SoftBev shareholding structure and after eliminating the Bowler Metcalf profits associated with the bottling blowing for the Johannesburg subsidiary.
 - after the settlement of the disposal by way of shares issued in a new company referred to as SoftBev and the recognition of income from associate.
 - after expensing the estimated costs of the transaction against the profit on disposal of Quality Beverages.

5. EXCHANGE CONTROL REGULATIONS

No Exchange Control approval or disclosure is required in terms of paragraph 16.25 of the JSE Listings Requirements in relation to the Quality Beverages Disposal.

6. DIRECTORS

The directors of Bowler Metcalf are as follows:

Director	Business Address	Function
BJ Frost #	8 Glen Connor, 7 Oak Ave, Kenilworth, 7701	Chairman
M Brain *	Trident Press, Old Marine Drive, Foreshore, Cape Town, 8001	Director
SJ Gillett #	14 Railway Road, Montague Gardens, 7441	Director
FC MacGillivray #	Somls-Delta, Delta Road, Groot Drakenstein, Franschhoek Valley	Director
PF Sass	c/o Bowler Plastic, Harris Drive, Ottery, Cape Town, 7808	Chief Executive Officer
GA Böhler	c/o Bowler Plastic, Harris Drive, Ottery, Cape Town, 7808	Chief Financial Officer
MA Olds	c/o Bowler Plastic, Harris Drive, Ottery, Cape Town, 7808	Sales Director

*Non-Executive

#Independent Non-Executive

All the above directors are South African, other than MA Olds who is British.

7. MAJOR BENEFICIAL SHAREHOLDERS

At the Last Practicable Date, Shareholders holding more than 5% (directly or indirectly) of the total issued share capital of Bowler Metcalf (excluding shares held in treasury and directors' interests) are as follows:

Shareholder	Number of Shares (direct)	% holding
Various Standard Bank Funds	11 243 440	12.7%
Various Aylett & Co Funds	4 081 945	5.0%
Kagiso Asset Management	8 237 363	10.1%
TOTAL	23 562 748	26.6%

8. DIRECTORS' INTERESTS

8.1 Directors' interests in securities ('000)

The directors' interests in Bowler Metcalf shares, as at the Last Practicable Date, are as follows:

Current directors:

Director	Beneficial		Total	Total %
	Direct	Indirect		
2014				
BJ Frost	-	100	100	0.1
M Brain**	66	2 926	2 992	3.4
PF Sass**	739	15 767	16 506	18.7
MA Olds	1 974	-	1 974	2.2
Total	2 779	18 793	21 572	24.4

** Indirect holdings are held as a beneficiary of a discretionary family trust.

Former directors in the last 18 months since the Last Practicable Date:

Director	Beneficial		Total	Total %
	Direct	Indirect		
HW Sass (Estate late)	2 413	-	2 413	2.7
Total	2 413	-	2 413	2.7
<i># Independent</i>				

There has been no change in these holdings up to the date of this circular.

There are no interests held by any associates of the above directors.

8.2 Directors' dealings

There were no dealings in securities by any of the directors or the company secretary for the period from the last preceding financial year ended 30 June 2014 to the Last Practicable Date.

8.3 Directors' and management remuneration

The director's remuneration for the financial year ended 30 June 2014 is disclosed in the Company's Annual Report which can be found on the Company's website at www.bowlermetcalf.co.za. The remuneration of directors will not be varied as a result of the Quality Beverages Disposal.

The directors' remuneration was paid by the subsidiaries of the Bowler Metcalf Group.

No management, consulting, technical or other fees were paid to directors or through management companies during the above period. No other commissions, gains or profit sharing has accrued to directors during the above period other than the share based payments and options detailed in paragraph 8.4 below.

There are no fixed period service contracts for the directors.

Service contracts with the executive directors of the Company namely, PF Sass, MA Olds and GA Böhler were concluded with terms and conditions that are standard for such appointments and contain normal terms of employment. These are available for inspection as detailed in paragraph 20 below.

8.4 Share based payment expenses relating to directors

Share options granted to eligible executives of the group's operating companies were disclosed in the Company's Annual Report which can be found on the Company's website at www.bowlermetcalf.co.za. These will not be varied as a result of the Quality Beverages Disposal.

9. DIRECTORS' INTERESTS IN TRANSACTIONS

None of the directors, nor any former director for the past 18 months, have any interest in the Quality Beverages Disposal undertaken by Bowler Metcalf nor do they have any interest in MIF or Shoreline.

There are no other directors' interests during the current or immediate preceding financial year or during an earlier financial year that remain in any respect outstanding or unperformed.

However, it is the intention of SoftBev to issue to MS Parker and Mr M Brain new shares at fair value and share options the details of which are recorded in clause 2.8 above and will be subject to shareholder and regulatory approvals related to the Proposed Transaction. No subscription agreement has been signed at the Last Practicable Date and Bowler will not be a party to any agreement in this regard.

The issue of shares and share options will constitute a related party transaction in terms of the JSE Listings Requirements and the transaction will be categorised at the time of the signing of the agreements. In the event that the categorisation is between 0.25% and 5%, it will be a small related party transaction and will require a fairness opinion in terms of the JSE Listings Requirements. In the event that the fairness opinion is unfair, then the issue of shares and options by SoftBev will require shareholder approval by Bowler Metcalf shareholders.

It is further the intention of SoftBev to appoint Mr M Brain as Chairman of SoftBev.

The rationale of SoftBev for the intended issue of shares at fair value to Mr M Brain is to secure Mr M Brain's experience and interest in the industry within the newly formed group in order to assist with the intended growth of SoftBev.

Due to Mr M Brain's intended role and interest in the SoftBev Share Issue, both he and any of his associates will be precluded from voting on the Quality Beverages Disposal.

10. SHARE CAPITAL OF THE COMPANY

The table below sets out the authorised and issued share capital of Bowler Metcalf:

SHARE CAPITAL	R'000
Authorised share capital	
189 850 000 ordinary shares of no par value	
Stated capital	
88 428 066 ordinary shares of no par value	21 565
Total stated capital	21 565

As at the Last Practical Date, a subsidiary of Bowler Metcalf was holding 5 974 803 treasury shares.

11. LITIGATION STATEMENT

The directors, whose names appear under "Corporate Information", are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous twelve months, a material effect on the Bowler Metcalf Group's, Quality Beverages', SoftBevs' or Shoreline's financial position.

12. WORKING CAPITAL STATEMENT

The directors of Bowler Metcalf have considered the impact of the Disposal and the Acquisition of an associate interest in SoftBev on the Bowler Metcalf Group and are of the opinion that:

- a. the Bowler Metcalf Group, will, in the ordinary course of business, be able to pay its debts for a period of at least twelve months after the date of approval of the Circular;
- b. the assets of the Bowler Metcalf Group will be in excess of its liabilities for a period of not less than twelve months after the date of approval of the Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of Bowler Metcalf;
- c. share capital and reserves of the Bowler Metcalf Group will be adequate for ordinary business purposes for a period of not less than twelve months after the date of approval of the Circular; and
- d. working capital of the Bowler Metcalf Group will be adequate for ordinary business purposes for a period of not less than twelve months after the date of approval of the Circular.

It is further recorded that:

- e. in terms of Section 46(1)(b) of the Companies Act, the Board is satisfied that it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the Disposal; and
- f. in terms of Section 46(1)(c) of the Companies Act, the Board has, by resolution, acknowledged that they have applied the solvency and liquidity test as set out in Section 4 of the Companies Act, and reasonably concluded that Bowler Metcalf will satisfy the solvency and liquidity test immediately after completing the Disposal. Since the solvency and liquidity tests were done, there have been no material changes to the financial position of any company in the Group.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out in paragraph 6 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to Bowler Metcalf, Quality Beverages and Shoreline and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement in this Circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

14. MATERIAL CHANGES

There have been no known material changes in the financial or trading position of Bowler Metcalf and its subsidiaries since the end of the last financial year ended 30 June 2014 up to and including the Last Practicable Date.

SoftBev has remained dormant and has been acquired for the purpose of the Proposed Transaction.

There have been no known material changes in the financial or trading position of Shoreline and its subsidiaries since the end of the last interim financial period ended 31 August 2014 up to and including the Last Practicable Date.

15. MATERIAL CONTRACTS

Other than the Quality Beverages Agreement and related agreements (Bowler Plastics Supply Agreement and Bottle Blowing Project Agreement), details of which are fully set out in paragraph 2 of this circular, Bowler Metcalf has entered into the following material contracts during the two years preceding this Circular.

- 15.1** On 24 January 2013, the Company concluded a Sale of Shares and Claims Agreement ("Sale Agreement") with the trustees for the time being of The Sarang Family Trust (Master's reference: IT 699/95) ("the Seller"), and MS Parker, for the purchase of the remaining 25.1% of the ordinary shares in the issued ordinary share capital of Quality Beverages. In addition, the Company entered into an Earn-Out Agreement whereby the Seller would be further rewarded based on the actual financial performance of Quality Beverages for the 2014 financial year and restraint of trade agreements.

The maximum purchase consideration was R38 500 000 (thirty-eight million five hundred thousand Rand, comprising a base amount of R34 500 000 (thirty-four million five hundred thousand Rand) ("Purchase Price") for the sale shares and sales claims and a maximum earn-out payment of R4 000 000 (four million Rand).

The Sale Agreement

The Purchase Price of R34 500 000 (thirty-four million five hundred thousand Rand) was paid to the Seller as follows:

- Initial payment of R30 500 000 (thirty million five hundred thousand Rand);
- R3 000 000 (three million Rand) on 31 October 2013; and
- R1 000 000 (one million Rand) on the expiry of the restraint of trade payments, which was expected to be on or about October 2015.

The Earn-Out Agreement

The Earn-Out Agreement was entered into to further reward the Seller should Quality Beverages and its subsidiaries exceed agreed upon minimum financial parameters for the 12 months ended 30 June 2014. The final earn-out amount was not achieved and thus no payment was made or is owed in this regard.

16. MATERIAL BORROWINGS

As at the Last Practicable Date, there are no loans, debentures or amounts repayable by the Bowler Metcalf Group, including Quality Beverages in the next twelve months, other than trade and finance lease creditors.

The Bowler Metcalf Group, including Quality Beverages, does not have any debentures that have been created in terms of a trust deed.

No material borrowings will arise as a result of the disposal of the 100% interest in Quality Beverages or from the acquisition of the interest in SoftBev received in settlement of the purchase consideration due on the Quality Beverages Disposal.

17. EXPENSES RELATING TO THE DISPOSAL

The costs (exclusive of Value Added Tax) relating to the Disposal are estimated as follows:

Description	Name	R'000
Sponsor fees	Arbor Capital Sponsors	200
Legal fees (review and negotiations)	Herold Gie Attorneys	385
Legal fees (agreements, Competition Commission and Filing Fees)	Norton Rose Fulbright	1 003
Reporting accountants	Mazars Inc	567
Corporate Finance	Mazars Corporate Finance	245
Documentation fee	JSE	18
Printing, publication and distribution expenses	Trident Press	32
Total		2 450

No payments have been made, or are proposed to be paid to any promoter in relation to the Disposal nor in relation to any transaction undertaken by the Company during the past three years.

18. CONSENTS

The sponsor, independent reporting accountants, attorneys and transfer secretaries have consented in writing to act in the capacities stated in this document and to their names being stated in this document and in the case of the reporting accountants, reference to their report in the form and context in which it appears and have not withdrawn their consent prior to the publication of this document.

19. GENERAL MEETING

The General Meeting of Bowler Metcalf shareholders will be held at the Company's business address office, Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800 at 09h00 on Wednesday, 20 May 2015, to consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions.

A form of proxy for the convenience of certificated shareholders and own name dematerialised shareholders who are unable to attend the General Meeting, but who wish to be represented thereat, is attached to, and forms part of this Circular. In order to be valid, duly completed forms of proxy must be received by Bowler Metcalf's transfer secretaries, Computershare, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), not later than 09h00 on Monday, 18 May 2015.

Dematerialised shareholders other than with own name registration who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the Bowler Metcalf General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the Bowler Metcalf General Meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

In terms of the Companies Act, the votes of treasury shares held will not be taken into account in determining the results of the voting at the General Meeting.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Bowler Metcalf and at the offices of Arbor Capital Sponsors during normal office hours from Thursday, 9 April 2015 to Wednesday, 20 May 2015:

- the memorandum of incorporation of Bowler Metcalf and all its subsidiaries;
- audited annual financial statements of Bowler Metcalf for the years ended 30 June 2014, 30 June 2013 and 30 June 2012 as well as the unaudited interim results for the six months ended 31 December 2014;
- audited consolidated annual financial statements of Shoreline for the years ended 28 February 2014, 28 February 2013 and 29 February 2012 as well as the unaudited interim results for the six months ended 31 August 2014;
- material contracts referred to in paragraph 15, including the Quality Beverages Agreement; report of the independent reporting accountant regarding the pro forma financial information;
- report of the independent reporting accountant regarding the historical financial information of Quality Beverages;
- report of the independent reporting accountant regarding the historical financial information of Shoreline;
- executive directors service contracts;
- the signed consent letters of the parties referred to in paragraph 18; and
- a signed copy of this Circular.

By order of the Board

BOWLER METCALF LIMITED

L Rowles
Company Secretary

9 April 2015

ANNEXURE 1A

PRO FORMA FINANCIAL INFORMATION

The *pro forma* financial effects of the Disposal on Bowler Metcalf as detailed below are based on two reporting periods:

- The most recent twelve month annual audited reporting period, being 30 June 2014 as reflected in Tables 1a to 1c; and
- The most recent six month unaudited interim reporting period, being 31 December 2014 as reflected in Tables 2a to 2c.

Both reporting periods have been included as the twelve month annual reporting period gives a full year overview of the Proposed Transaction, whilst the six month interim reporting period is necessitated as it represents Bowler Metcalf's most recent published results; although in isolation, would not comprehensively convey the essence of the Proposed Transaction to the shareholders.

The *pro forma* financial are the responsibility of the Bowler Metcalf directors and have been prepared for illustrative purposes only to provide information about how the Disposal of 100% of the shares and claims of Quality Beverages in terms of the Quality Beverages Agreement including the sale of Quality Beverages Johannesburg, Quality Softdrinks (dormant) but excluding the sale of Postal Presents, may affect the financial position and results of Bowler Metcalf and, because of its nature, may not give a fair reflection of Bowler Metcalf's financial performance and position, changes in equity, and results of operations and cash flows after the Disposal, and are based on the assumptions that:

- a. For the purpose of calculating earnings per share and headline earnings per share, the Disposal was implemented from 1 July 2013 for the twelve month annual reporting period and 1 July 2014 for the six month interim reporting period; and
- b. For the purpose of calculating net asset value per share and net tangible asset value per share, the Disposal was implemented on 30 June 2014 for the twelve month annual reporting period and 31 December 2014 for the six month interim reporting period.

The accounting policies of Bowler Metcalf have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Bowler Metcalf and the accounting policies have been applied on the same basis.

The *pro forma* financial information is prepared in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

There have been no material post balance sheet events since 31 December 2014 other than normal trading. Accordingly, there have been no adjustments regarding post balance sheet events

The tables and notes below detail the *pro forma* financial effects of the Proposed Transaction on Bowler Metcalf based on the **most recent twelve months audited annual reporting period of 30 June 2014**:

TABLE 1a. BOWLER METCALF STATEMENT OF FINANCIAL POSITION R'000		Notes	Before the disposal 30 June 2014 ("A")	Accounting for the disposal ("B")	Bottle price and in-line blowing adjustment ("C")	Re- classification of investment property ("D")	After the disposal ("E")	Acquisition of associate ("F")	After disposal settlement ("G")
Assets									
Non-current assets			196 587	(69 994)			126 593		401 347
Property plant & equipment	2		172 998	(52 210)		(7 056)	113 732		113 732
Investment properties	2		-			7 056	7 056		7 056
Intangible assets			15 921	(11 054)			4 867		4 867
Investment in associates			-				-	274 754	274 754
Deferred taxation			7 668	(6 730)			938		938
Current assets			356 928	230 845			587 773		313 019
Loan			9 500				9 500		9 500
Sale transaction debtor	3			274 754			274 754	(274 754)	-
Inventories			100 177	(39 947)			60 230		60 230
Trade and other receivables			95 110	(18 962)			76 148		76 148
Prepayments			24 199	-			24 199		24 199
Cash & cash equivalents	4		126 242	(12 046)		-	114 196		114 196
Related party loan	5		-	28 746			28 746		28 746
Taxation			1 700	(1 700)			-		0
Total Assets			553 515	160 851		-	714 366	-	714 366
Equity and Liabilities									
Equity attributable to parent company equity holders									
			459 854	161 865			621 719		621 719
Stated capital			21 565				21 565		21 565
Retained earnings			469 614	161 865		-	631 479		631 479
Treasury shares			(31 618)				(31 618)		(31 618)
Share option reserve			293				293		293
Non-current Liabilities			14 999	37 858			52 857		52 857
Borrowings			1 803	(727)			1 076		1 076
Deferred Taxation			13 196	38 585		-	51 781		51 781
Current liabilities			78 662	(38 872)			39 790		39 790
Trade and other payables			62 404	(25 025)			37 379		37 379
Borrowings			13 847	(13 847)			-		-
Taxation			2 411				2 411		2 411
Total Equity and Liabilities			553 515	160 851		-	714 366	-	714 366

TABLE 1b. STATEMENT OF COMPREHENSIVE INCOME R'000	Notes	Before the disposal ("A")	Accounting for the disposal ("B")	Bottle price and in-line blowing adjustment ("C")	Re- classification of investment property ("D")	After the disposal ("E")	Acquisition of associate ("F")	After disposal settlement ("G")
Revenue		726 319	(306 836)	(97 513)	4 069	326 039		326 039
Other operating income		9 695	(2 520)	(2 400)		4 775		4775
Sale of investments		-	206 315			206 135		206 315
Raw materials & other operating costs		(438 477)	224 074	60 851		(153 552)		(153 522)
Staffing costs		(144 271)	38 987	1 270		(104 014)		(104 014)
Rental & property finance		(6 843)	8 706		(4 069)	(2 206)		(2 206)
Depreciation and impairments		(32 294)	11 505	2 404		(18 385)		(18 385)
Maintenance		(22 039)	8 798	1 403		(11 838)		(11 838)
Transport		(16 823)	6 052	46		(10 725)		(10 725)
Profit from operations		75 267	195 081	(33 939)		236 409		236 409
Associated company income	6	-				-	17 882	17 882
Net finance income		5 284	3 961			9 245		9 245
- income	5	7 373	2 263			9 636		9 636
- costs		(2 089)	1 698			(391)		(391)
Profit before tax		80 551	199 042	(33 939)		245 654	17 882	263 536
Taxation		(20 349)	(39 577)	9 503		(50 423)		(50 423)
Profit for the year		60 202	159 465	(24 436)		195 231	17 882	213 113
Total Comprehensive Income		60 202	159 465	(24 436)		195 231	17 882	213 113

TABLE 1c.
PER SHARE INFORMATION

	Before	After	Percentage
Total number of shares in issue	82 453 263	82 453 263	
Weighted average share in issue	82 179 427	82 179 427	
	Cents	Cents	
Net asset value per share	557.71	754.03	35.2%
Tangible net asset value per share	538.41	748.12	39.0%
Earnings per share - basic and diluted	73.26	259.33	254.0%
Disposal of fixed assets			
- gross	1.97	1.97	
- tax	(0.36)	(0.36)	
Fair value gain on acquisition			
- gross		(251.05)	
- tax		48.55	
Headline earnings per share - basic and diluted	74.87	58.43	-22.0%

Notes and assumptions

- The columns
"A" - The amounts set out in the "Before the disposal" column A above have been extracted from the audited consolidated financial statements of Bowler Metcalf Limited for the year ended 30 June 2014.

"B" - Accounting for the disposal, column ("B"), reflects the effects the disposal of the assets and liabilities of Quality Beverages, as extracted from the audited financial statements of Quality Beverages as at 30 June 2014, including the disposal of goodwill arising on the acquisition of Quality Beverages, and the recognition of previously eliminated related company loan of R28 746 000. The *pro forma* statement of financial position is prepared on the assumption that the transaction occurred on 30 June 2014.

Column "B" also records the consideration receivable of R274 754 093 as a sale transaction debtor, accounts for the profit on disposal of Quality Beverages amounting to R206 315 000 as reduced by the transaction cost on disposal of R2 450 000 in the *pro forma* statement of comprehensive income and provides for deferred tax of R39 894 000 arising on the resulting capital gain. The directors believe that such tax will eventually have to be paid although the trigger is, at this stage, uncertain as the Proposed Transaction is an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.

The Statement of Comprehensive Income reflects the de-recognition of the income and expenses of Quality Beverages for the year then ended as previously included within the consolidated financial statements of Bowler Metcalf for the year to 30 June 2014. The *pro forma* Statement of Comprehensive income has been prepared on the assumption that the transaction occurred on the 1 July 2013.

