Nampak
packaging excellence

2016 FINANCIAL STATEMENTS

Contents

Directors' responsibility for annual financial statements

for the year ended 30 September 2016

The directors of the company are responsible for the preparation and integrity of the annual financial statements and related financial information included in this report. The annual financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards and the requirements of the Companies Act, No 71 of 2008, and incorporate full and responsible disclosure in line with the accounting philosophy of the group.

The directors are responsible for the internal controls and management enables the directors to meet these responsibilities. Adequate accounting records and internal controls and systems have been maintained to provide reasonable assurance on the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability for the group's assets. Such controls are based on established policies and procedures and are implemented by trained personnel with appropriate segregation of duties.

The board is responsible for ensuring that the company maintains a sound and effective system of internal controls and risk management. The audit committee assessed the effectiveness of the system of internal controls and risk management for the year under review, principally through self-assessment by, and information from, management and reports from the internal and external auditors. Based on these processes and reports, the board is of the opinion that the company's system of internal control and risk management is effective and provides reasonable assurance on the integrity and reliability of the financial statements and the safeguarding of the company's assets.

It is the responsibility of the independent auditors to report on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

The annual financial statements of the year ended 30 September 2016, set out on pages 5 to 91, were approved by the board of directors at its meeting on 21 November 2016 and are signed on its behalf by:

TT Mboweni
Chairman

A de Ruyter
Chief executive officer

Preparer of financial statements

The annual financial statements have been prepared under the supervision of GR Fullerton CA(SA).

GR Fullerton
Chief financial officer

Certificate by company secretary

In terms of section 88(2)(e) of the Companies Act, No 71 of 2008, I certify that the company has lodged with the Commissioner all such returns and notices required by the Companies Act and that all such returns and notices are true, correct and up to date.

NP O'Brien
Company secretary

Independent auditor's report

To the shareholders of Nampak Limited

We have audited the consolidated and separate financial statements of Nampak Limited, as set out on pages 9 to 91, which comprise the statements of financial position as at 30 September 2016, and the statements of financial performance, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated and separate financial statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our 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 about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated and separate 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Nampak Limited as at 30 September 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act of South Africa

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2016, we have read the directors' report, the audit committee's report and the certification by the company secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on other legal and regulatory requirements

In terms of the Independent Regulatory Board for Auditors (IRBA) Rule published in *Government Gazette* Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Nampak Limited for 48 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: Trushar Kalan
Partner

21 November 2016

Buildings 1 and 2
Deloitte Place
The Woodlands Office Park
Woodlands Drive
Woodmead
Sandton

River Walk Office Park
41 Matroosberg Road
Ashley Gardens
Pretoria

Audit committee report

Introduction

The audit committee presents its report for the financial year ended 30 September 2016. The committee has discharged all its responsibilities and carried out all the functions assigned to it in terms of section 94(7) of the Companies Act, No 71 of 2008, and as contained in the committee's charter.

Membership

Shareholders appointed four members to the committee for the 2016 financial year at the annual general meeting on 3 February 2016. The current members are as follows:

Name	Date of first appointment
CWN Molope (chairperson)*	1 June 2007
RC Andersen	21 November 2008
NV Lila	27 March 2014
IN Mkhari	27 March 2014

** Mrs Molope will step down as a member of the audit committee at the company's annual general meeting on 1 February 2017.*

Shareholders will be requested to approve the appointment of committee members for the 2017 financial year at the annual general meeting to be held on 1 February 2017. Following the decision of the chairperson to step down on 1 February 2017, the board has recommended that the remaining three members of the committee be re-elected by shareholders. A communication will be sent to shareholders in due course about the election of a fourth member to the committee.

The CVs of the committee members and their attendance at committee meetings can be found on page 69 and pages 74 and 75 of the 2016 integrated report.

Meetings

The committee meets at least twice per year and during the year under review the committee met six times. Out of the six meetings which were held, three were special committee meetings which considered Nampak Glass capitalisation and depreciation of furnace 3. The group chairman, chief executive officer (CEO), chief financial officer (CFO), internal auditors and external auditors all attend meetings of the committee by invitation. At its meetings, the committee reviews the group's financial results, receives and considers reports from the internal and external auditors on the results of their work and attends generally to its responsibilities. The committee also meets separately with the internal and external auditors to obtain assurance that they have received full cooperation from management, while the committee chairperson meets regularly with key executives to review issues which require consideration by the committee.