"C" - Column "C" reflects the reduction of profits in the amount of R31 539 000 (before tax) from the plastics operations of Bowler Metcalf associated with the bottle blowing for Quality Beverages Western Cape and from the filling division in Gauteng which, in terms of the Bottle Blowing Project, will in the future accrue to Quality Beverages under the SoftBev shareholding structure.

Column "C" also reflects the loss of revenue stream in the amount of R2 400 000 (before tax) for administration fees received from Quality Beverages. As from the Effective Date, this revenue stream will no longer accrue to Bowler Plastics.

"D" - The property currently included in property plant and equipment at carrying value, occupied by Quality Beverages Western Cape, has been re-classified as an investment property as it is no longer group occupied, assuming the adoption of the cost model in terms of IAS 40.

The statement of comprehensive income also now recognise the previously eliminated inter-company rentals of R4 069 000 for the investment property.

"E" - The amounts for the pro forma statement of financial position set out in the "After disposal" column "E" above reflect the financial position of Bowler Metcalf after the disposal of Quality Beverages but before settlement of the sale transaction debtor, assuming the transaction was concluded on 1 July 2013. The amounts in the pro forma statement of comprehensive income set out in "After disposal" column "E" above reflect the financial results of Bowler Metcalf after the transaction assuming the transaction was concluded on 1 July 2013.

"F" - Column "F", accounts for the settlement of the disposal by way of shares issued in a new company referred to as SoftBev as well as the share of income as extracted from the pro forma information of SoftBev presented in Annexure 1B. In terms of the agreement Bowler Metcalf will receive 43% of the issued share capital of SoftBev before the additional SoftBev Share Issues and the SoftBev Options.

The investment in SoftBev has been accounted for as an investment in an associate in terms of IAS 28. The Bowler Metcalf directors have performed an assessment of control in terms of IFRS10 concluding that a 43% shareholding prior to the additional SoftBev Share Issues and SoftBev Options represents a significance influence. The amount of R274 754 093 reflects the fair value of consideration receivable by Bowler Metcalf as agreed by the parties to the sale agreement. A claw back of shareholding is triggered in the event of Bowler Metcalf not delivering as envisaged on the Bottle Blowing Project. The details of this claw back calculation and mechanism are contained in clause 2.3 of this circular. In the unlikely event of a claw back envisaged in clause 2.3 of this circular, the Company has the option to either settle the amount by means of a payment of equal value to MIF or request that SoftBev issue further ordinary shares of equal value to MIF at no additional cost to MIF. Should the Company, in the event of the potential worst case scenario as sketched in clause 2.3 of this circular, request the share settlement option, then the potential claw back adjustment would result in the Company's shareholding percentage in SoftBev reducing from 43% to 41% before any dilution in terms of the SoftBev Share Issues and SoftBev Options.

However, the Company is confident that Bowler Plastics has the experience and expertise to deliver the Bottle Blowing Project as envisaged and within the agreed upon tolerances that will result in there being no claw back adjustment.

The following table illustrates the effect on the relative shareholding values and per share information resulting from the SoftBev Share Issues, the SoftBev Options and the potential worse-case scenario value adjustment for Quality Beverages as mentioned above:

DILUTION FOR SOFTBEV SHARE ISSUES:	Issue price of SoftBev shares	Shares issued in SoftBev	% Shareholding in SoftBev
Value of Quality Beverages receivable by Bowler Metcalf	R274 754 093	274 754 093	42.1%
Value of Shoreline receivable by MIF	R364 208 915	364 208 915	55.8%
Issue of shares for cash	R14 250 000	14 250 000	2.1%
Total after SoftBev Share Issues	R653 213 008	653 213 008	100.0%

The per share information associated with this dilution is detailed in clause 4 and Annexure 1A of this circular.

POTENTIAL DILUTION FOR SOFTBEV OPTIONS	Issue price of SoftBev shares Rands	Shares issued in SoftBev	% Shareholding in SoftBev
Value of Quality Beverages receivable by Bowler Metcalf	274 754 093	274 754 093	41.4%
Value of Shoreline receivable by MIF	364 208 915	364 208 915	54.9%
Issue of shares for cash	14 250 000	14 250 000	2.1%
Share options	10 750 000	10 750 000	1.6%
Totals	663 963 008	663 963 008	100.0%

PER SHARE INFORMATION

	Before	After SoftBev Share Options	Percentage	Previous Percentage
Total number of shares in issue	82 453 263	82 453 263		
Weighted average share in issue	82 179 427	82 179 427		
	Cents	Cents		
Net asset value per share	557.71	754.03	35.2%	35.2%
Tangible net asset value per share	538.41	748.12	39.0%	39.0%
Earnings per share - basic and diluted	73.26	259.02	253.6%	254.0%
Disposal of fixed assets				
- gross	1.97	1.97		
- tax	(0.36)	(0.36)		
Fair value gain on acquisition				
- gross		(251.05)		
- tax		48.55		
Headline earnings per share - basic and diluted	74.87	58.12	-22.4%	22.0%

POTENTIAL DILUTION DUE FOR VALUE ADJUSTMENT (BBP Claw Back Adjustment)	Issue price of SoftBev shares Rands	Shares issued in SoftBev	% Shareholding in SoftBev
Value of Quality Beverages receivable by Bowler Metcalf	274 754 093	274 754 093	
Value Adjustment	24 000 000	24 000 000	
Adjusted Value of Quality Beverages received by Bowler Metcalf	250 754 093	250 754 093	39.2%
Value of Shoreline receivable by MIF	364 208 915	364 208 915	56.9%
Issue of shares for cash	14 250 000	14 250 000	2.2%
Share options	10 750 000	10 750 000	1.7%
Totals	639 963 008	639 963 008	100.0%

PER SHARE INFORMATION

	Before	After Worse-Case Scenario	Percentage	Previous Percentage
Total number of shares in issue	82 453 263	82 453 263		
Weighted average share in issue	82 179 427	82 179 427		
	Cents	Cents		
Net asset value per share	557.71	726.01	30.2%	35.2%
Tangible net asset value per share	538.41	720.11	33.7%	39.0%
Earnings per share - basic and diluted	73.26	229.77	213.6%	254.0%
Disposal of fixed assets				
- gross	1.97	1.97		
- tax	(0.36)	(0.36)		
Fair value gain on acquisition				
- gross		(251.05)		
- tax		48.55		
Claw back adjustment (impairment)				
- gross		29.20		
- tax		(8.18)		
Headline earnings per share - basic and diluted	74.84	49.90	-33.4%	-22.0%

The table above illustrates the effect on the asset value per share and the earnings per share of Bowler Metcalf in the event of the potential worse-case scenario relating to the execution and implementation of the Bottle Blowing Project by Bowler Plastics at Quality Beverages Western Cape, based on the following assumptions:

- Claw back value adjustment at R24 000 000 (refer clause 2.3 of this circular);
- Resulting decrease in shareholding % of SoftBev to 39.2%
- Penalty costs: continued supply of blow bottles for 6 months totalling R4 500 000 (refer clause 2.3 of this circular); and
- Penalty costs: "stock-out" for 6 months totalling R3 582 000 (refer clause 2.3 of this circular).

Associated company income in the *pro forma* statement of comprehensive income represents 42% of the *pro forma* consolidated profit after tax of SoftBev after the additional SoftBev Share Issues but before any dilution in terms of the SoftBev Options (refer note 6) but accounting for the SoftBev Share Option charge. In the unlikely event of a claw back adjustment in terms of the potential worst case scenario as contained in clause 2.3 of this circular, which is then settled through the issue of additional shares to MIF, the potential reduction in associate income could amount to R851 000 after taxation.

"G" - The amounts set out in the "After disposal settlement" column "G" above reflect the financial position after settlement of the disposal by shares issued by the acquiree, SoftBev. The *pro forma* statement of comprehensive income reflects the results of Bowler Metcalf for the year ending 30 June 2014 including the income from associated company assuming the transaction was concluded on 1 July 2013.

All adjustments to the *pro forma* statement of comprehensive income, except the sale of investment (profit on disposal net of transaction cost), are of a continuing nature.

2. The property occupied by Quality Beverages Western Cape (Epping Property) has been re-classified as an investment property as it is no longer group occupied, assuming adoption of the cost model in terms of IAS 40.
3. The transaction debtor for the fair value of the Quality Beverages Disposal is raised prior to settlement (refer column "F" explanation above).
4. The estimated costs of the transaction amounting to R2 450 000 (refer details provided in clause 17 of the circular) are expensed in the *pro forma* statement of comprehensive income and assumed to have been paid from cash resources on 30 June 2014.
5. The related party loan of R28 746 000 previously eliminated on consolidation in column "A", has been re-instated as well as the reinstatement of previously eliminated intercompany interest of R2 713 000.
6. The *pro forma* consolidation of SoftBev (which is the legal acquirer) has been accounted for as a reverse takeover in terms of IFRS 3 which identifies Shoreline as the accounting acquirer. Due to Shoreline being accounted for as the acquirer, on consolidation, the identifiable assets and liabilities of Shoreline have not been recorded at their acquisition date fair values. This results in the carrying value of the investment of the associate in Bowler Metcalf not reconciling to 42% (after the dilution of additional SoftBev Share Issues but before any dilution in terms of the SoftBev Options) of the equity of SoftBev as reflected in Annexure 1B. The assets and liabilities of Quality Beverages, including intangibles and goodwill identified in the provisional purchase price allocation have been accounted for in terms of IFRS 3 at fair value.

The tables and notes below detail the *pro forma* financial effects of the Proposed Transaction on Bowler Metcalf based on the **most recent six months unaudited interim reporting period of 31 December 2014**:

TABLE 2a.		Before the		Bottle price	Re-			After
BOWLER METCALF		disposal	Accounting	and in-line	classification	After the	Acquisition	After
STATEMENT OF FINANCIAL	Notes	31 December	for the	blowing	of investment	disposal	of associate	disposal
POSITION		2014	disposal	adjustment	property	(“E”)	(“F”)	settlement
R'000		(“A”)	(“B”)	(“C”)	(“D”)			(“G”)
Assets								
Non-current assets		149 871	(11 054)			138 817		413 571
Property plant & equipment	2	133 042			(7 218)	125 824		125 824
Investment properties	2	-			7 218	7 218		7 218
Intangible assets		15 921	(11 054)			4 867		4 867
Investment in associates		-				-	274 754	274 754
Deferred taxation		9 08				908		908
Current assets		241 004	346 032			587 036		312 282
Sale transaction debtor	3		274 754			274 754	(274 754)	-
Inventories		59 393				59 393		59 393
Trade and other receivables		63 716	40 743			104 459		104 459
Prepayments		3 867				3 867		3 867
Cash & cash equivalents	4	114 026	(2 450)		-	111 576		114 196
Related party loan	5	-	32 985			32 985		32 985
Taxation		2				2		2
Assets held for sale		186 974	(186 974)					
Total Assets		577 849	148 004		-	725 853	-	725 853
Equity and Liabilities								
Equity attributable to parent								
company equity holders		479 237	162 292			641 529		641 529
Stated capital		21 565				21 565		21 565
Retained earnings		488 997	162 292		-	651 289		651 289
Treasury shares		(31 618)				(31 618)		(31 618)
Share option reserve		293				293		293
Non-current Liabilities		13 140	39 894			53 034		53 034
Borrowings		-				-		-
Deferred Taxation		13 140	39 894		-	53 034		53 034
Current liabilities		31 290				31 290		31 290
Trade and other payables		28 689				28 689		28 689
Borrowings		1 105				1 105		1 105
Taxation		1 496				1 496		1 496
Liabilities held for sale		54 182	(54 182)					
Total Equity and Liabilities		577 849	148 004		-	725 853	-	725 853

TABLE 2b. STATEMENT OF COMPREHENSIVE INCOME R'000	Notes	Before the disposal ("A")	Accounting for the disposal ("B")	Bottle price and in-line blowing adjustment ("C")	Re- classification of investment property ("D")	After the disposal ("E")	Acquisition of associate ("F")	After disposal settlement ("G")
Continuing operations								
Revenue		238 828		(48 757)	1 932	192 003		192 003
Other operating income		1 461		(1 200)		261		261
Sale of investments			201 759			201 759		201 759
Raw materials & other operating costs		(122 781)		30 426		(92 355)		(92 355)
Staffing costs		(56 367)		635		(55 732)		(55 732)
Rental & property finance		917			(1 932)	(1 015)		(1 105)
Depreciation and impairments		(10 296)		1 202		(9 094)		(9094)
Maintenance		(7 685)		7 02		(6 983)		(6 983)
Transport		(6 653)		23		(6 630)		(6 630)
Profit from operations		37 424	201 759	(16 969)		222 214		222 214
Associated company income	6	-				-	3 960	3 960
Net finance income		5 9 50				5 950		5 950
- income	5	5 997				5 997		5 997
- costs		(47)				(47)		(47)
Profit before tax		43 374	201 759	(16 969)		228 164	3 960	232 124
Taxation		(12 468)	(39 894)	4751		(47 611)		(47 611)
Profit for the period from continuing operations		30 906	161 865	(12 218)		180 553	3 960	184 513
Profit from discontinued operations		2 169	(2 169)					
Total Comprehensive Income		33 075	159 696	(12 218)		180 553	3 960	184 513

TABLE 2c.
PER SHARE INFORMATION

	Before	After	Percentage
Total number of shares in issue	82 453 263	82 453 263	0.0
Weighted average share in issue	82 453 263	82 453 263	0.0
	<u>Cents</u>	<u>Cents</u>	
Net asset value per share	581.22	778.05	33.9
Tangible net asset value per share	561.91	772.15	37.4
Earnings per share - basic and diluted	40.11	223.78	457.9
Disposal of fixed assets			
- gross	1.97	1.97	
- tax	(0.36)	(0.36)	
Fair value gain on acquisition			
- gross		(244.69)	
- tax		48.38	
Headline earnings per share - basic and diluted	41.72	29.08	(30.3)

Notes and assumptions

- The columns
"A" - The amounts set out in the "Before the disposal" column A above have been extracted from the unaudited consolidated financial results of Bowler Metcalf Limited for the interim period ended 31 December 2014 prepared in terms of IAS 34.

"B" - Accounting for the disposal, column ("B"), reflects the effects the disposal of the assets and liabilities of Quality Beverages, as extracted from the unaudited financial results of Quality Beverages as at 31 December 2014, including the disposal of goodwill arising on the acquisition of Quality Beverages, and the recognition of previously eliminated related company loan of R32 985 000. The *pro forma* statement of financial position is prepared on the assumption that the transaction occurred on 31 December 2014.

Column "B" also records the consideration receivable of R274 754 093 as a sale transaction debtor, accounts for the profit on disposal of Quality Beverages amounting to R201 759 000 as reduced by the transaction cost on disposal of R2 450 000 in the *pro forma* statement of comprehensive income and provides for deferred tax of R39 894 000 arising on the resulting capital gain. The directors believe that such tax will eventually have to be paid although the trigger is, at this stage, uncertain as the Proposed Transaction is an "asset for share" transaction as contemplated by and in compliance with the provisions of Section 42 of the Income Tax Act.

The Statement of Comprehensive Income reflects the de-recognition of the income and expenses of Quality Beverages for the six months then ended as previously included within the consolidated financial results of Bowler Metcalf for the interim period to 31 December 2014. The *pro forma* Statement of Comprehensive income has been prepared on the assumption that the transaction occurred on the 1 July 2014.

"C" - Column "C" reflects the reduction of profits in the amount of R15 769 000 (before tax) from the plastics operations of Bowler Metcalf associated with the bottle blowing for Quality Beverages Western Cape and from the filling division in Gauteng which, in terms of the Bottle Blowing Project, will in the future accrue to Quality Beverages under the SoftBev shareholding structure.

Column "C" also reflects the loss of revenue stream in the amount of R1 200 000 (before tax) for administration fees received from Quality Beverages. As from the Effective Date, this revenue stream will no longer accrue to Bowler Plastics.

"D" - The property currently included in property plant and equipment at carrying value, occupied by Quality Beverages Western Cape, has been re-classified as an investment property as it is no longer group occupied, assuming the adoption of the cost model in terms of IAS 40.

The statement of comprehensive income also now recognise the previously eliminated intercompany rentals of R1 932 000 for the investment property.

"E" - The amounts for the *pro forma* statement of financial position set out in the "After disposal" column "E" above reflect the financial position of Bowler Metcalf after the disposal of Quality Beverages but before settlement of the sale transaction debtor, assuming the transaction was concluded on 1 July 2014. The amounts in the *pro forma* statement of comprehensive income set out in "After disposal" column "E" above reflect the financial results of Bowler Metcalf after the transaction assuming the transaction was concluded on 1 July 2014.

"F" - Column "F", accounts for the settlement of the disposal by way of shares issued in a new company referred to as SoftBev as well as the share of income as extracted from the *pro forma* information of SoftBev presented in Annexure 1 B. In terms of the agreement Bowler Metcalf will receive 43% of the issued share capital of SoftBev before the additional SoftBev Share Issues and the SoftBev Options.

The investment in SoftBev has been accounted for as an investment in an associate in terms of IAS 28. The Bowler Metcalf directors have performed an assessment of control in terms of IFRS10 concluding that a 43% shareholding prior to the additional SoftBev Share Issues and SoftBev Options represents a significance influence. The amount of R274 754 093 reflects the fair value of consideration receivable by Bowler Metcalf as agreed by the parties to the sale agreement. A claw back of shareholding is triggered in the event of Bowler Metcalf not delivering as envisaged on the Bottle Blowing Project. The details of this claw back calculation and mechanism are contained in clause 2.3 of this circular. In the unlikely event of a claw back envisaged in clause 2.3 of this circular, the Company has the option to either settle the amount by means of a payment of equal value to MIF or request that SoftBev issue further ordinary shares of equal value to MIF at no additional cost to MIF. Should the Company, in the event of the potential worst case scenario as sketched in clause 2.3 of this circular, request the share settlement option, then the potential claw back adjustment would result in the Company's shareholding percentage in SoftBev reducing from 43% to 41% before any dilution in terms of the SoftBev Share Issues and SoftBev Options.

However, the Company is confident that Bowler Plastics has the experience and expertise to deliver the Bottle Blowing Project as envisaged and within the agreed upon tolerances that will result in there being no claw back adjustment.

The following table illustrates the effect on the relative shareholding values and per share information resulting from the SoftBev Share Issues, the SoftBev Options and the potential worse-case scenario value adjustment for Quality Beverages as mentioned above:

	Issue price of SoftBev shares Rands	Shares issued in SoftBev	% shareholding in SoftBev
DILUTION FOR SOFTBEV SHARE ISSUES			
Value of Quality Beverages receivable by Bowler Metcalf	274 754 093	274 754 093	42.1%
Value of Shoreline receivable by MIF	364 208 915	364 208 915	55.8%
Issue of shares for cash	14 250 000	14 250 000	2.1%
Total after SoftBev Share Issues	653 213 008	653 213 008	100.0%

The per share information associated with this dilution is detailed in clause 4 and Annexure 1A of this circular.

	Issue price of SoftBev shares Rands	Shares issued in SoftBev	% shareholding in SoftBev
POTENTIAL DILUTION FOR SOFTBEV OPTIONS			
Value of Quality Beverages receivable by Bowler Metcalf	274 754 093	274 754 093	41.4%
Value of Shoreline receivable by MIF	364 208 915	364 208 915	54.9%
Issue of shares for cash	14 250 000	14 250 000	2.1%
Share options	10 750 000	10 750 000	1.6%
Totals	R663 963 008	663 963 008	100.0%

PER SHARE INFORMATION

	Before	After SoftBev Share Options	Percentage	Previous Percentage
Total number of shares in issue	82 453 263	82 453 263	0.0	0.0
Weighted average share in issue	82 453 263	82 453 263	0.0	0.0
	<u>Cents</u>	<u>Cents</u>		
Net asset value per share	581.22	778.05	33.9	33.9
Tangible net asset value per share	561.91	772.15	37.4	37.4
Earnings per share - basic and diluted	40.11	223.71	457.7	457.9
Disposal of fixed assets				
- gross	1.97	1.97		
- tax	(0.36)	(0.36)		
Fair value gain on acquisition				
- gross		(244.69)		
- tax		48.38		
Headline earnings per share - basic and diluted	41.72	29.01	-30.5	-30.3

POTENTIAL DILUTION DUE FOR VALUE ADJUSTMENT (BBP Claw Back Adjustment)	Issue price of SoftBev shares Rands	Shares issued in SoftBev	% shareholding in SoftBev
Value of Quality Beverages receivable by Bowler Metcalf	R274 754 093	274 754 093	
Value adjustment	24 000 000	24 000 000	
Adjusted Value of Quality Beverages received by Bowler Metcalf	250 754 093	250 754 093	39.2%
Value of Shoreline receivable by MIF	364 208 915	364 208 915	56.9%
Issue of shares for cash	14 250 000	14 250 000	2.2%
Share options	10 750 000	10 750 000	1.7%
Totals	639 963 008	639 963 008	100.0%

PER SHARE INFORMATION

	Before	After Worse- Case Scenario	Percentage	Previous Percentage
Total number of shares in issue	82 453 263	82 453 263	0.0	0.0
Weighted average share in issue	82 453 263	82 453 263	0.0	0.0
	<u>Cents</u>	<u>Cents</u>		
Net asset value per share	581.22	750.04	29.0	33.9
Tangible net asset value per share	561.91	744.13	32.4	37.4
Earnings per share - basic and diluted	40.11	195.44	387.2	457.9
Disposal of fixed assets				
- gross	1.97	1.97		
- tax	(0.36)	(0.36)		
Fair value gain on acquisition				
- gross		(244.69)		
- tax		48.38		
Claw back adjustment (impairment)				
- gross		29.11		
- tax		(8.15)		
Headline earnings per share - basic and diluted	41.72	21.70	-48.0	-30.3

The table above illustrates the effect on the asset value per share and the earnings per share of Bowler Metcalf in the event of the potential worse-case scenario relating to the execution and implementation of the Bottle Blowing Project by Bowler Plastics at Quality Beverages Western Cape, based on the following assumptions:

- Claw back value adjustment at R24 000 000 (refer clause 2.3 of this circular);
- Resulting decrease in shareholding % of SoftBev to 39,2%
- Penalty costs: continued supply of blow bottles for 6 months totalling R4 500 000 (refer clause 2.3 of this circular); and
- Penalty costs: "stock-out" for 6 months totalling R3 582 000 (refer clause 2.3 of this circular)

Associated company income in the *pro forma* statement of comprehensive income represents 42% of the *pro forma* consolidated profit after tax of SoftBev after the additional SoftBev Share Issues but before any dilution in terms of the SoftBev Options (refer note 6) but accounting for the SoftBev Share Option charge. In the unlikely event of a claw back adjustment in terms of the potential worst case scenario as contained in clause 2.3 of this circular, which is then settled through the issue of additional shares to MIF, the potential reduction in associate income could amount to R190 000 after taxation.

"G" - The amounts set out in the "After disposal settlement" column "G" above reflect the financial position after settlement of the disposal by shares issued by the acquiree, SoftBev. The *pro forma* statement of comprehensive income reflects the results of Bowler Metcalf for the 6 months ending 31 December 2014 including the income from associated company assuming the transaction was concluded on 1 July 2014.

All adjustments to the *pro forma* statement of comprehensive income, except the sale of investment (profit on disposal net of transaction cost), are of a continuing nature.

7. The property occupied by Quality Beverages Western Cape (Epping Property) has been re-classified as an investment property as it is no longer group occupied, assuming adoption of the cost model in terms of IAS 40.
8. The transaction debtor for the fair value of the Quality Beverages Disposal is raised prior to settlement (refer column "F" explanation above).
9. The estimated costs of the transaction amounting to R2 450 000 (refer details provided in clause 17 of the circular) are expensed in the *pro forma* statement of comprehensive income and assumed to have been paid from cash resources on 31 December 2014.
10. The related party loan of R32 985 000 previously eliminated on consolidation in column "A", has been re-instated as well as the reinstatement of previously eliminated intercompany interest of R1 378 000.
11. The *pro forma* consolidation of SoftBev (which is the legal acquirer) has been accounted for as a reverse takeover in terms of IFRS 3 which identifies Shoreline as the accounting acquirer. Due to Shoreline being accounted for as the acquirer, on consolidation, the identifiable assets and liabilities of Shoreline have not been recorded at their acquisition date fair values. This results in the carrying value of the investment of the associate in Bowler Metcalf not reconciling to 42% (after the dilution of additional SoftBev Share Issues but before any dilution in terms of the SoftBev Options) of the equity of SoftBev as reflected in Annexure 1B. The assets and liabilities of Quality Beverages, including intangibles and goodwill identified in the provisional purchase price allocation have been accounted for in terms of IFRS 3 at fair value.

PRO FORMA FINANCIAL INFORMATION OF SOFTBEV

The *pro forma* financial information has been prepared for illustrative purposes only to provide information about the impact of the acquisition of a 43% shareholding in SoftBev by Bowler Metcalf (prior to the additional SoftBev Share Issues and SoftBev Options) as a result of the Quality Beverages Disposal so that the directors of Bowler Metcalf could calculate a *pro forma* income from associate to include in the Bowler Metcalf *pro forma* information as presented in Annexure 1A. The effect of the SoftBev Share Issues reduces the Bowler Metcalf shareholding from 43% to 42% and the SoftBev share option charge, calculated in terms of IFRS 2 has also been included in the SoftBev *pro formas*.

The *pro forma* financial effects of the Disposal on SoftBev as detailed below are based on two reporting periods:

- The most recent twelve month annual audited reporting period, being 28 February 2014 as reflected in Table 1a to 1b; and
- The most recent six month unaudited interim reporting period, being 31 August 2014 as reflected in Table 2a to 2b.

Both reporting periods have been included as the twelve month annual reporting period gives a full year overview of the Proposed Transaction, while the six month interim reporting period is necessitated as it coincides with Bowler Metcalf's most recent published results.

The *pro forma* financial information is the responsibility of the Bowler Metcalf directors and has been prepared for illustrative purposes only.

Because of its nature the *pro forma* information may not give a fair reflection of Shoreline financial performance and position after the transaction, and are based on the assumptions that:

- a. For the purpose of the statement of comprehensive income the transaction was implemented from 1 July 2013 for the twelve month annual reporting period and 1 July 2014 for the six month interim reporting period; and
- b. For the purpose of the statement of financial position the transaction was implemented on 30 June 2014 for the twelve month annual reporting period and 31 December 2014 for the six month interim reporting period.

The accounting policies of Shoreline (the accounting acquirer) have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Shoreline and the accounting policies have been applied on the same basis. The *pro formas* have been prepared using the most recent financial period for twelve months ending 28 February 2014 for Shoreline and 30 June 2014 for Quality Beverages and the most recent interim financial period for six months ending 31 August 2014 for Shoreline and 31 December 2014 for Quality Beverages

The *pro forma* financial information is prepared in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

There have been no adjustments regarding post balance sheet events.

The tables and notes below detail the *pro forma* financial effects on the accounting acquirer Shoreline after the Disposal of Quality Beverages by Bowler Metcalf and Shoreline by MIF to the legal acquirer SoftBev based on the **most recent twelve months audited annual reporting periods:**

TABLE 1a. SOFTBEV STATEMENT OF FINANCIAL POSITION R'000	Notes	Legal acquirer SoftBev ("A")	Quality Beverages ("B")	Purchase price allocation of Quality Beverages ("C")	Shoreline (accounting acquirer ("D"))	Consolidation adjustments for Shoreline ("E")	Total of SoftBev ("F")
Assets							
Non-current assets		638 963	58 940	(30 169)	141 564	(364 209)	445 089
Property plant & equipment			52 210		140 010		192 220
Goodwill	2			139 863			139 863
Investments					154		154
Intangible assets	3			104 722	1 400		106 122
Investment in subsidiaries		638 963		(274 754)		(364 209)	
Loan							
Deferred taxation			6 730				6 730
Current assets		14 250	89 263		154 357		257 870
Loan							
Inventories			39 947		52 736		92 683
Trade and other receivables			38 020		85 644		123 664
Cash & cash equivalents	4	14 250	9 596		15 977		39 823
Taxation			1 700				1 700
Total Assets		653 213	148 203	(30 169)	295 921	(364 209)	702 959
Equity and Liabilities							
Equity attributable to parent company equity holders		653 213	59 491	(59 491)	48 314	(364 209)	337 318
Stated capital	4	653 213	6 001	(6 001)		(364 209)	289 004
Retained earnings			53 490	(53 490)	48 314		48 314
Non-current Liabilities			2 037	29 322	117 065		148 424
Borrowings			728		94 209		94 937
Deferred Taxation	3		1 309	29 322	22 856		53 487
Current liabilities			86 675		130 542		217 217
Trade and other payables			44 082		63 086		107 168
Loan from related parties			28 746				28 746
Borrowings			13 847		66 755		80 602
Taxation					701		701
Total Equity and Liabilities		653 213	148 203	(30 169)	295 921	(364 209)	702 959

TABLE 1b. SOFTBEV STATEMENT OF COMPREHENSIVE INCOME R'000							
	Notes	Legal acquirer SoftBev ("A")	Quality Beverages ("B")	Purchase price allocation of Quality Beverages ("C")	Shoreline (accounting acquirer ("D")	Consolidation adjustments for Shoreline ("E")	Total of SoftBev ("F")
Revenue			422 812		512 958		935 770
Other operating income			4 920				4 920
Raw materials & other operating costs			(373 454)		(447 685)		(821 139)
Share option charge	6	(375)	(5 000)				(5 375)
Depreciation, amortisation and impairments	5		(11 505)		(17 641)	(8 869)	(38 015)
Profit from operations		(375)	37 773		47 632	(8 869)	76 161
Net finance income			(3 961)		(11 327)		(15 288)
- income			449		708		1 157
- costs			(4 410)		(12 035)		(16 445)
Profit before tax		(375)	33 812		36 305	(8 869)	60 873
Taxation	5		(9 820)		(10 961)	2 483	(18 298)
Profit for the year		(375)	23 992		25 344	(6 386)	42 575
Total Comprehensive Income		(375)	23 992		25 344	(6 386)	42 575

Notes and assumptions

1. The columns

“A” – In terms of the Quality Beverages Agreements, SoftBev is the legal acquirer of Quality Beverages and Shoreline. The investment in subsidiaries amounting to R638 963 000 as reflected in column “A” represent the investment of SoftBev in Shoreline and Quality Beverages based on the relative values of the underlying subsidiaries as per the Quality Beverages Agreement. The acquisition price of the investments in subsidiaries was settled through the issue of shares to the value of R638 963 000 by SoftBev. Column “A” also reflects the intended issue of 4 250 000 share for cash to M Brain and 10 000 000 shares for cash to MS Parker, the details of which are contained in clause 2.8 of this circular.

“B” – The amounts in column “B” reflects the assets and liabilities of Quality Beverages as at 30 June 2014 and the income and expenses for the year ended 30 June 2014 as extracted from the audited financial statements of Bowler Metcalf, adjusted for the following:

- The statement of comprehensive income has been adjusted by an estimated R31 539 000 against Raw materials and other operating costs as calculated by the directors of Bowler Metcalf to take into account the lower raw material cost for Quality Beverages as a result of blowing their own bottles in the Western Cape and Gauteng, the details of which are contained in clause 2.3 of this circular.
- The statement of comprehensive income has further been adjusted by an estimated R2 400 000 against Raw materials and other operating costs to take into account the fact that, as from the Effective Date, Quality Beverages will no longer pay administration fees to Bowler Plastics.

“C” – Column “C” accounts for the recognition of the Quality Beverage assets and liabilities at fair values at the acquisition date in terms of IFRS 3. The excess of R139 863 000 of the purchase price over the identifiable assets and liabilities at fair value have been recognised as goodwill (refer note 2 below).

“D” – the amounts in Column “D” have been extracted from the audited financial statements of Shoreline for the year to 28 February 2014 adjusted for a R15 775 000 dividend declared to loan account as agreed by the parties in terms of the Quality Beverages Agreement and the consolidation of certain brands held in Coe-ee Beverages which was previously not consolidated to the value of R1 400 000. The unadjusted information for Coe-ee Beverages has been extracted from the audited financial statements of that company the year ended 28 February 2014. A summary of the statement of financial position is:

	R
Intangible assets	1 400 000
Credit loan from related party – Shoreline sales and distribution (Pty) Ltd	1 400 000

“E” – The amounts in “E” reflects the IFRS entries to account for the reverse acquisition as Shoreline has been identified as the accounting acquirer in terms of IFRS 3.

All adjustments to the pro forma statement of comprehensive income are of a continuing nature.

2. Goodwill arising on the acquisition of Quality Beverages as explained in column B narrative above, was calculated as follows:

	R
Consideration on acquisition of Quality Beverages	274 754 000
Net asset value acquired (column B)	59 491 000
Intangible assets identified at fair value (net of deferred tax of R29 322 000)	75 400 000
Goodwill provisional assessment	R139 863 000

3. The intangible assets arising on the recognition of the identifiable assets and liabilities of Quality Beverages on the acquisition date have provisionally been identified as:

- a. Brands and trademarks R48 077 000.
- b. Client relationships R56 643 000.

Deferred tax amounting to R29 322 000 has been recognised in relation to these intangible assets.

4. It is intended that, on or after the Effective Date Mr M Brain will subscribe for 4 250 000 shares of R1 each for cash in SoftBev and MS Parker subscribe for 10 000 000 shares of R1 each for cash in SoftBev, the details of which are contained in clause 2.8 of this circular.
5. The amount of R8 869 000 relates to the amortisation of the intangible assets as identified in note 3 above and the R2 483 000 reflects the release of the related deferred tax liability. The useful life of these intangible assets has been assessed as follows:
- a. Brands and trademarks 15 years
 - b. Client relationships 10 years
6. The share option charge of R375 000 relates to the intended 10 000 000 share options granted to MS Parker and intended 750 000 share options granted to Mr M Brain, the details of which are contained in clause 2.8 of this circular. The expense has been recognised over the envisaged vesting period of two years.

The tables and notes below detail the *pro forma* financial effects on the accounting acquirer Shoreline after the Disposal of Quality Beverages by Bowler Metcalf and Shoreline by MIF to the legal acquirer SoftBev based on the **most recent six months unaudited interim reporting periods**:

TABLE 2a. SOFTBEV STATEMENT OF FINANCIAL POSITION R'000	Notes	Legal acquirer SoftBev ("A")	Quality Beverages ("B")	Purchase price allocation of Quality Beverages ("C")	Shoreline (accounting acquirer ("D"))	Consolidation adjustments for Shoreline ("E")	Total of SoftBev ("F")
Assets							
Non-current assets		638 963	55 314	(32 339)	141 344	(364 209)	439 073
Property plant & equipment			48 204		133 921		182 125
Goodwill	2			137 694			137 694
Investments					154		154
Intangible assets	3			104 721	1 400		106 121
Investment in subsidiaries		638 963		(274 754)		(364 209)	
Related party loan					5 869		5 869
Deferred taxation			7 110				7 110
Current assets		14 250	134 261		123 220		271 731
Inventories			34 413		49 375		83 788
Trade and other receivables			97 332		66 403		163 735
Cash & cash equivalents	4	14 250	638		5 662		20 550
Taxation			1 878		1 780		3 658
Total Assets		653 213	189 575	(32 339)	264 564	(364 209)	710 804
Equity and Liabilities							
Equity attributable to parent company equity holders		653 213	61 661	(61 661)	49 235	(364 209)	338 239
Stated capital	4	653 213	6 001	(6 001)		(364 209)	289 004
Retained earnings			55 660	(55 660)	49 235		49 235
Non-current Liabilities			1 950	29 322	102 727		133 999
Borrowings, including related party			869		68 897		53 991
Deferred income					10 974		10 974
Deferred Taxation	3		1 081	29 322	22 856		53 259
Current liabilities			125 964		112 602		238 566
Trade and other payables			91 346		51 505		142 851
Loan from related parties			32 985				32 985
Deferred income					1 088		1 088
Borrowings			1 633		60 009		61 642
Taxation							
Total Equity and Liabilities		653 213	189 575	(32 339)	264 564	(364 209)	710 804

TABLE 2b. SOFTBEV STATEMENT OF COMPREHENSIVE INCOME R'000							
	Notes	Legal acquirer SoftBev ("A")	Quality Beverages ("B")	Purchase price allocation of Quality Beverages ("C")	Shoreline (accounting acquirer ("D")	Consolidation adjustments for Shoreline ("E")	Total of SoftBev ("F")
Revenue			240 423		224 960		465 383
Other operating income			117		6 612		6 729
Raw materials & other operating costs			(212 267)		(215 797)		(428 064)
Share option charge	6	(187)	(2 500)				(2 687)
Depreciation, amortisation and impairments	5		(6 470)		(9 710)	(4 435)	(20 615)
Profit from operations		(187)	19 303		6 065	(4 435)	20 746
Net finance income			(1 815)		(5 144)		(6 959)
- income			1 995		75		2 070
- costs			(3 810)		(5 219)		(9 029)
Profit before tax		(187)	17 488		921	(4 435)	13 787
Taxation	5		(5 600)			1 242	(4 358)
Profit for the year		(187)	11 888		921	(3 193)	9 429
Total Comprehensive Income		(187)	11 888		921	(3 193)	9 429

Notes and assumptions

1. The columns

“A” – In terms of the Quality Beverages Agreements, SoftBev is the legal acquirer of Quality Beverages and Shoreline. The investment in subsidiaries amounting to R638 963 000 as reflected in column “A” represent the investment of SoftBev in Shoreline and Quality Beverages based on the relative values of the underlying subsidiaries as per the Quality Beverages Agreement. The acquisition price of the investments in subsidiaries was settled through the issue of shares to the value of R638 963 000 by SoftBev. Column “A” also reflects the intended issue of 4 250 000 share for cash to M Brain and 10 000 000 shares for cash to MS Parker, the details of which are contained in clause 2.8 of this circular.

“B” – The amounts in column “B” reflects the assets and liabilities of Quality Beverages as at 31 December 2014 and the income and expenses for the six months ended 31 December 2014 as extracted from the unaudited interim financial results of Bowler Metcalf, adjusted for the following:

- The statement of comprehensive income has been adjusted by an estimated R15 769 000 against Raw materials and other operating costs as calculated by the directors of Bowler Metcalf to take into account the lower raw material cost for Quality Beverages as a result of blowing their own bottles in the Western Cape and Gauteng, the details of which are contained in clause 2.3 of this circular.
- The statement of comprehensive income has further been adjusted by an estimated R1 200 000 against Raw materials and other operating costs to take into account the fact that, as from the Effective Date, Quality Beverages will no longer pay administration fees to Bowler Plastics.

“C” – Column “C” accounts for the recognition of the Quality Beverage assets and liabilities at fair values at the acquisition date in terms of IFRS 3. The excess of R139 863 000 of the purchase price over the identifiable assets and liabilities at fair value have been recognised as goodwill (refer note 2 below).

“D” – the amounts in Column “D” have been extracted from the unaudited financial results of Shoreline for the six months to 31 August 2014 adjusted for a R15 775 000 dividend declared to loan account as agreed by the parties in terms of the Quality Beverages Agreement and the consolidation of certain brands held in Coe-ee Beverages which was previously not consolidated to the value of R1 400 000. The unadjusted information for Coe-ee Beverages has been extracted from the unaudited financial statements of that company the six months ended 31 August 2014. A summary of the statement of financial position is:

	R
Intangible assets	1 400 000
Credit loan from related party – Shoreline sales and distribution (Pty) Ltd	1 400 000

“E” – The amounts in “E” reflects the IFRS entries to account for the reverse acquisition as Shoreline has been identified as the accounting acquirer in terms of IFRS 3.

All adjustments to the *pro forma* statement of comprehensive income are of a continuing nature.

2. Goodwill arising on the acquisition of Quality Beverages as explained in column B narrative above, was calculated as follows:

	R
Consideration on acquisition of Quality Beverages	274 754 000
Net asset value acquired (column B)	59 491 000
Intangible assets identified at fair value (net of deferred tax of R29 322 000)	75 400 000
Goodwill provisional assessment	139 863 000

3. The intangible assets arising on the recognition of the identifiable assets and liabilities of Quality Beverages on the acquisition date have provisionally been identified as:

- a. Brands and trademarks R48 077 000.
- b. Client relationships R56 643 000.

Deferred tax amounting to R29 322 000 has been recognised in relation to these intangible assets.

4. It is intended that, on or after the Effective Date Mr M Brain will subscribe for 4 250 000 shares of R1 each for cash in SoftBev and MS Parker subscribe for 10 000 000 shares of R1 each for cash in SoftBev, the details of which are contained in clause 2.8 of this circular.
5. The amount of R4 435 000 relates to the amortisation of the intangible assets as identified in note 3 above and the R1 242 000 reflects the release of the related deferred tax liability. The useful life of these intangible assets has been assessed as follows:
- a. Brands and trademarks 15 years
 - b. Client relationships 10 years
6. The share option charge of R187 000 relates to the intended 10 000 000 share options granted to MS Parker and intended 750 000 share options granted to Mr M Brain, the details of which are contained in clause 2.8 of this circular. The expense has been recognised over the envisaged vesting period of 2 years.

REPORTING ACCOUNTANT REPORT ON THE PRO FORMA FINANCIAL INFORMATION

“1 April 2015

The Directors
Bowler Metcalf Limited
Harris Drive
Ottery
Cape Town, 7800

Dear Sirs

REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Bowler Metcalf Limited by the directors. The *pro forma* financial information, as set out in Annexures 1A and 1B of the circular, consists of the statement of financial position and statement of profit and loss and other comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial effects of the Proposed Transaction as detailed in Annexures 1A and 1B to this circular (including their tables) are based on two reporting periods:

- The most recent twelve month annual audited reporting period, being 30 June 2014 for Bowler Metcalf and 28 February 2014 for Shoreline and
- The most recent six month unaudited interim reporting period, being 31 December 2014 for Bowler Metcalf and 31 August 2014 for Shoreline.