Role of the committee

The committee operates within written terms of reference which are reviewed and updated regularly. A copy of the charter is available on the company's website http://www.nampak.com/content/documents/about/audit-committee-charter.pdf.

The responsibility of the committee includes:

- the nomination for appointment as auditor of the company of a registered auditor who, in the opinion of the committee, is independent of the company;
- the determination of the fees to be paid to the auditor and the auditor's terms of engagement;
- the determination of the nature and extent of any non-audit services which the auditor may provide to the company;
- the pre-approval of any proposed contract with the auditor for the provision on non-audit services to the company;
- the evaluation of the performance of the external auditor;
- the review and evaluation of the effectiveness of the internal controls of the group (with reference to the findings of both the internal and external auditors);
- monitoring and supervising the effective function of internal audit;
- the appointment, performance assessment and dismissal of the chief internal audit executive;
- the review of the annual financial statements, the interim reports and any other announcement regarding the group's results or other financial information to be made public;
- review of the process for financial reporting;
- monitoring compliance with laws and regulations, material pending litigation, material defalcations, risk management, insurance covers, important accounting issues and specific disclosures in the financial statements; and
- review and evaluation of the expertise and experience of the CFO.

Discharge of responsibilities

During the year under review the committee:

- reviewed the interim and annual financial statements and recommended them for approval by the board;
- reviewed the integrated report for 2016 and recommended it for approval by the board;
- reviewed and satisfied itself that the company's finance function was adequately resourced by people with appropriate expertise and experience and that the internal financial controls were effective;
- satisfied itself that the CFO, Mr Glenn Fullerton, has appropriate expertise and experience;
- resolved to continue to outsource the internal audit function to EY during the financial year;
- approved the internal audit plans;
- received and reviewed reports from both the internal and external auditors, which included commentary on effectiveness of the internal control environment, systems and processes and, where appropriate, made recommendations to the board;

Audit committee report continued

- reviewed the independence of the external auditors, Deloitte & Touche, and recommended them for appointment at the annual general meeting as auditors for the 2017 financial year, with Mr Trushar Kalan as the designated auditor. Mr Trushar Kalan was initially appointed as the individual registered auditor during the financial year ended 30 September 2015;
- ensured that the appointment of the external auditors complied with the provisions of the Companies Act, No 71 of 2008, and other legislation relating to the appointment of auditors;
- determined the fees to be paid to the external and internal auditors and their terms of engagement;
- determined the nature and extent of non-audit services which may be provided by the external auditors and pre-approved the contract terms for the provision of non-audit services by the external auditors;
- noted that it had not received any complaints, from within or outside the company, relating to the accounting practices and internal audit of the company, to the content or auditing of its financial statements, or any related matter;
- was responsible for the oversight of financial reporting risks, internal financial controls, fraud risks as it relates to financial reporting and IT risks as it relates to financial reporting; and
- reviewed with management legal and regulatory matters that could have a material impact on the group.

General

The internal and external auditors have unrestricted access to the committee.

During the year, the committee performed the functions required of an audit committee on behalf of all subsidiary companies in South Africa which are required to have an audit committee in terms of the Companies Act, No 71 of 2008.

CWN Molope
Chairperson of the audit committee

21 November 2016

Directors' report

for the year ended 30 September 2016

Business of the company

Nampak is Africa's largest diversified packaging group. We are the market leader in manufacturing beverage cans in South Africa, Nigeria and Angola and have commanding positions in other metal, glass and plastic packaging in South Africa. We are the sole producer of cigarette cartons in Nigeria and a significant manufacturer of paper packaging in many other African countries. For more than 70 years we have invested in world-class facilities. We operate in 11 countries in Africa as well as in the United Kingdom and Ireland.

Our 6 678 people provide leading-edge packaging to our customers, some of whom are among the world's largest FMCG companies. Nampak has a well-resourced R&D facility that provides innovative solutions which fully support our varied customers' packaging requirements. We support recycling, reuse and recovery of used packaging. Our strategy is to unlock further value from our base business and accelerate growth in the rest of Africa.

Accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, No 71 of 2008. The principal accounting policies have been applied consistently with the previous year.

Borrowing facilities

Group gross borrowings at 30 September 2016 amount to R7 524.9 million (2015: R8 331.1 million). In terms of the company's memorandum of incorporation, the borrowing powers are unlimited. Details of the borrowings and facilities are set out in notes 1 and 15 to the annual financial statements.

Review of operations and results

Revenue increased by 10.7%, a pleasing performance in challenging trading conditions. Bevcan Nigeria and Nampak Glass recorded respective revenue growth in excess of 50% and Bevcan in Angola and our metals business in Nigeria posted increases in revenue in excess of 20%. Glass achieved a revenue growth of 18% after adjusting for the prior year turnover of R251 million generated and capitalised net of operating costs during the start-up phase. The performances in Nigeria and Angola are notable given the significant drop in oil prices in the year and expectations in some quarters that this would result in declining revenue for Nampak operations in these two oil-dependent countries. Stable production at our Glass operation in South Africa was fundamental to the growth in turnover and return to profitability.

Trading margins from operations increased from 9.8% to 10.5% primarily due to cost savings and the turnaround achieved in Glass. Increased centre costs related to unrealised foreign exchange losses on forward exchange contracts and project-related costs resulted in group trading margin declining from 10.6% in 2015 to 10.0% in the current year.

Good progress was made on settlement of the post-retirement medical aid liability accorded to South African pensioners younger than 75 years. At 30 September 2016, 475 pensioners had selected an annuity benefit in lieu of future subsidies by the company. At the closing date of the offer on 15 October 2016, 947 of 1 285 pensioners had responded with 73% of these pensioners opting for the alternative annuity offer. We will continue to trace the remaining pensioners so that they are given the same opportunity.

At 31 December 2015 the lock-in period of the BMT came to an end as per the trust deed. At this date, the shares necessary to repay the grant made by Nampak Ltd were sold and the proceeds repaid to Nampak. Current Nampak employees were given an option to roll their share rights to 15 February 2017 at which date they may choose to receive the shares. A further extension to 31 December 2017 will automatically apply if the shares are "under water" at the extension date of 15 February 2017. Of the total shares held, 23 655 988 shares were either sold or transferred to the beneficiaries of the trust.

Corporate activity

On 1 September 2016, the company's wholly owned subsidiary, Nampak Products Ltd, completed a sale and leaseback transaction with a company in the Collins Property Group, Imbali Props 21 (Pty) Ltd (Imbali), in terms of which Nampak Products Ltd sold 16 of its factory properties in South Africa to Imbali for a purchase price of R1.744 billion and simultaneously leased back 15 of the properties from Imbali.

Nampak also concluded the sale of Nampak Products Ltd's 50% shareholding in Sancella SA (Pty) Ltd with effect from 1 December 2015.

The following companies were reinstated during the year under review:

- Nampak Metal Packaging Ltd;
- Nampak Paper Ltd; and
- Southern Paper Industries (Pty) Ltd.

Share capital

	Authorised		Issued	
	Number of shares	R million	Number of shares	R million
Ordinary shares of 5 cents each	776 857 200	38.9	688 668 338	34.4
6.5% cumulative preference shares of R2 each	100 000	0.2	100 000	0.2
6% cumulative preference shares of R2 each	400 000	0.8	400 000	0.8
Redeemable preference shares of 5 cents each	100	–	–	–
		39.9		35.4

The issued ordinary share capital includes 48 784 062 treasury shares of which 3 713 207 are held by the Nampak Black Management Trust.

Share premium as at 30 September 2016: R250.7 million.

There were no changes to the 6.5% and 6% preference shares.

During the year, the issued ordinary share capital reduced as follows:

	Ordinary shares of 5 cents each
Issued at 30 September 2015	702 496 655
Red Coral share repurchase and cancellation	(14 969 114)
Ordinary shares allotted to employees other than directors in terms of the Nampak Deferred Bonus Plan (DBP)	153 234
Ordinary shares allotted to directors in terms of the DBP	18 104
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	844 188
Ordinary shares allotted to directors in terms of the PSP	111 440
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	13 831
Ordinary shares allotted to directors in terms of the SAP	–
Issued at 30 September 2016	688 668 338

Share plans

The Nampak Ltd Performance Share Plan and the Nampak Ltd Share Appreciation Plan

No further allocations of awards have been made in terms of the PSP and the SAP since 2009.