Both reporting periods have been included as the twelve month annual reporting period gives a full year overview of the Proposed Transaction, while the six month interim reporting period is necessitated as it coincides with Bowler Metcalf's most recent published results.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraph 2 and Annexures 1A and 1B, on the company's financial position for the twelve and six months periods as detailed above and the company's financial performance for the periods then ended, as if the corporate action or event had taken place at 1 July 2013 for the twelve month period and 1 July 2014 for the six month period and for the periods then ended.

As part of this process, information about the company's financial position and financial performance has been extracted by the directors from Bowler Metcalf's audited annual financial statements for the year ended 30 June 2014, on which an auditor's report was issued on 29 September 2014 and its unaudited interim results (as contained in Annexure 3B of this circular) published on 31 March 2015 and Shorelines audited annual financial statements for the year ended 28 February 2014 and its reviewed interim results (as contained in Annexure 5B to this circular)

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Paragraph 2 and Annexures 1A and 1B.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2014 (or alternatively, 31 December 2014) would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Paragraph 2 and Annexures 1A and 1B.

Yours faithfully

Mazars

Registered Auditor

Per Duncan Dollman
Chartered Accountant (SA)
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441

HISTORICAL FINANCIAL INFORMATION OF QUALITY BEVERAGES FOR THE THREE YEARS ENDED 30 JUNE 2014

The information is taken from the audited annual financial statements of Quality Beverages which were prepared in the manner required by the Companies Act and in accordance with IFRS. The information is the responsibility of the directors of Bowler Metcalf. Mazars Inc. has been the auditor to Quality Beverages for the past three years and has reported on the financial statements for the past three years without modifying the audit opinion. The audit report on the historical financial information has been prepared by Mazars Inc. and is contained in Annexure 4 to this circular. There are no facts or circumstances that are material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows other than as disclosed in this circular.

Nature of Business

Quality Beverages is a mainly carbonated soft drinks manufacturing, sale and distribution company, whose majority of products are sold and distributed under its own well-known brands of Jive and Vimto (licenced brand). Further, some products are manufactured for third parties (mainly retailers) under their own brand labels.

There have been no material changes to the nature of the company's business from the prior year.

Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

Share Capital

There were no changes in the authorised or issued share capital of the company during the period under review.

Dividends

The company does not have a dividend policy.

Directors

The directors in office at the date of this report are as follows:

Name	Office	Designation
PF Sass	Director	Chief Executive Officer
GA Böhler	Director	Chief Financial Officer

There have been no changes to the authorised or issued share capital during the year under review.

Holding Company

The company's ultimate holding company is Bowler Metcalf Limited which holds 100% (2013: 100%) of the company's equity.

Special Resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report, other than the potential disposal of the company into a new entity.

Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE THREE YEARS ENDED 30 JUNE 2014

	Notes	2014	2013	2012
ASSETS				
NON-CURRENT ASSETS		65 996 326	68 250 882	73 248 565
Property, plant and equipment	1	59 265 867	63 391 765	70 574 463
Deferred taxation	8	6 730 459	4 859 117	2 674 102
CURRENT ASSETS		88 780 828	72 683 066	67 546 589
Inventories	2	39 946 678	26 952 164	25 071 291
Cash and cash equivalents	3	10 008 448	967 892	47 617
Trade and other receivables	4	37 125 256	44 169 778	41 796 916
Prepayments	5	-	-	417 093
Taxation		1 700 446	593 232	213 672
TOTAL ASSETS		154 777 154	140 933 948	140 795 154
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES		69 096 510	62 167 192	54 240 984
Issued capital	6	980	980	980
Share premium		5 999 960	5 999 960	5 999 960
Distributable reserve		63 095 570	56 166 252	48 240 044
NON-CURRENT LIABILITIES		2 043 380	14 248 609	15 425 918
Borrowings	7	727 339	12 932 185	12 655 307
Deferred taxation	8	1 316 041	1 316 424	2 770 611
CURRENT LIABILITIES		83 637 264	64 518 147	71 128 252
Trade and other payables	9	43 127 296	34 342 499	37 475 449
Related party loans	10	26 616 088	26 290 796	24 877 033
Bank Overdraft	3	-	-	4 590 042
Current portion of interest-bearing borrowings	7	13 847 723	3 788 193	4 080 640
Taxation		46 157	96 659	105 088
TOTAL EQUITY AND LIABILITIES		154 777 154	140 933 948	140 795 154

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE YEARS ENDED 30 JUNE 2014

	Notes	2014	2013	2012
REVENUE		423 015 759	375 170 434	350 870 527
- revenue		419 713 397	372 396 082	348 160 596
- trading interest received		3 302 362	2 774 352	2 709 931
Other operating income		4 920 056	1 768 809	387 316
Cost of sales		(343 352 677)	(298 763 029)	(236 523 326)
- cost of sales		(339 790 718)	(296 593 168)	(234 282 864)
- trading interest paid		(3 561 959)	(2 169 861)	(2 240 462)
Depreciation		(11 972 724)	(12 482 766)	(10 634 202)
Other operating costs		(60 598 703)	(51 070 715)	(94 060 859)
Profit from operations	12	12 011 711	14 622 733	10 039 456
Investment income	13	449 690	104 336	20 498
Finance cost	14	(4 292 654)	(4 190 790)	(4 335 596)
PROFIT BEFORE TAX		8 168 747	10 536 279	5 724 358
Taxation	15	(1 239 429)	(2 610 071)	(1 813 079)
PROFIT FOR THE YEAR		6 929 318	7 926 208	3 911 279
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME		6 929 318	7 926 208	3 911 279

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE YEARS ENDED 30 JUNE 2014

	Share Capital R	Distributable Reserve R	Share Premium R	Total Equity R
Balance 30 June 2011	980	45 659 325	5 999 960	51 660 265
Total comprehensive income	-	3 911 279	-	3 911 279
Dividends paid	-	(1 330 560)	-	(1 330 560)
Balance 30 June 2012	980	48 240 044	5 999 960	54 240 984
Total comprehensive income	-	7 926 208	-	7 926 208
Dividends paid	-	-	-	-
Balance 30 June 2013	980	56 166 252	5 999 960	62 167 192
Total comprehensive income	-	6 929 318	-	6 929 318
Dividends paid	-	-	-	-
Balance 30 June 2014	980	63 095 570	5 999 960	69 096 510

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE YEARS ENDED 30 JUNE 2014

	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax and interest	12 011 711	14 622 733	10 039 456
Depreciation	11 972 726	12 482 766	10 634 202
Loss/(profit) on disposal of assets	(177 813)	43 396	(171 591)
Taxation paid	(4 268 871)	(6 637 261)	(4 995 449)
- Charge for the period	(3 111 155)	(6 249 272)	(3 951 397)
- Change in tax liability	(1 157 716)	(387 989)	(1 044 052)
	19 537 753	20 511 634	15 506 618
Net finance cost	(3 842 964)	(4 086 454)	(4 315 098)
- Investment income	449 690	104 336	20 498
- Finance cost	(4 292 654)	(4 190 790)	(4 335 596)
Dividends paid	-	-	(1 330 560)
Cash generated by operations	15 694 789	16 425 180	9 860 960
Working capital changes	2 834 805	(6 969 592)	16 076 722
- Inventories	(12 994 514)	(1 880 873)	(628 798)
- Trade and other receivables	7 044 522	(2 372 862)	9 717 250
- Prepayments	-	417 093	-
- Trade and other payables	8 784 797	(3 132 950)	6 988 270
Net inflow from operating activities	18 529 594	9 455 588	25 937 682

	2014	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditure for expansion			
Additions to property, plant and equipment	(10 453 291)	(5 653 707)	(25 895 504)
Proceeds from disposal of assets	2 784 276	310 243	688 740
Net outflow from investing activities	(7 669 015)	(5 343 464)	(25 206 764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in interest-bearing borrowings	(2 145 315)	(15 570)	8 750 765
Change in related party loans	325 292	1 413 763	(1 316 519)
Net inflow/(outflow) from financing activities	(1 820 023)	1 398 193	7 434 246
NET CASH INFLOW/(OUTFLOW)	9 040 556	5 510 317	8 165 164
CASH AND CASH EQUIVALENTS			
Balance at beginning of period	967 892	(4 542 425)	(12 707 589)
Net cash inflow/(outflow)	9 040 556	5 510 317	8 165 164
Balance at end of period	10 008 448	967 892	(4 542 425)
Comprising:			
Bank overdraft	-	-	(4 590 042)
Cash at bank	10 008 448	967 892	47 617
Balance at end of period	10 008 448	967 892	(4 542 425)

1	PROPERTY, PLANT AND EQUIPMENT			
		Cost	Accumulated Depreciation	Book Value
2014				
	Land & buildings	11 967 661	4 911 846	7 055 815
	Plant and equipment	70 273 991	33 664 375	36 609 616
	Retail equipment	36 186 705	22 772 572	13 414 133
	Other	6 372 616	4 186 313	2 186 303
		124 800 973	65 535 106	59 265 867
	Encumbered assets as per notes 7:			
	Land & buildings			7 055 815
	Plant and equipment			3 683 584
2013				
	Land & buildings	11 770 114	4 444 060	7 326 054
	Plant and equipment	70 667 867	28 808 317	41 859 550
	Retail equipment	31 149 526	20 283 396	10 866 130
	Other	11 222 462	7 882 431	3 340 031
		124 809 969	61 418 204	63 391 765
	Encumbered assets as per notes 7:			
	Land & buildings			7 326 054
	Plant and equipment			7 009 720
2012				
	Land & buildings	11 735 013	3 981 723	7 753 290
	Plant and equipment	74 746 020	26 379 547	48 366 473
	Retail equipment	27 929 117	16 868 449	11 060 668
	Other	9 778 938	6 384 906	3 394 032
		124 189 088	53 614 625	70 574 463
	Encumbered assets as per notes 7:			
	Land & buildings			7 753 290
	Plant and equipment			308 170

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Land & Buildings	Plant & Equipment	Retail Equipment	Other	Total
Group					
Balance - 2011	8 116 878	14 818 990	9 780 623	3 516 160	36 232 651
Additions	97 331	38 944 074	4 611 868	1 839 889	45 493 162
Disposals	-	-	-	(517 148)	(517 148)
Depreciation	(460 919)	(5 396 591)	(3 331 823)	(1 444 869)	(10 634 202)
Balance - 2012	7 753 290	48 366 473	11 060 668	3 394 032	70 574 463
Additions	35 100	809 340	3 220 409	1 588 858	5 653 707
Disposals	-	(331 353)	-	(22 286)	(353 639)
Depreciation	(462 336)	(6 984 910)	(3 414 947)	(1 620 573)	(12 482 766)
Balance - 2013	7 326 054	41 859 550	10 866 130	3 340 031	63 391 765
Additions	197 547	916 180	6 316 485	3 023 079	10 453 291
Disposals	-	(39 381)	-	(2 567 082)	(2 606 463)
Depreciation	(467 786)	(6 126 733)	(3 768 482)	(1 609 725)	(11 972 726)
Balance - 2014	7 055 815	36 609 616	13 414 133	2 186 303	59 265 867

	2014	2013	2012
Land and buildings comprise freehold land and buildings, secured in terms of note 7, being Erf 166802, situated at Benbow Avenue, Epping, Cape Town.			

Land at cost November 2003	2 500 000	2 500 000	2 500 000
Buildings at cost 2003-2004	8 351 438	8 351 438	8 351 438
Improvements at cost 2006	158 085	158 085	158 085
Improvements at cost 2007	513 478	513 478	513 478
Improvements at cost 2008	76 681	76 681	76 681
Improvements at cost 2009	38 000	38 000	38 000
Improvements at cost 2012	97 331	97 331	97 331
Improvements at cost 2013	35 101	35 101	
Improvements at cost 2014	197 547		
Accumulated depreciation	(4 911 846)	(4 444 060)	(3 981 723)
	7 055 815	7 326 054	7 753 290

Directors valuation	26 983 000	25 935 000	28 000 000
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Fair Value Hierarchy – Level 3
Applies inputs which are not based on observable market data.

The valuation technique used in valuing the land and buildings is the capitalisation model, which capitalises the rental income stream, net of operating costs.

The key input used in measuring fair values is:

- The capitalisation rates applied.

Pledged security

First continuous covering mortgage bond registered for R8 million over Erf 166802, Cape Town and general cession of lease rental agreement over Erf 166802, Cape Town.

Valuations have been computed on the expected future rental stream, based on current market related rentals, net of costs and discounted at a fair market related rate of return.

2 INVENTORIES

The amounts attributable to the different categories are as follows:

	2014	2013	2012
Raw materials	9 453 530	10 203 122	10 408 864
Packaging	6 048 941	3 986 335	4 325 077
Finished goods	24 444 207	12 762 707	10 337 350
	39 946 678	26 952 164	25 071 291

3 CASH RESOURCES

Cash and cash equivalents

Bank accounts and cash on hand	10 008 448	967 892	47 617
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Bank overdrafts

Total facilities	24 460 000	24 460 000	23 732 950
Utilised	-	-	4 590 042
Unutilised facility	24 460 000	24 460 000	19 142 908

The banking facilities of the company are secured by the following:

- Reversionary cession of debtors, first cession holder – ABSA Finance Company
- Limited surety of R4m by Bowler Metcalf Limited including cession of loan account
- General cession of loan accounts
- General notarial bond registered for R1 200 000.

4 TRADE AND OTHER RECEIVABLES

	2014	2013	2012
Trade receivables	34 923 073	43 283 632	37 590 667
Other receivables	2 202 183	886 146	4 206 249
	37 125 256	44 169 778	41 796 916

Trade receivables have been ceded - refer note 3.

Analysis of trade receivables

Neither past due nor impaired	32 643 578	41 199 446	34 994 635
Past due but not impaired >90 days	2 279 495	2 084 186	2 596 032
Past due and impaired	543 555	816 838	914 935

	35 466 628	44 100 470	38 505 602
Allowances and impairments	(543 555)	(816 838)	(914 935)

Unimpaired trade receivables	34 923 073	43 283 632	37 590 667
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Allowances and impairments

Balance at beginning of year	816 838	914 935	101 303
Allowances	286 015	837 598	813 632
Reversals	(559 298)	(935 695)	-

Impaired trade receivables	543 555	816 838	914 935
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Provision for impairments is against specific customers based on individual circumstances and where there is no likelihood of recovering against personal sureties, where held. Provision is made for doubtful debts as to the ageing of past due receivables.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The fair value of the trade and other receivables is the carrying amount due to the short-term nature of the asset.

	2014	2013	2012
5 PREPAYMENTS			
Prepayments consist of:			
Advance payments - expenses	-	-	417 093
	-	-	417 093
6 ISSUED CAPITAL			
Authorised			
1 000 Ordinary shares of R1 each	1 000	1 000	1 000
Issued			
980 Ordinary shares of R1 each	980	980	980
The unissued shares are under the control of the directors until the forthcoming annual general meeting and can be allotted or issued for any purpose and upon such terms and conditions as they deem fit.			
7 BORROWINGS			
Mortgage bond secured over land and buildings in favour of ABSA Bank Limited, repayable in monthly instalments of Rnil (2013: R100 602), (2012: R102 228) inclusive of interest at a rate of 7.60% (2013: 7.6%), (2012: 7.60%) per annum, terminating 31 December 2013.	-	692 912	1 835 997
Current portion	-	(692 912)	(1 232 197)
Long term portion	-	-	603 800
Liability arising from a restraint of trade agreement, discounted at 6%, being the two year government retail bond rate, payable in 24 equal monthly payments of R166 667 per month, beginning October 2013.	2 666 667	3 478 646	
Current portion	(2 000 000)	(1 016 512)	-
Long term portion	666 667	2 462 134	-

	2014	2013	2012
Long term loan agreement with Javeline Capital Ltd. The capital amount is repayable in full on 21 December 2014. Interest is charged at 9.5% per annum and is payable 6 monthly in arrears. The loan is guaranteed by the Bowler Plastics Proprietary Limited.			
	9 500 000	9 500 000	9 500 000
Instalment sale agreements secured over assets in favour of Wesbank	2 408 395	3 048 820	5 399 950
Current portion	(2 347 723)	(2 078 769)	(2 848 443)
Long term portion	60 672	970 051	2 551 507
- at book value of:	3 683 584	7 009 720	8 061 460
- repayable in instalments of:	258 421	249 609	258 327
- at interest rates between:	8.5%-9.0%	8.0% - 9.0%	8.0% - 9.0%
- terminating between	Jul14-Aug16	Jul13-May15	May13-May15
Secured and interest bearing borrowings	727 339	12 932 185	12 655 307
Current portion of secured, interest bearing borrowings included in current liabilities.	13 847 723	3 788 193	4 080 640
8 DEFERRED TAXATION			
Balance at beginning of year	(3 542 692)	96 509	2 234 827
Movements during the year attributable to:			
- Temporary differences - current	(1 871 726)	(3 639 201)	(2 138 318)
Balance at end of year	(5 414 418)	(3 542 692)	96 509
Deferred taxation comprises:			
- Capital allowances	7 854 933	7 204 920	6 425 516
- Provisions/accruals	(947 415)	(885 111)	(641 125)
- assessed losses	(12 321 936)	(9 862 502)	(5 687 882)
Net liability	(5 414 418)	(3 542 693)	96 509
Liability	1 316 041	1 316 424	2 770 611
Asset	6 730 459	4 859 117	2 674 102
9 TRADE AND OTHER PAYABLES			
Trade payables	24 901 932	19 859 679	27 581 063
Accruals	18 184 907	14 349 355	9 101 150
Other payables	40 457	133 465	793 236
	43 127 296	34 342 499	37 475 449

	2014	2013	2012
10 RELATED PARTY LOAN			
Unsecured loan			
Bowler Plastics Proprietary Limited - at amortised cost	26 616 088	26 290 796	24 877 033
The loan is unsecured and there are no fixed dates of repayment. Interest is charged at prime overdraft rates.			
	26 616 088	26 290 796	24 877 033
11 EMPLOYEE BENEFITS			
<i>Pensions</i>			
<i>Defined contribution retirement plan</i>			
It is the policy of the company to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act, exist for this purpose. All the schemes are funded both by member and by company contributions, which are charged to profit or loss as they are incurred. The total company contribution to such schemes was:			
	1 620 162	1 485 058	1 346 665
12 PROFIT FROM OPERATIONS			
Operating profit includes :			
<i>Expenses</i>			
Cost of sales	343 352 677	298 761 220	249 567 864
Employee costs			
- Directors	-	-	238 038
- Other	38 986 590	38 013 545	30 650 970
(Profit)/loss on sale of assets	(177 813)	43 396	(171 591)
Operating lease expense			
- premises	4 841 422	3 035 706	2 896 758
- vehicles	17 005	13 609	-
Depreciation	11 972 724	12 482 766	10 634 202
13 INVESTMENT INCOME			
Interest received	449 690	104 336	20 498
14 FINANCE COST			
Interest paid	3 990 641	3 824 019	3 880 508
Finance charges	302 013	366 771	455 088
	4 292 654	4 190 790	4 335 596

15 TAXATION

South African normal taxation:

	2014	2013	2012
- Current taxation	3 111 155	6 249 272	3 790 438
- Prior years taxation	-	-	27 903
- Deferred taxation - current	(1 871 726)	(3 639 201)	(2 138 318)
STC	-	-	133 056

Charge for the year	1 239 429	2 610 071	1 813 079
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Reconciliation of rate of taxation:	%	%	%
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South African normal tax rate	28.0	28.0	28.0
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Adjusted for:

- Prior year adjustment	-	-	0.5
- (Exempt income)/disallowable expenditure	(12.8)	(3.2)	0.9
- Secondary tax on companies	-	-	2.3
	15.2	24.8	31.7

2014	2013	2012
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16 DIRECTORS' EMOLUMENTS*Emoluments paid*

Directors and past directors - executive

- MS Parker	-	-	100 189
- MJ Prins	-	-	117 289
- TB Paleker	-	-	20 560

In connection with the affairs of the company and its subsidiaries.	-	-	238 038
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Prescribed Officers and past Prescribed Officers

- MS Parker	2 873 840	1 498 026	2 530 360
- MJ Prins	-	-	205 000
- FJ Agenbach	1 166 261	962 329	-

In connection with the affairs of the company and its subsidiaries.	4 040 101	2 460 355	2 735 360
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17	RELATED PARTY TRANSACTIONS	2014	2013	2012
		Interest paid to related parties	Purchases from related parties	Management Fee Paid to related parties
	Company			
	Bowler Plastics Proprietary Limited			
	-2014	2 583 251	115 986 028	2 400 000
	-2013	2 176 139	94 371 173	1 201 800
	-2012	397 376	83 036 058	4 486 086

Bowler Plastics Proprietary Limited

Bowler Plastics Proprietary Limited is a fellow subsidiary of Bowler Metcalf Limited.

18 FINANCIAL INSTRUMENTS

18.1 Credit Risk

Trade and other receivables	37 125 256	44 169 778	41 796 916
Cash and cash equivalents	10 008 448	967 892	47 617
Net assets (liabilities)	47 133 704	45 137 670	41 844 533

The group has no identifiable or abnormal concentrations of credit risk, either to specific customers, any industry or sector.

The group only deposits cash surpluses with major banks of high standing.

The group considers all concentration of credit risk to be adequately provided for at the statement of financial position date.

Extensive credit evaluations are performed on all prospective customers and on an on-going basis for existing customers. Personal sureties are sought where necessary for smaller or newly established customers.

The group considers all concentration of credit risk to be adequately provided for at the balance sheet date.

18.2 Fair Value

The carrying amounts of liquid resources, trade receivables and trade payables approximate their fair value at the balance sheet date.

	2014	2013	2012
18.3 Interest Rate Risk			
Borrowings are secured at the best prevailing rates, the movement of which is monitored and managed on an on-going basis.			
Variable-rate interest bearing assets	10 008 448	967 892	47 617
Variable-rate interest bearing liabilities	(29 024 483)	(30 032 528)	(36 703 022)
Net assets(liabilities)	(19 016 035)	(29 064 636)	(36 655 405)
Estimated interest rate change	0.5%	0.5%	0.5%
Net after tax profit sensitivity	(68 458)	(104 633)	(131 959)
18.4 Liquidity Risk			
The group manages its liquidity risk by monitoring cash flows and ensuring that adequate liquid funds are available.			
Payable within the next 12 months			
Mortgage bonds	-	692 912	1 232 197
Instalment sale agreements	2 347 723	2 078 769	2 848 443
Other Interest Bearing Loans	9 500 000	-	-
Trade and other payables	43 127 296	34 342 499	37 475 449
Payable thereafter			
Mortgage bonds	-	-	603 800
Instalment sale agreements	60 672	970 051	2 551 507
Other Interest Bearing Loans	-	9 500 000	9 500 000
No fixed date of repayment			
Bank overdrafts	-	-	4 590 042
Related party loans	26 616 088	26 290 796	24 877 033
Total financial liabilities	81 651 779	73 875 027	83 678 471
18.5 Financial Asset Categories			
Loans and Receivables			
Trade and other receivables	35 589 357	43 443 584	41 796 916
Cash and cash equivalents	10 008 448	967 892	47 617
	45 597 805	44 411 476	41 844 533
18.6 Financial Liability Categories			
Other financial liabilities			
Borrowings	14 575 062	16 720 378	16 735 947
Trade and other payables	43 127 296	34 342 499	37 475 449
Bank overdrafts	-	-	4 590 042
Related party loans	26 616 088	26 290 796	24 877 033
	84 318 446	77 353 673	83 678 471

	2014	2013	2012
19 LEASE COMMITMENTS			
<i>Operating Lease commitments</i>			
Future minimum payments	4 923 848	5 252 963	8 816 129
Due within one year	3 997 082	3 762 884	3 698 210
Between one and five years	926 766	1 490 079	5 117 919
	4 923 848	5 252 963	8 816 129

20 CONTINGENT LIABILITIES

Bank guarantees issued	540 000	540 000	540 000
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21 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of:

Equity	69 096 510	62 167 192	54 240 984
Borrowings	41 191 150	43 011 174	41 612 980
	110 287 660	105 178 366	95 853 964

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Accounting policies

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act of South Africa. The Annual Financial Statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Impairment of financial assets

The Group assesses its trade receivables, and loans and receivables for impairment on an on-going basis. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows of that financial asset.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost and net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in operating profit.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1. Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Plant and machinery	4 to 10 years
Motor vehicles and Forklifts	4 to 5 years
Office equipment, furniture and fittings	3 to 5 years
Rental equipment	6 years
Moulds	0 to 3 years
Computers and computer software	3 to 6 years
Industrial buildings	20 years
Land	0 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2. Investment in subsidiaries

3.

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company, plus any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the investment if the adjustment is probable and can be measured reliably.

4. Dividends received

Dividends received are recognised, in profit or loss, when the company's right to receive payment has been established.

Dividends received on treasury shares are eliminated on consolidation.

5. Dividends paid

Dividends are recognised as a liability in the period in which they are declared.

6. Borrowing costs

Borrowing costs that are directly attributable to the acquisition of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

7. Inventories

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis or weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

8. Tax

8.1 Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

8.2 Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

8.3 Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- transaction or event which is recognised, in the same or a different period, other comprehensive income, or
- business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, other comprehensive income.

9. Translation of foreign currencies

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous Annual Financial Statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

10. Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

11. Employee benefits

11.1 Short-term employee benefits

Short-term employee benefits are employee benefits that are expected to be settled wholly within twelve months after the financial year in which the employees render the related service. The cost of short term employee benefits is recognised in the period in which the service is rendered and is not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

11.2 Defined contribution plans

The Group operates a provident and pension fund to which substantially all salaried staff belong. The fund is a defined contribution plan and does not require to be actuarially valued.

Current contributions to the pension and provident funds are charged against income as they are incurred.

The fund is governed by the Pension Funds Act.

10.3 Restraint of trade agreements

A restraint of trade agreement is treated as a termination benefit, as this is a payment being made to an employee on the termination of his or her employment.

The company recognises a termination benefit as a liability and an expense when, and only when, the entity is demonstrably committed to either:

- terminate the employment of an employee or Group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The company is demonstrably committed to a termination when, and only when, the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal, which shall include as a minimum:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented. Implementation shall begin as soon as possible and the period of time to complete implementation shall be such that material changes to the plan are not likely.

12. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

12.1 Operating leases – lessee

Operating lease payments are recognised as an expense on the straight-line basis over the lease term.

The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

13. Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries.

Subsidiaries are entities (including structured entities) in which the group has control. The group controls an entity when it has exposure to, or has rights to, variable returns from the group's involvement with the entity and the ability to affect those returns through exercising power over the entity. The financial results of the subsidiaries are included from the effective dates of acquisition up to the effective dates of disposal. All inter-group balances and transactions have been eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the company's interest therein and are recognised in equity. Non-controlling interests in the losses of subsidiaries are allocated to them, even if this results in a debit balance.

Transactions which result in changes in ownership levels, where the company has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

14. Government Grants

15.

Government grants are assistance by government in the form of transfers of resources in return for compliance with conditions related to operating activities. Government assistance is action by government designed to provide an economic benefit specific to an entity or a range of entities qualifying under certain criteria. Government includes government agencies and similar bodies, whether local, national or international.

Government grants are recognised when there is reasonable assurance of compliance with the attached conditions thereto and to the receipt thereof. Government grants are recognised in the statement of comprehensive income, at the proceeds received net of any related costs, not as revenue but as other income.

16. Financial instruments

16.1 Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss. Regular way purchases of financial assets are accounted for at trade date.

16.2 Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

14.3 Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

14.4 Financial instruments at fair value through profit or loss – designated

A financial instrument is designated as at fair value through profit or loss upon initial recognition if the financial asset or liability is managed and its performance is evaluated on a fair value basis in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

14.5 Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or Group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited to other operating income.

17. Loans to (from) Group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries are recognised initially at fair value plus direct transaction costs.

18. Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at Amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to other income in profit or loss.

Trade and other receivables are classified as loans and receivables.

19. Prepayments

Prepayments occur when an amount has been paid in advance but the goods or services have not yet been received by the Group. Prepayments are recognised as assets in the statement of financial position.

20. Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

22. Impairment of assets

At statement of financial position date, where the recoverable amounts, being the greater of fair value less costs to sell and value in use, are less than the carrying amounts, the asset is impaired to that lower amount.

This impairment loss is, upon recognition, charged to the statement of comprehensive income.

23. Cost of sales

The carrying amount of inventories sold is recognised as an expense in the same period in which the related revenue is recognised. Any write-down to net realizable value, or losses of inventories, are recognised as an expense in the period in which they occur. Any reversals of inventory write-downs arising from an increase in net realisable value, is recognised as a reduction in the cost of sales, in the period in which the reversal occurs.

24. Maintenance

Maintenance costs are the costs of the day-to-day servicing of fixed assets. Costs of day-to-day servicing are primarily the costs of labour and consumables, and may include the cost of small parts.

25. Transport

Transport costs are the costs incurred to transport an asset from its current location to its destination.

FINANCIAL INFORMATION OF QUALITY BEVERAGES FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

The information is taken from the consolidated interim results of Quality Beverages which were prepared in accordance with IFRS and consistent with the accounting policies adopted for the year ended 30 June 2014. The information is the responsibility of the directors of Bowler Metcalf.

KPMG Inc. has been the auditor to Shoreline for the past three years and has issued a review report on the interim financial statements for the six months ended 31 August 2014 without modifying the review opinion. The review report on the historical financial information has been prepared by Mazars in accordance with the JSE Listings Requirements and is contained in Annexure 6 to this circular. There are no facts or circumstances that are material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows other than as disclosed in this circular.

QUALITY BEVERAGES 2000 PROPRIETARY LIMITED

(Reg. No. 2000/017352/07)

CONDENSED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2014 R	30 Jun 2014 R
ASSETS		
NON-CURRENT ASSETS	62 592 852	65 996 326
Property, plant and equipment	55 422 569	59 265 867
Deferred taxation	7 170 283	6 730 459
CURRENT ASSETS	131 679 820	88 780 828
Inventories	34 413 787	39 946 678
Cash and cash equivalents	657 652	10 008 448
Trade and other receivables	94 728 476	37 125 256
Prepayments	2 500	-
Taxation	1 877 405	1 700 446
TOTAL ASSETS	194 272 673	154 777 154

EQUITY AND LIABILITIES**CAPITAL AND RESERVES**

72 448 896

69 096 510

Issued capital

980

980

Share premium

5 999 960

5 999 960

Distributable reserve

66 447 956

63 095 570

NON-CURRENT LIABILITIES

1 950 242

2 043 380

Borrowings

869 196

727 339

Deferred taxation

1 081 046

1 316 041

CURRENT LIABILITIES

119 873 535

83 637 264

Trade and other payables

88 801 766

43 127 296

Related party loans

29 337 548

26 616 088

Bank Overdraft

1 004 484

-

Current portion of interest-bearing borrowings

628 392

13 847 723

Taxation

101 345

46 157

TOTAL EQUITY AND LIABILITIES

194 272 673

154 777 154

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended	12 months ended
	31 Dec 2014	30 Jun 2014
REVENUE	239 971 108	423 015 759
Other operating income	610 923	4 920 056
Cost of sales	(178 840 552)	(343 352 677)
Depreciation	(5 509 755)	(11 972 724)
Other operating costs	(49 755 270)	(60 600 512)
Profit from operations	6 476 454	12 009 902
Investment income	122 829	449 690
Finance cost	(1 938 071)	(4 292 654)
PROFIT BEFORE TAX	4 661 212	8 166 938
Taxation	(1 308 826)	(1 239 429)
PROFIT FOR THE YEAR	3 352 386	6 927 509
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE INCOME	3 352 386	6 927 509

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Distributable Reserve	Distributable Reserve	Share Premium
Group				
Balance 30 June 2013	980	56 168 061	5 999 960	62 169 001
Total comprehensive income		6 927 509	-	6 927 509
Balance 30 June 2014	980	63 095 570	5 999 960	69 096 510
Total comprehensive income	-	3 352 386	-	3 352 386
Balance 31 December 2014	980	66 447 956	5 999 960	72 448 896

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31 Dec 2014	12 months ended 30 Jun 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax and interest	6 476 454	12 009 902
Depreciation	5 509 755	11 972 724
Loss/(profit) on disposal of assets	-	(177 813)
Provision for bad debts	-	-
Taxation paid	(2 105 425)	(4 268 867)
- Charge for the period	(1 983 644)	(3 111 155)
- Change in tax liability	(121 781)	(1 157 712)
	9 880 784	19 535 946
Net finance cost	(1 815 242)	(3 842 964)
- Investment income	122 829	133 646
- Finance cost	(1 938 071)	(3 976 610)
Cash generated by operations	8 065 542	15 692 982
Working capital changes	(6 398 351)	2 836 607
- Inventories	5 532 891	(12 994 514)
- Trade and other receivables	(57 603 220)	9 134 731
- Prepayments	(2 500)	-
- Trade and other payables	45 674 478	6 696 390
Net inflow from operating activities	1 667 191	18 529 589
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditure for expansion		
Additions to property, plant and equipment	(1 666 457)	(10 453 291)
Proceeds from disposal of assets	-	2 784 281
Net outflow from investing activities	(1 666 457)	(7 669 010)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in interest-bearing borrowings	(13 077 474)	(2 145 315)
Change in related party loans	2 721 460	325 292
Net inflow/(outflow) from financing activities	(10 356 014)	(1 820 023)
NET CASH INFLOW/(OUTFLOW)	(10 355 280)	9 040 556
CASH AND CASH EQUIVALENTS		
Balance at beginning of period	10 008 448	967 892
Net cash inflow/(outflow)	(10 355 280)	9 040 556
Balance at end of period	(346 832)	10 008 448
Comprising:		
Bank overdraft	(1 004 484)	-
Cash at bank	657 652	10 008 448
Balance at end of period	(346 832)	10 008 448

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF QUALITY BEVERAGES

"1 April 2015

The Directors
 Bowler Metcalf Limited
 Bowler Plastics
 Harris Drive
 Ottery
 Cape Town, 7800

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION AT 30 JUNE 2014, 30 JUNE 2013 AND 30 JUNE 2012 IN RESPECT OF QUALITY BEVERAGES 2000 PROPRIETARY LIMITED ("Quality Beverages")

1. INTRODUCTION

At your request and for the purposes of proposed disposal by Bowler Metcalf Limited ("Bowler Metcalf") of the entire issued share capital of Quality Beverages to SoftBev Proprietary Limited, a formerly dormant entity for a purchase consideration of R274 754 093 to be settled through the issue of 274 754 093 new shares in SoftBev Proprietary Limited ("SoftBev"). We present our report on the historical financial information of Quality Beverages, which comprise the statement of financial position as at 30 June 2014, 30 June 2013 and 30 June 2012, the statement of profit and loss and other comprehensive income, the statement of changes in equity and cash flow statement for the years then ended as set out in Annexure 3 of the circular, in compliance with the Listing Requirements of the JSE Limited ("JSE Listings Requirements").

2. RESPONSIBILITY AND PURPOSE OF REPORT

The directors of Bowler Metcalf are responsible for the compilation, contents and preparation of the circular and for the accuracy of the information contained therein. The directors of Bowler Metcalf are responsible for the financial information to which this report on the historical financial information of the company relates, and from which the report has been prepared. Our responsibility is to express an opinion on the historical financial information included as Annexure 3 of this circular.

At your request, and for the purpose of the circular to Bowler Metcalf shareholders to be dated on or about 8 April 2015, we present our report on the historical financial information of Quality Beverages, presented in Annexure 3 to the circular.

3. SCOPE

We have audited the financial information of Quality Beverages for the three years ended 30 June 2014, 30 June 2013 and 30 June 2012. The interim results for 31 December 2014 as contained in Annexure 3B of this circular have not been reviewed or audited.

4. SCOPE OF AUDIT

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5. OPINION

In our opinion, the historical financial information of Quality Beverages for the years ended 30 June 2014, 30 June 2013 and 30 June 2012 as reported in Annexure 3 fairly presents, in all material respects, the financial position as of that date, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies Act in South Africa and the JSE Listing Requirements.

6. CONSENT

We consent to the inclusion of this report in the circular to the shareholders of Bowler Metcalf.

Yours faithfully

MAZARS

Registered Auditor

Per Duncan Dollman
Chartered Accountant (SA)
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441

HISTORICAL FINANCIAL INFORMATION OF SHORELINE FOR THE THREE YEARS ENDED 28 FEBRUARY 2014

The information is taken from the audited annual financial statements of Shoreline which were prepared in the manner required by the Companies Act and in accordance with IFRS. The information is the responsibility of the directors of Bowler Metcalf. KPMG Inc. has been the auditor to Shoreline for the past three years and has reported on the financial statements for the past three years without modifying the audit opinion. The audit report on the historical financial information has been prepared by Mazars Inc. and is contained in Annexure 6 to this circular. There are no facts or circumstances that are material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows other than as disclosed in this circular.

Nature of Business

Shoreline is a soft drink manufacturer producing soft drinks under the well-known brand name of Coe-ee, with its primary market being KZN.

There have been no material changes to the nature of the company's business from the prior year.

Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year. A summary of the financial results is set out below:

	2014 R	2013 R	2012 R
Revenue	512 957 798	443 441 862	365 266 647
Profit before income taxation	36 305 391	22 542 016	31 052 001
EBITDA	66 981 662	45 192 870	47 724 000

Dividend

A dividend of R33 523 931 was declared and paid during the year (2013: R Nil).

Directors

The composition of the board of directors for the year ended 28 February 2014 was as follows:

Mr M Ismail	
Mr EM Ismail	(appointed 18 March 2013)
Mr RA Asmal	(appointed 18 March 2013)

Registered office

23 Palmgate Crescent
Southgate Business Park
Amanzimtoti
4135

Postal address

PO Box 26068
Isipingo Beach
4115

Subsequent events

The directors are not aware of any matter or circumstance which is material to the financial affairs of the company, which has occurred between the reporting date and date of approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

Going concern

The directors have satisfied themselves that the company has adequate resources to continue in operation for the foreseeable future. The company's financial statements have accordingly been prepared on a going concern basis.

Statement of financial position for the three years ended 28 February 2014

	Notes	2014 R	2013 R	2012 Restated R
Assets				
Non-current assets				
		141 563 438	169 112 861	116 145 795
Property, plant and equipment	2	140 009 604	142 541 625	97 902 773
Unlisted investment	3	154 000	154 000	154 000
Related party loans receivable	4.1	1 399 834	26 417 236	18 089 022
Current assets				
		154 357 266	127 102 695	109 024 518
Inventories	5	52 736 178	30 989 329	33 059 973
Trade and other receivables	6	85 644 212	78 558 272	60 808 125
Cash and cash equivalents	7	15 976 876	17 263 700	15 156 420
Income taxation receivable		-	291 394	-
Total assets				
		295 920 704	296 215 556	225 170 313
Equity				
Share capital	8	100	100	100
Retained earnings		64 088 966	72 268 532	55 730 073
Total equity				
		64 089 066	72 268 632	55 730 173
Non-current liabilities				
		101 288 546	105 995 087	61 504 685
Loans and borrowings	9	53 331 805	63 154 591	41 135 513
Related party loan payable	4.2	13 583 076	10 428 554	6 894 147
Deferred income	10	11 517 870	12 915 460	-
Deferred taxation	11	22 855 795	19 496 482	13 475 025
Current liabilities				
		130 543 092	117 951 837	107 935 455
Loans and borrowings	9	65 667 718	67 541 164	70 168 090
Trade and other payables	12	63 085 524	49 296 248	36 720 602
Income taxation payable		701 158	-	1 046 763
Current portion of deferred income	10	1 088 692	1 114 425	-
Total equity and liabilities				
		295 920 704	296 215 556	225 170 313

Statement of comprehensive income for the three years ended 28 February 2014

	Notes	2014 R	2013 R	2012 Restated R
Revenue	13	512 957 798	443 441 862	365 266 647
Cost of sales		(305 183 995)	(256 994 784)	(209 104 391)
Gross profit		207 773 803	186 447 078	156 162 256
Other income	14	14 401 610	17 116 060	9 253 791
Operating expenses		(174 543 480)	(169 795 059)	(127 343 648)
Results from operating activities		47 631 933	33 768 079	38 072 397
Finance income		708 948	679 181	763 045
Finance costs	15	(12 035 490)	(11 905 244)	(9 578 715)
Profit before income taxation	16	36 305 391	22 542 016	29 256 728
Income taxation	17	(10 961 026)	(6 003 557)	(7 974 730)
Profit for the year		25 344 365	16 538 459	21 281 998
Other comprehensive income		-	-	-
Total comprehensive income for the year		25 344 365	16 538 459	21 281 998

Statement of changes in equity for the year ended 28 February 2014

	Share Capital R	Retained Earnings R	Total Equity R
Balance at 1 March 2011	100	36 720 803	36 720 903
Total comprehensive for the period as previously reported	-	22 574 595	22 574 595
Prior period adjustment	-	(1 292 597)	(1 292 597)
Dividends paid	-	(2 272 728)	(2 272 728)
Restated balance at 1 March 2012	100	55 730 073	55 730 173
Total comprehensive income for the year	-	16 538 459	16 538 459
Balance at 28 February 2013	100	72 268 532	72 268 632
Total comprehensive income for the year	-	25 344 365	25 344 365
Dividends paid	-	(33 523 931)	(33 523 931)
Balance at 28 February 2014	100	64 088 966	64 089 066

Statement of cash flows for the year ended 28 February 2014

		2014	2013	2012
	Notes	R	R	Restated R
Cash generated from operations	21.1	49 239 296	53 249 062	28 017 230
Interest income		708 948	679 181	763 045
Interest expenses			34	(642 022)
Income taxation paid	21.2	(6 609 161)	(1 302 419)	(5 598 934)
Net cash inflow from operating activities		43 339 083	52 625 824	22 539 319
Cash flow from investing activities				
Proceeds from sale of property plant and equipment		628 072	20 898 249	340 436
Purchases of property, plant and equipment		(16 170 250)	(74 027 979)	(30 646 351)
Purchase of investment		-	-	(154 000)
Net cash outflow from investing activities		(15 542 178)	(53 129 730)	(30 459 915)
Cash flow from financing activities				
Increase in borrowings		11 054 953	56 667 810	29 153 273
Borrowings repaid		(22 903 547)	(29 994 579)	(23 544 816)
Finance costs paid		(12 035 490)	(11 905 244)	(8 936 693)
Increase/(decrease) in short term borrowings		152 362	(7 362 994)	19 825 017
Dividend paid		(33 523 931)	-	(2 272 728)
Decrease/(Increase) in related party loans receivable		25 017 402	(8 328 214)	(2 559 012)
Increase in related party loans payable		3 154 522	3 534 407	-
Net cash (outflow)/inflow from financing activities		(29 083 729)	2 611 186	11 665 041
Net (decrease)/increase in cash and cash equivalents		(1 286 824)	2 107 280	3 744 445
Cash and cash equivalents at beginning of the year		17 263 700	15 156 420	11 411 975
Cash and cash equivalents at end of the year	7	15 976 876	17 263 700	15 156 420

Notes to the annual financial statements for the year ended 28 February 2014

1 Accounting policies

1.1 Reporting entity

Shoreline Sales and Distribution (Pty) Ltd is a company domiciled in the Republic of South Africa. The address of the company's registered office is 23 Palmgate Crescent, Southgate Business Park, Amanzimtoti.