Details of the share plans are included in note 22 appearing on pages 55 to 60.

The tables following show the number of shares under award and the maximum number of shares which may be delivered. However, the actual number of shares which will be delivered to participants will depend on the extent to which performance conditions will be satisfied and, consequently, may be less than the number stated below:

The Nampak Ltd Share Appreciation Plan (SAP)

	2016	2015
Balance at the commencement of the financial year	115 500	305 681
Forfeitures/cancellations	(4 000)	(4 000)
Retirements	–	–
Rights forfeited due to under-achievement of performance criteria	–	–
Exercised	(111 500)	(186 181)
Balance at the end of the financial year	–	115 500
Number of participants	–	12

The Nampak Ltd Performance Share Plan 2009 (PSP 2009)

	2016	2015
Balance at the commencement of the financial year	2 876 176	3 668 994
Number of conditional shares awarded during the year:	1 208 391	669 432
Executive directors	573 026	260 003
Senior executives	635 365	409 429
Forfeitures/cancellations	–	(58 415)
Retirements	(38 822)	(110 992)
Rights forfeited due to under-achievement of performance criteria	(439 969)	(533 841)
Rights exercised	(831 319)	(759 002)
Balance at the end of the financial year	2 774 457	2 876 176
Number of participants	25	25

The Nampak Ltd Share Appreciation Plan 2009 (SAP 2009)

	2016	2015
Balance at the commencement of the financial year	3 426 011	5 105 940
Number of conditional shares awarded during the year:	3 297 395	3 098 325
Executive directors	256 694	130 320
Senior executives	3 040 701	2 968 005
Forfeitures/cancellations	(222 133)	(885 360)
Retirements	(149 955)	(49 384)
Rights forfeited due to under-achievement of performance criteria	(392 168)	(2 991 643)
Rights exercised	(6 900)	(851 867)
Balance at the end of the financial year	5 952 250	3 426 011
Number of participants	171	156

The Nampak Ltd Deferred Bonus Plan 2009 (DBP 2009)

Selected employees are able to apply up to a maximum of 50% of their after tax annual bonus to purchase bonus shares. Employees will receive a matching award, which is a conditional right to receive shares equal in value to the bonus shares held as at the respective vesting dates on a 1:1 basis. Vesting of the matching award is dependent upon continued employment and is not subject to the satisfaction of performance targets.

The DBP may be summarised as follows:

	2016	2015
Balance at the commencement of the financial year	307 560	423 331
Number of bonus shares purchased by employees during the year:	74 672	126 109
Executive directors	32 871	53 625
Senior executives	41 801	72 484
Number of bonus shares transferred/ sold to/by employees during the year:	(171 338)	(229 597)
Executive directors	(18 104)	(122 000)
Senior executives	(153 234)	(107 597)
Forfeitures	–	(3 301)
Retirements	–	(8 982)
Balance at the end of the financial year	210 894	307 560
Number of participants	16	15

Placement of unissued shares under the control of the directors for purposes of the share plans

In terms of resolutions passed by shareholders of the company at the annual general meeting held on 8 February 2006, no more than 7.13% of the total issued ordinary shares as at 24 January 2006 (46.4 million shares) may be set aside from the unissued share capital of the company for purposes of all share plans. The total unissued shares under the control of the directors for purposes of all share plans at 30 September 2016 is summarised adjacent:

Balance at the commencement of the financial year		18 476 043
Less:	Awards granted in terms of the PSP 2009 during the current financial year	(1 208 391)
Less:	Awards granted in terms of the SAP 2009 during the current financial year	(3 297 395)
Less:	Number of conditional shares awarded during the year and prior financial years in terms of DBP	(210 894)
Less:	Shares allotted in respect of dividends declared and paid during the current and prior financial years	(96 666)
Add:	Options forfeited during the current financial year	–
Add:	Awards forfeited in terms of the PSP during the current financial year	–
Add:	Awards forfeited in terms of the SAP during the current financial year	4 000
Add:	Awards forfeited in terms of the PSP 2009 during the current financial year	478 791
Add:	Awards forfeited in terms of the SAP 2009 during the current financial year	764 256
	Maximum available for future allocations	14 909 744

Maximum available for future allocations

The calculation above illustrates the maximum potential available shares for future allocations of all the share plans and it is unlikely that the maximum limit will be reached. This is because the SAP and the SAP 2009 are much less dilutive than conventional option plans, as only the appreciation in the share price is settled in shares. One award granted will therefore never result in a full share being issued.