1.2 Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with IFRS and the requirements of the Companies Act of South Africa.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for non-derivative financial instruments measured at fair value.

The methods used to measure fair values are discussed further in note 1.3 (m).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Functional and presentation currency

These financial statements are presented in South African Rands, which is the entity's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in financial statements are described in the following note :

Note 2- useful lives and residual values of property, plant and equipment

Note 5- impairment of inventories

Note 6- impairment of trade receivables

1 Accounting policies (continued)

1.3 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these annual financial statements.

(a) Foreign currency translation

Items included in the financial results of the entity are measured using the functional currency of the entity. Transactions in foreign currencies are translated into the functional currency of the entity at the rate of exchange ruling at the transaction date.

Monetary assets and liabilities are translated into the functional currency of the entity at the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the translation and settlement of monetary assets and liabilities are recognised in profit or loss, except when they relate to cash flow hedging activities in which case these gains and losses are recognised in other comprehensive income and are presented within equity in the hedge accounting reserve.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

The carrying amount of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised in profit or loss.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

1 Accounting policies (continued)
1.3 Significant accounting policies (continued)
(b) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Leased assets

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of a finance lease at initial recognition is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of the asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, and begins when the asset is available for use. Land and capital work-in-progress is not depreciated.

The depreciation rates used for the current and comparative periods are as follows:

• Leasehold improvements	20.00%
• Plant and machinery	7.69%
• Motor vehicles	14.29%
• Furniture and fittings	10.00%
• Software	50.00%
• Coolers	14.29%
• Other equipment	10.00%

Depreciation methods, useful lives and residual values are reassessed at the reporting date

(c) Taxation

Taxation comprises current taxation and deferred taxation. Taxation is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or in other comprehensive income respectively.

(i) Current taxation

Current taxation is the calculated taxation payable on the taxable income for the year using taxation rates enacted or substantively enacted at the reporting date and any adjustments to taxation payable in respect of prior years.

1 Accounting policies (continued)
1.3 Significant accounting policies (continued)

(ii) Deferred taxation

Deferred taxation is provided using the liability method based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred taxation is calculated using taxation rates enacted or substantively enacted at the reporting date that are expected to apply when the asset is realised or liability settled.

Deferred taxation is not provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

In the event that the applicable taxation rate(s) are changed from those applied in the comparative financial reporting year, the opening balance of the deferred taxation liability shall be adjusted for the change in the taxation rates.

Deferred taxation assets and liabilities are offset if there is a legally enforceable right to offset current taxation liabilities and assets and they relate to income taxation levied by the same authority on the same taxable entity, or on different taxation entities, but they intend to settle current taxation liabilities and assets on a net basis or their taxation assets and liabilities will be realised simultaneously.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred taxation asset can be realised. Deferred taxation assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related taxation benefit will be realised.

(d) Financial instruments

(i) Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses. Trade receivables do not carry interest and are stated at their amortised cost, less impairment losses. Impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of sale. Significant financial difficulties of the debtor or delinquency in payments are considered indicators that the trade receivable is impaired.

(iii) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost using the effective interest rate method. Cash and cash equivalents comprise bank and other cash balances. Cash and cash equivalents are measured at amortised cost which approximates fair value.

1 Accounting policies (continued)
1.3 Significant accounting policies (Continued)

(iv) Loans receivable

Loans receivable are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition loans receivable are measured at amortised cost using the effective interest method, less any impairment loss.

(v) Loans payable and borrowings

The entity initially recognises debt securities and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the entity becomes a party to the contractual provisions of the instrument.

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The entity derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised costs using the effective interest method.

The entity has the following non-derivative financial liabilities: loans payable and borrowings and bank overdrafts.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(vi) Trade payables

Trade and other payables are classified as financial liabilities originated by the enterprise. These short term amounts are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle. Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location, as well as gains or losses on qualifying cash flow hedges. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the normal production capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

(f) Impairment

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost using effective interest method is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost using effective interest method and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

1 Accounting policies (continued)
1.3 Significant accounting policies (continued)

(ii) Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(iii) Impairment losses

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Provisions

A provision is recognised in the statement of financial position when the entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(h) Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and any non-monetary benefits) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1 Accounting policies (continued)
1.3 Significant accounting policies (continued)

(i) Revenue

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of indirect taxes, rebates and trade discounts, and consists primarily of the sale of goods.

Revenue is recognised when the following criteria are met:

- the significant risks and rewards of ownership have been transferred to the purchaser;
- the company no longer retains continuing managerial involvement to the degree associated with ownership or effective control;
- transaction costs can be reliably measured;
- the selling price is fixed or determinable; and
- collectability is reasonably assured.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

(j) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest rate method.

(k) Government grants

Government grants are recognised initially as deferred income when there is reasonable assurance that they will be received and the company will comply with the conditions associated with the grant. Grants that compensate the company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the company for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

(l) Lease payments

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

(i) Finance leases - lessee

Leases where the entity assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies (continued)
1.3 Significant accounting policies (continued)

(ii) Operating leases – lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(m) Determination of fair values

A number of the entity's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to their short-term nature.

(ii) Trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to their short-term nature.

(n) Related parties

A party is related to the entity if any of the following are met:

- Directly, or indirectly through one or more intermediaries, the party controls, is controlled by or is under common control with the entity;
- The party is a director of key management personnel of the entity or its parent; and
- The party is a close family director of the family or individual referred to the above.

Close family director of the family of an individual includes:

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependents of the individual or the individual's domestic partner.

2. Property, plant and equipment

	Leasehold improvement	Land & buildings	Capital work-in- progress	Plant & machinery	Motor vehicles	Furniture, fixtures & office equipment	Software	Coolers	Other equipment	Total
	R	R	R	R	R	R	R	R	R	R
Cost										
Balance at 1 March 2012	1 023 843	-	-	82 841 630	18 926 562	2 304 309	55 036	24 685 261	2 036 244	131 872 885
Additions	-	15 000 000	8 412 801	42 795 251	646 840	566 271	32 294	6 053 545	520 977	74 027 979
Disposals	-	(15 000 000)	-	-	(79 000)	-	-	(98 875)	-	(15 177 875)
Balance at 28 February 2013	1 023 843	-	8 412 801	125 636 881	19 494 402	2 870 580	87 330	30 639 931	2 557 221	190 722 989
Additions	188 118	-	7 705 269	2 672 741	435 414	178 186	87 154	4 234 342	669 026	16 170 250
Transfers	-	-	(15 593 353)	15 593 353	-	-	-	-	-	-
Disposals	-	-	-	(762 853)	(1 201 228)	(23 000)	-	(338 304)	-	(2 325 385)
Balance at 28 February 2014	1 211 961	-	524 717	143 140 122	18 728 588	3 025 766	174 484	34 535 969	3 226 247	204 567 854
Depreciation										
Balance at 1 March 2012	(409 538)	-	-	(17 943 797)	(3 945 332)	(1 072 757)	(13 777)	(9 730 401)	(854 510)	(33 970 112)
Depreciation for the year	(204 208)	-	-	(7 053 919)	(2 538 652)	(261 407)	(33 769)	(3 919 447)	(355 840)	(14 367 242)
Disposals	-	-	-	-	79 000	-	-	76 990	-	155 990
Balance at 28 February 2013	(613 746)	-	-	(24 997 716)	(6 404 984)	(1 334 164)	(47 546)	(13 572 858)	(1 210 350)	(48 181 364)
Depreciation for the year	(227 249)	-	-	(9 766 761)	(2 513 783)	(311 609)	(48 760)	(4 390 145)	(383 118)	(17 641 425)
Disposals	-	-	-	99 034	887 716	3 576	-	274 213	-	1 264 539
Balance at 28 February 2014	(840 995)	-	-	(34 665 443)	(8 031 051)	(1 642 197)	(96 306)	(17 688 790)	(1 593 468)	(64 558 250)
Carrying Amounts										
At 28 February 2013	410 097	-	8 412 801	100 639 165	13 089 418	1 536 416	39 784	17 067 073	1 346 871	142 541 625
At 28 February 2014	370 966	-	524 717	108 474 679	10 697 537	1 383 569	78 178	16 847 179	1 632 779	140 009 604

Plant and equipment with a carrying amount of R84 477 731 (2013: R102 207 666) are encumbered in terms of Note 9.

2014	2013	2012
R	R	R

3 Unlisted investment

Unlisted investment	154 000	154 000	154 000
This relates to an investment in Edge of Day Property Investments (Pty) Ltd (Project Youth Growth 150). This investment is measured at cost.			

4 Related party transactions

Identity of related parties

MIF Holdings (Pty) Ltd holds 100% of the interest in Shoreline Sales and Distribution (Pty) Ltd (2013: 100%). MIF Holdings (Pty) Ltd shares are held 100% by The Mahmood Ismail Family Trust (2013: 100%).

Mr Mahmood Ismail is the nominated trustee of The Mahmood Ismail Family Trust and is a member of key management personnel of both Shoreline Sales and Distribution (Pty) Ltd and The Mahmood Ismail Family Trust.

MIF Holdings (Pty) Ltd is also the 100% shareholder of Alumni Trading 26 (Pty) Ltd. MIF Holdings (Pty) Ltd also holds the 100% interest in Coo-ee Beverages (Pty) Ltd, as well as the 60% interest in Multifoods (Pty) Ltd and 60% interest in Multi Tastes (Pty) Ltd. Mr Mahmood Ismail is a member of key personnel of these entities.

Balances with related parties

2014	2013	2012
R	R	R

4.1 Loans receivable

MIF Holdings (Pty) Ltd	-	3 500	-
Multi Foods (Pty) Ltd	-	3 311 560	774 368
Multi Tastes (Pty) Ltd	-	1 789 016	1 242 466
Coo-ee Beverages (Pty) Ltd	1 399 834	1 330 588	1 273 105
Related Party Trust	-	5 810 369	4 777 726
Alumni Trading 26 (Pty) Ltd	-	14 172 203	10 021 357
	1 399 834	26 417 236	18 089 022

Interest bearing loans earn interest as follows:

- Related Party Trust – 8.5% per annum (2013: 8.5%)
- Alumni Trading 26 (Pty) Ltd – 9.0% per annum (2013 : 9.0%)

4.2 Loans payable

MIF Holdings (Pty) Ltd	6 600 000	-	-
Related Party Trust	6 983 076	10 428 554	6 894 147
	13 583 076	10 428 554	6 894 147

Loans payable are unsecured, bears interest at market related rates, have no fixed terms of repayment and are considered to be long term in nature.

	2014 R	2013 R	2012 R
4 Related party transactions (continued)			
<i>Transactions with related parties</i>			
Rentals paid:			
Alumni Trading 26 (Pty) Ltd	6 552 000	7 446 217	7 399 417
Related Party Trust	-	408 240	907 200
	6 552 000	7 854 457	8 306 617
Management fee received:			
Alumni Trading 26 (Pty) Ltd	180 000	200 000	40 000
Multi Foods (Pty) Ltd	180 000	-	-
	360 000	200 000	40 000 000
Interest received:			
Related Party Trust	540 315	474 508	693 489
Alumni Trading 26 (Pty) Ltd	16 784	62 512	44 667
	557 099	537 020	738 156
All transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.			
5 Inventories			
Raw materials and consumables	40 456 553	20 051 714	19 195 196
Finished goods	12 279 625	10 937 615	13 864 777
	52 736 178	30 989 329	33 059 973
6 Trade and other receivables			
Gross trade receivables	85 392 530	66 846 657	52 792 142
Less: Impairment of doubtful debts	(18 951)	(10 672)	(55 576)
Provision for settlement discounts	(6 341 841)	(4 817 578)	(3 323 090)
Unallocated debtors receipts	(11 423)	(71 844)	(116 069)
Net trade receivables	79 020 315	61 946 563	49 297 407
Other receivables	6 623 897	16 611 709	11 510 718
	85 644 212	78 558 272	60 808 125
7 Cash and cash equivalents			
Bank balances	15 844 983	16 959 289	14 957 837
Cash	131 893	304 411	198 583
	15 976 876	17 263 700	15 156 420
Refer to Note 18 for a list of securities and pledges on bank balances			
Guarantees to:			
eThekweni Municipality	1 011 529	556 660	556 660

8 Share capital

Authorised

1 000 ordinary par value shares or R1 each

2014 R	2013 R	2012 R
1 000	1 000	1 000

Issued

100 ordinary par value shares of R1 each

2014 R	2013 R	2012 R
100	100	100

Subject to the restrictions imposed by the Companies Act, 2008, as amended, the unissued shares are under the control of the directors, until the forthcoming general meeting.

9 Loans and borrowings

This note provides information about the contractual terms of the entity's interest bearing loans and borrowings, which are measured at amortised cost.

	2014 R	2013 R	2012 R
Non-current liabilities			
Finance leases	42 566 492	57 154 591	35 135 513
Unsecured loans	10 765 313	6 000 000	6 000 000
Total non-current loans and borrowings	53 331 805	63 154 591	41 135 513

Unsecured loans in the amount of R9 282 500 and R1 482 813 have no fixed terms of repayment. Interest is charged at a rate of 12% and 10% per annum respectively.

	2014 R	2013 R	2012 R
Current liabilities			
Current portion of finance leases	20 875 223	22 901 031	18 164 963
Secured loans	44 792 495	44 640 133	52 003 127
Total current loans and borrowings	65 667 718	67 541 164	70 168 090

9 Loans and borrowings (Continued)

The future minimum lease payments are as follows:

	Future minimum lease payments R	Interest R	Present value of minimum lease payments R
2014			
Within one year	25 758 538	4 883 315	20 875 223
Between one and five years	47 577 185	5 010 693	42 566 492
	73 335 723	9 894 008	63 441 715
2013			
Within one year	28 860 928	5 959 897	22 901 031
Between one and five years	66 571 133	8 862 284	57 708 849
	95 432 061	14 822 181	80 609 880
2012			
Within one year	22 489 243	4 324 280	18 164 963
Between one and five years	40 946 299	5 810 786	35 135 513
	63 435 542	10 135 066	53 300 476

	Interest rate per annum %	Monthly Instalment R	Carrying amount of pledged asset 28 February 2014 R	Carrying amount of pledged asset 28 February 2013 R	Carrying amount of pledged asset 29 February 2012 R
Finance leases	8%-18%	2 436 007	84 477 731	102 207 666	73 469 166

Secured debtor financing and trade finance

Standard Bank provides a confidential invoice discounting facility, to a maximum of R50 000 000. Interest is incurred at 9.5% (2013: 9.0%) of the balance outstanding to a limit of R16 million, and at 9.8% (2013: 9.3%) for the remaining balance outstanding in excess of R16 million.

Albaraka have also provided short term trade financing to the value of R16 292 495 for the 2014 year (2013: R16 140 133). Interest is incurred at rate of 8.5% (2013: 8.5%) with specified monthly repayment terms in line with use of the facility.

10 Deferred income

The entity was awarded a production incentive grant from the Department of Trade and Industry for a new production line constructed by the entity.

Opening balance at beginning of the year
Grant received
Grants released to the statement of comprehensive income

	2014 R	2013 R	2012 Restated R
Opening balance at beginning of the year	14 029 885	-	-
Grant received	-	14 491 873	-
Grants released to the statement of comprehensive income	(1 088 692)	(461 988)	-
	12 606 562	14 029 885	-
Analysed as:			
Non-current portion	11 517 870	12 915 460	-
Current portion	1 088 692	1 114 425	-
	12 606 562	14 029 885	-

11 Deferred taxation

Deferred taxation assets
Deferred taxation liability
Net deferred taxation liability

Deferred taxation assets	3 900 885	934 638	577 160
Deferred taxation liability	(26 756 680)	(20 431 120)	(14 052 185)
Net deferred taxation liability	(22 855 795)	(19 496 482)	(13 475 025)

Movement in temporary differences during the current year

	Balance 1 March 2013 R	Recognise in income R	Balance 28 February 2014 R
Property, plant and equipment	(20 408 139)	(3 819 745)	(24 227 884)
Provisions	365 920	(47 370)	318 550
Advertising	41 567	10 931	52 498
Deferred income	-	1 205 036	1 205 036
Prepaid expenses	(22 981)	(181 014)	(203 995)
Assessed loss	527 151	(527 151)	-
	(19 496 482)	(3 359 313)	(22 855 795)

	2014 R	2013 R	2012 R
12 Trade and other payables			
Trade payables	57 031 726	42 185 361	32 944 756
Other trade payables	6 053 798	7 110 887	3 775 846
	63 085 524	49 296 248	36 720 602
13 Revenue			
Gross revenue	558 098 826	479 782 794	395 386 195
Less: rebates and discounts granted	(45 141 028)	(36 340 932)	(30 119 548)
	512 957 798	443 441 862	365 266 647
14 Other income			
Sugar rebates	10 725 293	7 772 582	6 761 444
Supplier rebates	803 130	766 884	-
Rent received	401 030	763 000	40 000
Discount received	420 817	686 015	607 064
Sundry income	191 942	5 965 690	80 803
Incentives	1 090 692	461 988	1 764 480
Other income	768 706	699 901	-
	14 401 610	17 116 060	9 253 791
15 Finance costs			
Interest on short term loans	3 869 521	4 721 806	3 112 429
Interest on unsecured loans	1 622 449	1 372 786	1 274 736
Interest on finance leases	6 543 520	5 810 652	5 191 550
	12 035 490	11 905 244	9 578 715
16 Profit before income taxation			
The following items have been recognised as expenses/ (income) in determining profit before taxation:			
Depreciation	17 641 425	14 367 242	11 415 794
Foreign exchange (gain)/ loss	(15 317)	1 017	(5 881)
Legal fees	18 904	162 755	14 601
Auditor's remuneration	266 241	257 728	331 373
Employee costs	61 299 589	63 820 704	50 451 509

	2014 R	2013 R	2012 R
17 Income taxation			
Current taxation expense			
Current year	7 601 713	-	5 809 162
Prior period over provision	-	(17 900)	67 831
	7 601 713	(17 900)	5 876 993
Deferred taxation expense			
Prior period under/(over)provision	502 676	(22 332)	(26 667)
Current year	2 856 637	6 043 789	1 897 131
	3 359 313	6 021 457	1 870 464
Secondary tax on companies	-	-	227 273
Total income taxation expense	10 961 026	6 003 557	7 974 730

Reconciliation of taxation rate	%	2014 R	%	2013 R	%	2012 R
Profit before income taxation		36 305 391		22 542 016		29 256 728
Income tax on profit before income taxation using statutory tax rate	28.00	10 165 509	28.00	6 311 764	28.00	8 191 884
Deferred tax prior period over/(under)provision	1.38	502 676	(0.10)	(22 332)	(0.09)	(26 667)
Capital gains tax	0.00	172	4.73	1 066 679	0.00	925
Permanent differences	0.81	292 669	(5.92)	(1 334 654)	(1.66)	(486 516)
Current tax prior period over provision	0.00	-	(0.08)	(17 900)	0.23	67 831
Secondary tax on companies	0.00	0.03	0.00	-	0.78	227 273
Effective taxation rate	30.19	10 961 026	26.63	6 003 557	27.26	7 974 730

18 Securities

Securities have been pledged as detailed below to the following financial institutions:

(a)

The Standard Bank of South Africa Limited

- Unlimited suretyship by a Director and related party trusts of directors
- Unrestricted cession of book debts
- Unrestricted cession of the shareholder loan account
- Unlimited suretyship by Alumni Trading 26 (Pty) Ltd
- Unlimited suretyship by Coo-ee Beverages (Pty) Ltd

(b) Albaraka Bank Limited

- Existing mortgage bonds on various residential properties owned by related party trusts, in favour of Albaraka Bank, to the value of R17.56 million.
- Guarantee from related party trusts.
- Cession and pledge of shareholders loan account in the name of a related party trust in Shoreline Sales and Distribution (Pty) Ltd in favour of Albaraka Bank Limited.
- Deed of suretyship from a director, and a related party and related party trusts.

(c) ABSA Bank

- Unlimited suretyship by a director and related party trust.

19 Financial risk management

Financial instruments

Exposure to currency, interest rate, credit risk and liquidity risks arise in the normal course of the entity's business.

The entity has exposure to the following risks from its use of financial instruments:

- liquidity risk
- credit risk

This note presents information about the entity's exposure to each of the above risks and the entity's objectives, policies and processes for measuring and managing risks.

Further quantitative disclosures are included throughout these financial statements.

The directors have overall responsibility for the establishment and oversight of the entity's risk management framework. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the entity's activities.

The entity, through its training and management standards and procedures, aims to develop a disciplined and constructive environment in which all employees understand their roles and obligations.

Financial instruments

Categories of financial instruments

19 Financial risk management (continued)

	2014 R	2013 R	2012 R
Financial assets			
Loans and other receivables	103 020 922	122 239 208	93 088 477
Trade and other receivables	85 644 212	78 558 272	59 843 035
Cash and cash equivalents	15 976 876	17 263 700	15 156 420
Related party loans receivable	1 399 834	26 417 236	18 089 022
Financial liabilities			
Loans and other payables	195 668 123	201 676 131	153 123 079
Trade and other payables	63 085 524	47 636 362	46 928 456
Related party loans payable	13 583 076	10 428 554	6 894 147
Deferred income	-	12 915 460	-
Loans and borrowings	118 999 523	130 695 755	99 300 476
Fair values versus carrying amounts			

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

19 Financial risk management (continued)

	2014 Carrying amount R	2014 Fair value R	2013 Carrying amount R	2013 Fair Value R	2012 Carrying Amount R	2012 Fair Value R
Trade and other receivables	85 644 212	85 644 212	78 558 272	78 558 272	59 843 035	59 843 035
Cash and cash equivalents	15 976 876	15 976 876	17 263 700	17 263 700	15 156 420	15 156 420
Related party loan receivable	1 399 834	1 399 834	26 417 236	26 417 236	18 089 022	18 089 022
Trade and other payables	(63 085 524)	(63 085 524)	(47 636 362)	(47 636 362)	(46 928 456)	(46 928 456)
Related party loans payable	(13 583 076)	(13 583 076)	(10 428 554)	(10 428 554)	(6 894 147)	(6 894 147)
Loans and borrowings	(118 999 523)	(118 999 523)	(130 695 755)	(130 695 755)	(99 300 476)	(99 300 476)
	(92 647 201)	(92 647 201)	(66 521 463)	(66 521 463)	(60 034 602)	(60 034 602)

Basis for determining fair value

The following summarises the significant methods and assumptions used in estimating the fair values of the financial instruments reflected in the table above.

Trade and other receivables / payables

The fair value of receivables and payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet its commitments. The entity's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation. The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact of netting agreements:

19 Financial risk management (continued)

Basis for determining fair value (Continued)

Non-derivative financial instruments:

	Carrying amount R	Contractual amount R	1 year or less R	2-5 years R	More than 5 years R
2014					
Financial liabilities					
Finance lease	63 441 715	73 335 723	20 875 223	42 566 492	-
Unsecured loan	10 765 313	10 765 313	-	-	10 765 313
Secured debtor financing	44 792 495	44 792 495	44 792 495	-	-
Related party loans payable	13 583 076	13 583 076	-	-	13 583 076
Trade and other payables	63 085 524	63 085 524	63 085 524	-	-
	195 668 123	205 562 131	123 791 102	42 566 492	24 348 389
Financial assets					
Related party loans receivable	1 399 834	1 399 834	-	-	1 399 834
Trade and other receivables	85 644 212	85 644 212	85 644 212	-	-
Cash and cash equivalents	15 976 876	15 976 876	15 976 876	-	-
	103 020 922	103 020 922	101 621 088	-	1 399 834
2013					
Financial liabilities					
Finance lease	80 055 622	93 589 883	22 901 031	57 154 591	-
Unsecured loan	6 000 000	6 000 000	-	-	6 000 000
Secured debtor financing	44 640 133	44 640 133	44 640 133	-	-
Related party loan payable	10 428 554	10 428 554	-	-	10 428 554
Trade and other payables	47 636 362	47 636 362	47 636 362	-	-
	188 760 671	202 294 932	115 177 526	57 154 591	16 428 554
Financial assets					
Related party loans receivable	26 417 236	26 417 236	-	-	26 417 236
Trade and other receivables	78 558 272	78 558 272	78 558 272	-	-
Cash and cash equivalents	17 263 700	17 263 700	17 263 700	-	-
	122 239 208	122 239 208	95 821 972	-	26 417 236

19 Financial risk management (continued)

Basis for determining fair value (Continued)

	Carrying amount R	Contractual amount R	1 year or less R	2-5 years R	More than 5 years R
2012					
Financial liabilities					
Finance lease	53 300 476	63 435 542	22 489 243	40 946 299	-
Related party loan payable	6 894 147	6 894 147	-	-	6 894 147
Unsecured loan	6 000 000	6 000 000	-	-	6 000 000
Secured debtor financing	40 000 000	40 000 000	40 000 000	-	-
Trade and other payables	46 928 456	46 928 456	46 928 456	-	-
	153 123 079	163 258 145	109 417 699	40 946 299	12 894 147
Financial assets					
Related party loans receivable	18 089 022	18 089 022	-	-	18 089 022
Trade and other receivables	59 843 035	59 843 035	59 843 035	-	-
Cash and cash equivalents	15 156 420	15 156 420	15 156 420	-	-
	93 088 477	93 088 477	74 999 455	-	18 089 022

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will default on its obligation to the entity, thereby causing financial loss to the entity. The entity trades only with recognised, creditworthy third parties. It is the entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the entity's exposure to bad debts is not significant. A provision is made for doubtful debts. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

	2014 R	2013 R	2012 R
Overall credit risk			
Trade and other receivables	85 644 212	78 558 272	59 843 035
Cash and cash equivalents	15 976 876	17 263 700	15 156 420
Related party loans	1 399 834	26 417 236	18 089 022
	103 020 922	122 239 208	93 088 477

The entity's most significant debtor at 28 February 2014 accounts for 16% of the gross trade receivables balance at 28 February 2014.

19 Financial risk management (continued)

Credit risk (continued)

The ageing of trade receivables at the reporting date was:

	Gross 2014 R	Impairment 2014 R	Gross 2013 R	Impairment 2013 R	Gross 2012 R	Impairment 2012 R
Not past due	51 209 467	-	45 339 648	-	34 015 430	-
Past due 31-60 days	32 239 297	-	22 735 010	-	16 112 835	-
Past due 61-90 days	1 987 031	-	3 344 159	-	2 406 786	-
Past due 91-120 days	(11 792)	-	45 761	-	70 491	-
More than 120 days	(31 473)	(18 951)	24 155	(10 672)	186 600	(55 576)
	85 392 530	(18 951)	71 488 733	(10 672)	52 792 142	(55 576)

20 Operating leases

Future minimum lease payments of operating leases comprise:

	2014 R	2013 R	2012 R
Within one year	1 837 080	4 272 912	9 545 612
Between two and five years	-	1 837 080	5 123 006
After five years	-	-	-
	1 837 080	6 109 992	14 668 618

AUNDE South Africa – A 24 month property operating lease expiring on 31 July 2014 with an escalation rate of CPI plus 2% per annum effective in August 2013. The lease will not be renewed.

21 Notes to the statement of cash flows

21.1 Cash generated from operations

	2014 R	2013 R	2012 R
Profit before income taxation	36 305 391	22 542 016	29 256 728
Adjustments for :			
Interest income	(708 948)	(679 181)	(763 045)
Interest expense	12 035 490	11 905 244	9 578 715
Profit on sale of plant and equipment	(7 956)	(5 823 463)	-
Loss on sale of plant and equipment	440 730	11 176	527 328
Depreciation	17 641 425	14 367 242	11 415 794
Operating profit before working capital changes	65 706 132	42 323 034	50 015 520
Increase in trade and other payables	13 763 543	13 690 071	12 724 331
(Decrease)/increase in deferred income	(1 397 590)	12 915 460	-
Increase in trade and other receivables	(7 085 940)	(17 750 147)	(21 163 597)
(Increase)/decrease in inventories	(21 746 849)	2 070 644	(13 559 024)
	49 239 296	53 249 062	28 017 230

21 Notes to the statement of cash flows (Continued)

	2014 R	2013 R	2012 R
21.2 Income taxation paid			
Amount due at the beginning of the year	(291 394)	1 046 763	541 431
Current tax charged to the income statement	7 601 713	(17 900)	6 104 266
Refund received	-	(17 844)	-
Amount (payable)/receivable at end of the year	(701 158)	291 394	(1 046 763)
	6 609 161	1 302 413	5 598 934

22 Going concern

The directors have satisfied themselves that the company has adequate resources to continue in operation for the foreseeable future. The company's financial statements have accordingly been prepared on a going concern basis.

23 Subsequent events

The directors are not aware of any matter or circumstance which is material to the financial affairs of the company, which has occurred between the reporting date and date of approval of the annual financial statements, that has not been otherwise dealt with in the annual financial statements.

24 Capital Commitments

The entity has not contracted for any capital commitments.

25 New standards and interpretations not yet effective

At the date of authorisation of the financial statements of Shoreline Sales and Distribution (Pty) Ltd for the year ended 28 February 2014, the following Standards and Interpretations applicable to the entity were in issue but not yet effective:

Standard/Interpretation		Effective date
IAS 32	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 January 2014
IFRS 10, IFRS 12 and IAS 27 amendment	Investment entities	Annual periods beginning on or after 1 January 2014
IFRIC 21	Levies	Annual periods beginning on or after 1 January 2014
Amendment to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	Annual periods beginning on or after 1 January 2014
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions	Annual periods beginning on or after 1 January 2014
IFRS 9	Financial Instruments	To be decided

All standards and interpretations will be adopted at their effective date.

The directors are of the opinion that the above standards will not have a material impact on the company's annual financial statements.

REVIEWED FINANCIAL INFORMATION OF SHORELINE FOR THE SIX MONTH PERIOD ENDED 31 AUGUST 2014

The information is taken from the consolidated interim results of Shoreline which were prepared in accordance with IFRS and consistent with the accounting policies adopted for the year ended 28 February 2014. The information is the responsibility of the directors of Bowler Metcalf. KPMG Inc. has been the auditor to Shoreline for the past three years and has issued a review report on the interim financial statements for the six months ended 31 August 2014 without modifying the review opinion. The review report on the historical financial information has been prepared by Mazars in accordance with the JSE Listings Requirements and is contained in Annexure 6 to this circular. There are no facts or circumstances that are material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows other than as disclosed in this circular.

Statement of financial position

	6 month period Ended 31 August 2014		2014
Rands			
Assets			
Non-current assets	141 344 272		141 563 438
Property, plant and equipment	133 921 436		140 009 604
Unlisted investment	154 000		154 000
Related party loans receivable	7 268 836		1 399 834
Current assets	123 219 795		154 357 266
Inventories	49 375 169		52 736 178
Trade and other receivables	66 402 611		85 644 212
Cash and cash equivalents	5 662 174		15 976 876
Income taxation receivable	1 779 841		-
Total assets	264 564 067		295 920 704
Equity			
Share capital	100		100
Retained earnings	65 009 932		64 088 966
Total equity	65 010 032		64 089 066
Non-current liabilities	86 951 504		101 288 546
Loans and borrowings	46 479 109		53 331 805
Related party loan repayable	6 643 076		13 583 076
Deferred income	10 973 524		11 517 870
Deferred taxation	22 855 795		22 855 795
Current liabilities	112 602 531		130 543 092
Loans and borrowings	60 009 056		65 667 718
Trade and other payables	51 504 783		63 085 524
Income taxation payable	-		701 158
Current portion of deferred income	1 088 692		1 088 692
Total equity and liabilities	264 564 067		295 920 704

Statement of Comprehensive Income

	6 month period Ended 31 August 2014	2014
Rands		
Revenue	224 960 521	512 957 798
Cost of sales	(138 298 255)	(305 183 995)
Gross profit	86 662 266	207 773 803
Other income	6 611 810	14 401 610
Operating expenses	(87 208 613)	(174 543 480))
Results from operating activities	6 065 463	47 631 933
Finance income	74 719	708 948
Finance costs	(5 219 216)	(12 035 490)
Profit before income taxation	920 966	36 305 391
Income taxation	-	(10 961 026)
Profit for the year	920 966	25 344 365
Other comprehensive income	-	-
Total comprehensive income for the year	920 966	25 344 365

Statement of Changes in Equity

Rands	Share Capital	Retained earnings	Total equity
Balance at 1 March 2013	100	72 268 532	72 268 632
Total comprehensive income for the year	-	25 344 365	25 344 365
Dividends paid	-	(33 523 931)	(33 523 931)
Balance at 28 February 2014	100	64 088 966	64 089 066
Total comprehensive income for the year	-	920 966	920 966
Balance at 6 month period ended 31 August 2014	100	65 009 932	65 010 032

Statement of Cash Flow

Rands	Notes	6 month Period ended 31 August 2014	2014
Cash generated from operations	1.1	28 639 256	49 239 296
Interest income		74 719	708 948
Income taxation paid	1.2	(2 480 999)	(6 609 161)
Net cash inflow from operating activities		26 232 976	43 339 083
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1 698 596	628 072
Purchases of property, plant and equipment		(7 706 698)	(16 170 250)
Net cash outflow from investing activities		(6 008 102)	(15 542 178)
Cash flow from financing activities			
Increase in borrowings		3 673 597	11 054 953
Borrowings repaid		(11 055 686)	(22 903 547)
Finance costs paid		(5 219 216)	(12 035 490)
Increase/(decrease) in short term borrowings		(5 129 269)	152 362
Dividend paid		-	(33 523 931)
Decrease/(increase) in related party loans receivable		(5 869 002)	25 017 402
(Decrease)/increase in related party loans payable		(6 940 000)	3 154 522
Net cash (outflow)/in flow from financing activities		(30 539 576)	(29 083 729)
Net (decrease)/increase in cash and cash equivalents		(10 314 702)	(1 286 824)
Cash and cash equivalents at beginning of the year		15 976 876	17 263 700
Cash and cash equivalents at end of the year		5 662 174	15 976 876

		6 month Period ended 31 August 2014 R	2014 R
1	Notes to the statement of cash flows		
1.1	Cash generated from operations		
	Profit before income taxation	920 966	36 305 391
	Adjustments for:		
	Interest income	(74 719)	(708 948)
	Interest expense	5 219 216	12 035 490
	Profit on sale of plant and equipment	(3 494)	(7 956)
	Loss on sale of plant and equipment	2 390 033	440 730
	Depreciation	9 709 731	17 641 425
	Operating profit before working capital changes	18 161 733	65 706 132
	(Decrease)/increase in trade and other payables	(11 580 741)	13 763 543
	(Decrease)/increase in deferred income	(544 346)	(1 397 590)
	Decrease/(increase) in trade and other receivables	19 241 601	(7 085 940)
	Decrease/(increase) in inventories	3 361 009	(21 746 849)
		28 639 256	49 239 296
1.2	Income taxation paid		
	Amount due at the beginning of the year	701 158	(291 394)
	Current tax charged to the income statement	-	7 601 713
	Refund received	-	-
	Amount (payable)/receivable at end of the year	1 779 841	(701 158)
		2 480 999	6 609 161

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF SHORELINE

"1 April 2015

The Directors
Bowler Metcalf Limited
Harris Drive
Ottery
Cape Town, 7800

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION AT 28 FEBRUARY 2014 IN RESPECT OF SHORELINE SALES AND DISTRIBUTION PROPRIETARY LIMITED ("Shoreline")

1. INTRODUCTION

At your request and for the purposes of proposed disposal by Bowler Metcalf Limited ("Bowler Metcalf") of the entire issued share capital of Quality Beverages to SoftBev Proprietary Limited ("SoftBev"), for a purchase consideration of R274 754 093 to be settled through the issue of 274 754 093 new shares in SoftBev (approximating 43% before any additional share issues by SoftBev and 42% after the share issues for cash by SoftBev), which entity will acquire also 100% of the share capital in Shoreline for R364 208 915 to be settled through the issue of 364 208 915 new shares in the new entity. We present our report on the historical financial information of Shoreline, which comprise the statement of financial position as at 28 February 2014, the statement of profit and loss and other comprehensive income, the statement of changes in equity and cash flow statement for the year then ended as set out in Annexure 5A of the circular, in compliance with the Listing Requirements of the JSE Limited ("JSE Listings Requirements").

2. RESPONSIBILITY AND PURPOSE OF REPORT

The directors of Bowler Metcalf are responsible for the compilation, contents and preparation of the circular and for the accuracy of the information contained therein. The directors of Shoreline are responsible for the financial information to which this report on the historical financial information of the company relates, and from which the report has been prepared. Our responsibility is to express an opinion on the historical financial information included as Annexure 5 of this circular.

At your request, and for the purpose of the circular to Bowler Metcalf shareholders to be dated on or about 8 April 2015, we present our report on the historical financial information of Shoreline, presented in Annexure 5A to the circular.

3. SCOPE

We have audited the financial information of Shoreline for the year ended 28 February 2014.

4. SCOPE OF AUDIT

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements.

The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

5. OPINION

In our opinion, the historical financial information of Shoreline for the year ended 28 February 2014 as reported in Annexure 5A fairly presents, in all material respects, the financial position as of that date, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, the Companies Act in South Africa and the JSE Listing Requirements.

6. CONSENT

We consent to the inclusion of this report in the circular to the shareholders of Bowler Metcalf.

Yours faithfully

MAZARS

Registered Auditor

Per Duncan Dollman
Chartered Accountant (SA)
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441

REPORTING ACCOUNTANTS' REVIEW REPORT ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF SHORELINE

“1 April 2015

The Directors
 Bowler Metcalf Limited
 Harris Drive
 Ottery
 Cape Town 7800

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE REPORT OF HISTORICAL FINANCIAL INFORMATION OF SHORELINE SALES AND DISTRIBUTION PROPRIETARY LIMITED
INTRODUCTION

At your request and for the purposes of the Circular, we have reviewed the financial information of Shoreline which comprises the statements of financial position of Shoreline as at 29 February 2012 and 28 February 2013 as well as the six months ended 31 August 2014, the statements of comprehensive income, statements of changes in equity and cash flows for the periods then ended as well as the accounting policies and other explanatory notes for these years as set out in Annexure 5A and Annexure 5B of the Circular to be dated on or about 8 April 2015, (together, “the Historical Financial Information”) for the purposes of complying with the JSE Limited (“JSE”) Listings Requirements and for inclusion in the Circular incorporating revised listing particulars. KPMG are the independent auditors to Shoreline.

RESPONSIBILITY AND PURPOSE OF REPORT

The directors of Bowler are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements. The directors of Shoreline are responsible for the preparation of the financial information to which this report on historical financial information relates, and from which the report has been prepared.

Our responsibility is to express an opinion on the financial information for the years ended 29 February 2012 and 28 February 2013 included as Annexure 5A and for the six months ended 31 August 2014 included as Annexure 5B to the Circular based on our review procedures.

SCOPE OF THE REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2400 (or refer to relevant national standards or practices applicable to review engagements). This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

REVIEW CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with International Accounting Standards.

CONSENT

We consent to the inclusion of this report, which will form part of the Circular.