In respect of the SAP 2009, the company will be limited to issuing no more than 18 000 000 (eighteen million) shares. This limit also takes into account awards granted under the SAP Trust in 2006.

In respect of the PSP 2009, the company will be limited to issuing no more than 9 000 000 (nine million) shares. This limit also takes into account awards already granted under the PSP Trust in 2006.

In respect of the DBP, the company will be limited to issuing no more than 5 000 000 (five million) shares.

Taking all the plans together, the company will be limited to issuing no more than 32 000 000 (thirty-two million) shares. This is the limit previously approved in respect of the SAP Trust and PSP Trust and does not increase the overall dilution of shareholders through the operation of the plans.

Dividends

Details of dividends paid, dealt with in the financial statements, are shown below:

Class of share	Dividend number	Cents per share (gross)	Declaration date	Last day to trade	Payment date
6% cumulative preference	94	6.00	26/11/2015	15/01/2016	25/01/2016
	95	6.00	12/07/2016	26/07/2016	01/08/2016
6.5% cumulative preference	94	6.50	26/11/2015	15/01/2016	25/01/2016
	95	6.50	12/07/2016	26/07/2016	01/08/2016

Ordinary dividend

After many years of applying a constant dividend policy of 1.55 times cover with a pay-out ratio of 64.5% of HEPS, driven primarily by corporate action rather than cash generation, in 2016 the board made the difficult decision to suspend the payment of both the interim and full year dividend. The decision was part of the group's balance sheet restructuring programme given the high historic gearing levels that arose from aggressive capital expenditure and corporate finance activities over the preceding five years and liquidity issues in Nigeria and Angola. Future dividends, which will be resumed if appropriate from the 2017 financial year, will be linked to cash generated in non-cash restricted countries and will be based on a 40% pay-out ratio taking into account capital expenditure requirements.

Directors and secretary

The names of the directors and secretary in office at 30 September 2016 are set out on pages 74 to 77 of the integrated annual report.

Ms NV Lila, Professor PM Madi and Messrs RC Andersen and PM Surgey retire by rotation in terms of the company's memorandum of incorporation but, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Ms NV Lila, Professor PM Madi and Messrs RC Andersen and PM Surgey do not have service contracts as non-executive directors.

Interests of directors and prescribed officers

The total direct and indirect beneficial and non-beneficial interests of the directors and prescribed officers of Nampak Ltd in the issued ordinary share capital of the company as at 30 September 2016 are shown below:

	Ordinary shares	
	2016	2015
Beneficial interests		
Executive directors		
AM de Ruyter	94 576	68 959
GR Fullerton	1 108	97
FV Tshiqi	190 726	141 241
Non-executive directors		
RC Andersen	31 000	31 000
Non-beneficial interests of directors	8	8
Beneficial interests		
Prescribed officers		
C Burmeister	144 917	57 136
M Khutama	791	–
RG Morris	350 833	286 461
EE Smuts	116 967	68 236
NP O'Brien	122 078	74 123

Dr RJ Khoza, an independent non-executive director, had an indirect, beneficial shareholding through his family trust in the ordinary share capital of the company as at 30 September 2016:

Name of director	2016	2015
RJ Khoza Family Trust	26 000	26 000

There have been no changes to the directors' shareholding outlined above since the financial year-end and to the date of this report.

Litigation statement

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of Nampak Ltd are aware) which may have a material effect on the financial position of the group.

Going concern

The directors believe that the company will be a going concern for the foreseeable future.

Special resolutions

The following special resolutions were passed during the year under review:

- Nampak Glass (Pty) Ltd passed special resolutions for a reduction in share capital in anticipation of its deregistration;
- Southern Paper Industries (Pty) Ltd passed a special resolution for the removal and appointment of directors;
- Nampak Paper Ltd passed a special resolution for the removal and appointment of directors; and
- Nampak Metal Packaging passed a special resolution for the removal of a director.