Yours faithfully

MAZARS

Registered Auditor

Per Duncan Dollman
Chartered Accountant (SA)
Mazars House, Rialto Road
Grand Moorings Precinct
Century City, 7441

DETAILS OF DIRECTORS OF BOWLER METCALF AND ITS MAJOR SUBSIDIARIES

Names and age	Michael Brain (67)
Business address	Trident Press, Old Marine Drive, Foreshore, Cape Town, 8001
Qualification	BSc (Eng)
Position	<i>Non-Executive Director</i> <i>Vice Chairman</i>
Brief CV	Michael Brain qualified with a B.Sc in engineering from UCT and was a founder member of engineering company, Brain and Howarth, in 1975 and in 1977, marketing company SA Historical Mint. He joined Bowler Metcalf in 1984 and held the position of financial director until 1999 when he took over as managing director. He moved into the dual role of vice-chairman and chief financial officer in 2011 and retired from executive duties in November of that year.
Names and age	Brian James Frost (70)
Business address	8 Glen Connor, 7 Oak Ave, Kenilworth, 7701
Qualification	BCom
Position	Chairman
Brief CV	Brian Frost B.Com, AMP (Harvard), retired from his position as Executive Joint Managing Director at Woolworths in 2000, continuing service as a non-executive director with them until 2010. Brian joined the Bowler board as an independent non-executive director in 1998. He also performs the role of Lead Independent Director.
Names and age	Sarah Jane Gillett (41)
Business address	14 Railway Road, Montague Gardens, 7441
Qualification	B.Com
Position	Independent Non-Executive Director
Brief CV	Sarah Jane Gillett qualified with a B.Com from Stellenbosch (accounting and economics) in 1994 and has further specialised into marketing and negotiations. She has worked nationally and internationally in marketing and sales and has run, as MD, the family business of the importation and distribution of products into the printing and architectural industries since 2010. Sarah joined the Board in November 2012 and chairs the Social and Ethics Committee.
Names and age	Finlay Craig MacGillivray (47)
Business address	Solms-Delta, Delta Road, Groot Drakenstein, Franschhoek Valley
Qualification	CA(SA)
Position	Independent Director Non-Executive Director
Brief CV	Craig MacGillivray, previously a senior partner of a national audit practice and currently CEO of a leading Cape wine estate, holds a B.Com degree, post graduate diplomas in accounting and tax law, and a CA(SA) and has held various senior executive positions in offshore diamond mining and clothing retail. He joined Bowler Metcalf as an independent non-executive director in March 2011, chairs the remuneration committee and the audit and risk committee.

Names and age	Paul Friedrich Sass (51)
Business address	c/o Bowler Plastics (Pty) Ltd, Harris Drive, Ottery, Cape Town, 7808
Qualification	B.Sc (Eng)
Position	Executive Director Chief Executive Officer
Brief CV	Friedel Sass has a B.Sc Mechanical Engineering from Cape Town and worked as a design and industrial engineer before completing an internship in Europe in the plastics industry. He joined Bowler Metcalf in 1991, was appointed to the Bowler Board as an executive director in 1998 for seven years and then again in 2009. He was appointed chief operating officer in March 2011.

Names and age	Grant Andrew Böhler (43)
Business address	c/o Bowler Plastics (Pty) Ltd, Harris Drive, Ottery, Cape Town, 7808
Qualification	CA(SA)
Position	Executive Director Chief Financial Officer
Brief CV	Grant Böhler obtained his B.Rek (Hons) from Stellenbosch University and qualified as a Chartered Accountant after completing articles at Ernst & Young. He has experience in the manufacturing and service sectors and joined Bowler Plastics as CFO in November 2011 before being appointed to the Bowler Metcalf Board as Chief Financial Officer.

Names and age	Michael Allan Olds (63)
Business address	c/o Bowler Plastics (Pty) Ltd, Harris Drive, Ottery, Cape Town, 7808
Qualification	BSc (Engineering)
Position	Executive Sales Director
Brief CV	Michael Olds, BSc (Engineering) served as an executive director of Bowler Metcalf between 1985 and 2005 and since then as senior sales executive in the Plastics division.

DIRECTORS OF QUALITY BEVERAGES

Names and age	Paul Friedrich Sass (49)
Business address	c/o Bowler Plastics (Pty) Ltd, Harris Drive, Ottery, Cape Town, 7808
Qualification	B.Sc (Eng)
Position	Executive Director Chief Executive Officer
Brief CV	Friedel Sass has a B.Sc Mechanical Engineering from Cape Town and worked as a design and industrial engineer before completing an internship in Europe in the plastics industry. He joined Bowler Metcalf in 1991, was appointed to the Bowler board as an executive director in 1998 for 7 years and then again in 2009. He was appointed chief operating officer in March 2011.

Names and age	Grant Andrew Böhler (43)
Business address	c/o Bowler Plastics (Pty) Ltd, Harris Drive, Ottery, Cape Town, 7808
Qualification	CA(SA)
Position	Executive Director Chief Financial Officer
Brief CV	Grant Böhler obtained his B.Rek (Hons) from Stellenbosch University and qualified as a Chartered Accountant after completing articles at Ernst & Young. He has experience in the manufacturing and service sectors and joined Bowler Plastics as CFO in November 2011 before being appointed to the Bowler Metcalf Board as Chief Financial Officer.

MATERIAL BORROWINGS

Bowler Metcalf and Quality Beverages have no material borrowings at 28 February 2015 being the last month end before the Last Practicable Date.

The material borrowings and inter-company loans of Shoreline and Coo-ee at 28 February 2015 being the last month end before the Last Practicable Date and SoftBev, pursuant to the Proposed Transaction, are set out below:

Company	Lender	Amount Outstanding 28 February 2015	Monthly installments	Secured/ Unsecured	Interest rate (%)	Terms of loan
Shoreline	MIF	R6 600 000	n/a	Unsecured	Prime	No fixed date
	The Mahmood Ismail Family Trust	R6 983 076	n/a	Unsecured	Prime	No fixed date
	AGH	R9 282 500	n/a	Unsecured	12% pa	No fixed date
	Limbada					
	I Bayat	R1 482 813	n/a	Unsecured	10% pa	No fixed date
Quality Beverages	Bowler Plastics	R36 699 478	n/a	Unsecured	Prime	No fixed date

The above borrowings arose as a result of general operational needs.

The material borrowings and inter-company loans of SoftBev, pursuant to the Proposed Transaction, are set out below:

Company	Lender	Amount owing after the Proposed Transaction	Monthly installments	Secured/ Unsecured	Interest rate (%)	Terms of loan
SoftBev	Bowler Metcalf	R36 699 478	n/a	Unsecured	Prime	No fixed date
SoftBev	The Mahmood Ismail Family Trust	R6 983 076	n/a	Unsecured	Prime	No fixed date
SoftBev	MIF	R6 600 000	n/a	Unsecured	Prime	No fixed date

The shareholder loans acquired by SoftBev from Bowler Metcalf and MIF as part of the Proposed Transaction will be repaid by Quality Beverages and Shoreline out of working capital. There are no conversion rights in relation to the above loans.

There are no other loans, debentures or amounts repayable by Bowler, Quality Beverages, Shoreline, Coo-ee or SoftBev in the next twelve months, other than trade creditors.

Neither Bowler, Quality Beverages, Shoreline, Coo-ee nor SoftBev have any debentures that have been created in terms of a trust deed.

No further material borrowings will arise as a result of the disposal of the 100% interest in Quality Beverages or from the acquisition of the 43% interest in Softbev received in settlement of the purchase consideration due on the Quality Beverages Disposal.

NOTICE OF GENERAL MEETING OF SHAREHOLDERS OF BOWLER METCALF

Directors:

BJ Frost (Chairman)
M Brain (Vice Chairman)
FC MacGillivray
SJ Gillett

PF Sass
GA Böhler
MA Olds

All terms defined in the Circular to which this notice of General Meeting is attached shall bear the same meanings in this notice of General Meeting. Bowler Metcalf Shareholders are reminded that:

- a. A Bowler Metcalf Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy (or more than one proxy) to attend, participate in and vote at the General Meeting in the place of the Bowler Metcalf Shareholder, and Bowler Metcalf Shareholders are referred to the attached form of proxy;
- b. a proxy need not also be a Bowler Metcalf Shareholder of the Company; and
- c. in terms of Section 63(1) of the Companies Act, any person attending or participating in a meeting of Bowler Metcalf Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Bowler Metcalf Shareholder or as proxy for a Bowler Metcalf Shareholder) has been reasonably verified. Please note that the Company will not provide for electronic participation at the General Meeting.

Notice is hereby given to the shareholders that a general meeting of the Company's shareholders will be held at the Company's offices at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800 on Wednesday, 20 May 2015 at 09h00 for the purpose of considering and, if deemed fit, passing, with or without modification, the Ordinary Resolutions set out below.

It is noted that no shareholders are precluded from voting at the general meeting for the purposes of the Quality Beverages Disposal.

It is further noted that any treasury shares or unlisted shares are precluded from voting at the general meeting in accordance with the JSE Listings Requirements.

1. ORDINARY RESOLUTION NUMBER 1 – APPROVAL TO DISPOSE OF QUALITY BEVERAGES AND THE ACQUISITION OF 43% OF SOFTBEV

"RESOLVED THAT, the disposal of 100% interest in Quality Beverages 2000 Proprietary Limited ("Quality Beverages"), in terms of the Quality Beverages Agreement dated 10 March 2015 between Bowler Metcalf Limited, Bowler Plastics Proprietary Limited, Quality Beverages 2000 Proprietary Limited, Shoreline Sales and Distribution Proprietary Limited, MIF Holdings Proprietary Limited, The Mahmood Ismail Family Trust and SoftBev Proprietary Limited ("SoftBev") for R274 754 093 to be settled through the issue of 274 754 093 new shares in SoftBev, subject to the simultaneous acquisition of 100% of Shoreline Sales and Distribution Proprietary Limited by SoftBev through the issue of 364 208 915 new shares in SoftBev to MIF Holdings Proprietary Limited, be and is hereby approved."

Information and explanatory material with respect to Ordinary Resolution Number 1 as contemplated in Section 65(4)(b) of the Companies Act

In accordance with the JSE Listings Requirements, the Quality Beverages Disposal and the associated SoftBev Acquisition are both Category 1 transactions and require the approval of 50% plus 1 vote by all Bowler Metcalf shareholders present or represented by proxy at the general meeting. Mr M Brain and MS Parker and any of their associates will be precluded from voting on the Quality Beverages Disposal due to their interest in the SoftBev Share Issues and SoftBev Options. No other parties are excluded from participating in the vote on the Quality Beverages Disposal.

2. SPECIAL RESOLUTION NUMBER 1 – APPROVAL TO FINANCIAL ASSISTANCE

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company limited to the maximum of two hundred million rand (R200 million).

Information and explanatory material with respect to Special Resolution Number 1 as contemplated in Section 45 and Section 65(4)(b) of the Companies Act

Section 45 of the Companies Act provides, inter alia, that, except to the extent that the memorandum of incorporation of a company provides otherwise, the board may authorise the company to provide direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation and securing any debt or other obligation) to a related or inter-related company or corporation, provided that such authorisation shall be made pursuant to a special resolution of the shareholders adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category.

In order for this resolution to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Solvency and liquidity statement in respect of special resolution number 1

The directors confirm that the company will not enter into any transaction in terms of special resolution number 1 unless:

- The company and/or its subsidiaries (the Group) will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the transaction;
- The assets of the company and the Group, valued in accordance with the accounting policies used in the latest Group annual financial statements will exceed the liabilities of the company and the Group for a period of 12 (twelve) months;
- The share capital and reserves of the company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of the transaction; and
- The working capital of the company and the Group will be adequate for the ordinary business purposes for a period of 12 (twelve) months after the date of the transaction.

3. ORDINARY RESOLUTION NUMBER 2 – ENABLING AUTHORITY

"RESOLVED THAT, subject to the passing of Ordinary Resolution Number 1 and Special Resolution number 1, any director of the Company be and is hereby authorised, instructed and empowered to do all such things, sign all such documents and procure the doing of all such things and the signing of all such documents as may be necessary to give effect to Ordinary Resolution Number 1 and Special Resolution number 1."

Information and explanatory material with respect to Ordinary Resolution Number 2 as contemplated in Section 65(4)(b) of the Companies Act

This resolution is necessary to give effect to the above resolution which may be passed by the shareholders. The minimum percentage of voting rights that is required for this ordinary resolution to be adopted is 50% (fifty per cent) of the voting rights plus 1 (one) vote to be cast.

The board of directors unanimously recommends that Bowler Metcalf ordinary shareholders vote in favour of the ordinary and special resolutions above.

RECORD DATES

The posting record date, being the date that shareholders must be recorded in the register to be eligible to receive this notice of General Meeting, is Friday, 27 March 2015. The last day to trade in order to be eligible to vote at the General Meeting is Friday, 8 May 2015. The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the General Meeting, is Friday, 15 May 2015.

VOTING

On a show of hands, every Bowler Metcalf shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of Bowler Metcalf shares held), and on a poll, every Bowler Metcalf shareholder shall have for each share held by him that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all the shares issued by the Company.

In terms of the Companies Act, the votes of treasury shares held will not be taken into account in determining the results of the voting at the General Meeting.

PROXIES

A Bowler Metcalf Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of the Company. A form of proxy is attached for the convenience of certificated shareholders and own name dematerialised shareholders who are unable to attend the General Meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by Bowler Metcalf's Transfer Secretaries, Computershare, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), not later than 09h00 on Monday, 18 May 2015.

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification.

Dematerialised shareholders other than with own name registration who have not been contacted by their CSDP or broker with regard to how they wish to cast their votes, should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their votes at the Bowler Metcalf General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If such dematerialised shareholders wish to attend the Bowler Metcalf General Meeting in person, they must request their CSDP or broker to issue the necessary letter of representation to them. This must be done in terms of the agreement entered into between such dematerialised shareholders and the CSDP or broker.

By order of the Board

BOWLER METCALF LIMITED

L Rowles (Company Secretary)

9 April 2015

Registered office

Bowler Plastics, Harris Drive,
Ottery,
Cape Town, 7800

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Bowler Metcalf Limited
(Incorporated in the Republic of South Africa)
(Registration number 1972/005921/06)
("Bowler Metcalf" or "the Company")
Share code: BCF ISIN: ZAE000030797

FORM OF PROXY

For use by certificated and "own name" dematerialised shareholders only

For use by certificated and "own name" registered dematerialised shareholders of the Company at the general meeting of Bowler Metcalf to be held at Company's offices at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800 on Wednesday, 20 May 2015 at 09h00.

If dematerialised shareholders, other than own name dematerialised shareholders have not been contacted by their CSDP or broker with regard to how they wish to cast their vote, they should contact their CSDP or broker and instruct their CSDP or broker as to how they wish to cast their vote at the General Meeting in order for their CSDP or broker to vote in accordance with such instructions. If dematerialised shareholders, other than own name dematerialised shareholders, have not been contacted by their CSDP or broker it would be advisable for them to contact their CSDP or broker, as the case may be, and furnish them with their instructions.

Dematerialised shareholders who are not own-name dematerialised shareholders and who wish to attend the General Meeting must obtain their necessary letter of representation from their CSDP or broker, as the case may be and submit same to the transfer secretaries to be received by no later than 09h00, on Monday, 18 May 2015. This must be done in terms of the agreement entered into between the dematerialised shareholder and their CSDP or broker. If the CSDP or broker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. Such dematerialised shareholders, other than own-name dematerialised shareholders, must not complete this form of proxy and should read note 11 of the overleaf.

I/We (please print names in full) _____

of (address) _____

being the holder/s of _____ ordinary shares of no par value in Bowler Metcalf, appoint (see note 1):

1. _____

2. or failing him, _____

3. the chairperson of the general meeting,

as my/our proxy to act for me/us and on my/or behalf at the general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

	For	Against	Abstain
Ordinary Resolution Number 1 Approval to dispose of Quality Beverages			
Special Resolution Number 1 Approval of financial assistance			
Ordinary Resolution Number 2 Enabling resolution			

Signed at _____ on _____ 2015

Signature Assisted by me (where applicable)

Name	Capacity	Signature
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NOTES TO THE FORM OF PROXY

1. This form is for use by certificated shareholders and dematerialised shareholders with "own-name" registration whose shares are registered in their own names on the record date and who wish to appoint another person to represent them at the general meeting. If duly authorised, companies and other corporate bodies who are shareholders having shares registered in their own names may appoint a proxy using this form, or may appoint a representative in accordance with the last paragraph below.
Other shareholders should not use this form. All beneficial holders who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker, and do not have their shares registered in their own name, must provide the CSDP or broker with their voting instructions. Alternatively, if they wish to attend the general meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the CSDP or broker.
2. This proxy form will not be effective at the general meeting unless received by the transfer secretaries of the Company at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, Johannesburg, Republic of South Africa, 2107), not later than 09h00 on Monday, 18 May 2015.
3. This proxy shall apply to all the ordinary shares registered in the name of shareholders at the record date for voting unless a lesser number of shares are inserted.
4. A shareholder may appoint one person as his proxy by inserting the name of such proxy in the space provided. Any such proxy need not be a shareholder of the Company. If the name of the proxy is not inserted, the chairman of the general meeting will be appointed as proxy. If more than one name is inserted, then the person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of any persons whose names follow. The proxy appointed in this proxy form may delegate the authority given to him in this proxy by delivering to the Company, in the manner required by these instructions, a further proxy form which has been completed in a manner consistent with the authority given to the proxy of this proxy form.
5. Unless revoked, the appointment of proxy in terms of this proxy form remains valid until the end of the general meeting even if the general meeting or a part thereof is postponed or adjourned.
6. If
 - 6.1 a shareholder does not indicate on this instrument that the proxy is to vote in favour of or against or to abstain from voting on any resolution; or
 - 6.2 the shareholder gives contrary instructions in relation to any matter; or
 - 6.3 any additional resolution/s which are properly put before the general meeting; or
 - 6.4 any resolution listed in the proxy form is modified or amended, the proxy shall be entitled to vote or abstain from voting, as he thinks fit, in relation to that resolution or matter. If, however, the shareholder has provided further written instructions which accompany this form and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in 6.1 to 6.4, then the proxy shall comply with those instructions.
7. If this proxy is signed by a person (signatory) on behalf of the shareholder, whether in terms of a power of attorney or otherwise, then this proxy form will not be effective unless:
 - 7.1 it is accompanied by a certificated copy of the authority given by the shareholder or the shareholder to the signatory; or
 - 7.2 the Company has already received a certificated copy of that authority.
8. The chairman of the general meeting may, at his discretion, accept or reject any proxy form or other written appointment of a proxy which is received by the chairman prior to the time when the general meeting deals with a resolution or matter to which the appointment of the proxy relates, even if that appointment of a proxy has not been completed and/or received in accordance with these instructions. However, the chairman shall not accept any such appointment of a proxy unless the chairman is satisfied that it reflects the intention of the shareholder appointing the proxy.
9. Any alterations made in this form of proxy must be initialed by the authorised signatory/ies.
10. This proxy form is revoked if the shareholder who granted the proxy:
 - 10.1 delivers a copy of the revocation instrument to the Company and to the proxy or proxies concerned, so that it is received by the Company by not later than 09h00 on Monday, 18 May 2015; or
 - 10.2 appoints a later, inconsistent appointment of proxy for the general meeting; or
 - 10.3 attends the general meeting in person.
11. If duly authorised, companies and other corporate bodies who are shareholders of the Company having shares registered in their own name may, instead of completing this proxy form, appoint a representative to represent them and exercise all of their rights at the general meeting by giving written notice of the appointment of that representative. This notice will not be effective at the general meeting unless it is accompanied by a duly certified copy of the resolution/s or other authorities in terms of which that representative is appointed and is received by the transfer secretaries of the Company at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or at the Company's registered office at Bowler Plastics, Harris Drive, Ottery, Cape Town, 7800, Republic of South Africa, not later than the 09h00 on Monday, 18 May 2015.

Summary of rights established by Section 58 of the Companies Act, 71 of 2008 ("Companies Act"), as required in terms of subsection 58(8)(b)(i)

1. A shareholder may at any time appoint any individual, including a non-shareholder of the Company, as a proxy to participate in, speak and vote at a shareholders' meeting on his or her behalf (Section 58(1)(a)), or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60 (shareholders acting other than at a meeting) (Section 58(1)(b)).
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 or expires earlier in terms of paragraph 10.4 below (Section 58(2)).
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder (Section 58(3)(a)).
4. A proxy may delegate his or her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument") (Section 58(3)(b)).
5. A copy of the proxy instrument must be delivered to the Company, or to any other person acting on behalf of the Company, before the proxy exercises any rights of the shareholder at a shareholders' meeting (Section 58(3)(c)) and in terms of the memorandum of incorporation ("MOI") of the Company at least 48 hours before the meeting commences.
6. Irrespective of the form of instrument used to appoint a proxy:
 - 6.1 the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (Section 58(4)(a));
 - 6.2 the appointment is revocable unless the proxy appointment expressly states otherwise (Section 58(4)(b)); and
 - 6.3 if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company (Section 58(4)(c)).
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above (Section 58(5)).
8. If the proxy instrument has been delivered to a Company, as long as that appointment remains in effect, any notice required by the Companies Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (Section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (Section 58(6)(b)).
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise (Section 58(7)).
10. If a Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 10.1 the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised (Section 58(8)(a));
 - 10.2 the invitation or form of proxy instrument supplied by the Company must:
 - 10.2.1 bear a reasonably prominent summary of the rights established in Section 58 of the Companies Act (Section 58(8)(b)(i));
 - 10.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (Section 58(8)(b)(ii)); and
 - 10.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting (Section 58(8)(b)(iii));
 - 10.3 the Company must not require that the proxy appointment be made irrevocable (Section 58(8)(c)); and
 - 10.4 the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above (Section 58(8)(d)).