Retirement funds

Details of retirement funds are reflected in note 17 to the annual financial statements.

Subsidiary, joint venture and associate companies

Details of the company's significant subsidiaries, joint ventures and associates are given in Annexure B on pages 89 and 90.

Subsequent events

There have been no subsequent events from the reporting date up to the date of this report.

Accounting policies

for the year ended 30 September 2016

1. Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner as required by the Companies Act, No 71 of 2008.

The group annual financial statements are presented in South African rand, which is the currency in which the majority of the group's transactions are denominated. The group annual financial statements have been prepared on the going concern and historical cost basis, except for financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

The accounting policies set out below have been applied, in all material respects, consistently by all group entities to all periods presented in these consolidated financial statements.

During the year, the group embarked on a process to make changes to the way it organises and presents its explanatory notes to the financial statements motivated by the need to make financial statements easier to understand. These changes include removing accounting policies and disclosures that are immaterial.

Accounting policies which are useful to users, especially where particular accounting policies are based on judgement regarding choices within IFRS, have been disclosed. Accounting policies for which no choice is permitted in terms of IFRS have been included only if management concluded that the disclosure would assist users in understanding the financial statements as a whole, taking into account the materiality of the item being discussed. Accounting policies which are not applicable from time to time have been removed, but will be included if the type of transaction occurs in future.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts and related disclosures.

Estimates and underlying assumptions related to critical judgements 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.

Certain accounting policies have been identified as involving particularly complex or subjective judgements or assessments, as follows:

- **Net investment in a foreign operation**
  Management continually reviews the collectibility of amounts receivable by Nampak International Limited (NIL) in terms of intergroup loans to its operations based in Africa. NIL is the main holding company for the African operations and is based in the Isle of Man. Where management has decided that they will not seek repayment of loans in the foreseeable future, the outstanding balance is considered to be and is recognised as being part of NIL's net investment in these operations in accordance with the application of IAS 21 *The Effects of Changes in Foreign Exchange Rates* (paragraph 15). Consequently, any exchange differences on translation of the loan are recognised in profit or loss in the separate financial statements of the operation concerned, while on consolidation such exchange differences are recognised in other comprehensive income.
- **Estimates of asset useful lives and depreciation methods**
  Property, plant and equipment are depreciated over their useful life taking into account residual values. Useful lives are assessed annually. Useful lives are affected by technology innovations, maintenance programmes and future productivity. Future market conditions determine the residual values.
- **Impairment tests of assets**
  Impairment tests on property, plant and equipment are only done if there is an impairment indicator. Goodwill is tested for impairment annually. Future cash flows are based on management's estimate of future market conditions. These conditions may change after year-end.
- **Deferred tax assets**
  Deferred tax assets are recognised to the extent that it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates, and competitive forces.

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and subsidiaries of the group. A subsidiary is an entity over which the group has control. Control is achieved when the company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity. Non-controlling interests consist of the amount of the non-controlling shareholders' interests at the date of the original business combination and their share of changes in equity since the date of the combination.

Financial results of subsidiaries, joint ventures and associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

4. Business combinations

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquirer, and the fair value of the acquirer's previously held equity interest in the acquiree, if any, over the net of the acquisition date amounts of the identifiable assets acquired and liabilities and contingent liabilities assumed. If, after assessment of the group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the acquirer's consideration transferred, the amount of any non-controlling interests in the acquiree and the fair

4. Business combinations continued

value of the acquirer's previously held equity interests in the acquiree, if any, the excess is recognised immediately in profit or loss as a bargain purchase gain. All acquisition-related costs are recognised as expenses in the period in which the costs are incurred and the services received.

The choice of measurement basis of non-controlling interests is made on a transaction-by-transaction basis. Non-controlling interests are measured at fair value or at their proportionate share of the entity's net assets.

5. Investments in associates and joint ventures

Associates are those companies in which the group holds a long-term equity interest and is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures are those entities which are not subsidiaries and over which the group exercises joint control, which is defined as the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting. Losses of an associate and joint venture in excess of the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the associate or joint venture) are not recognised.

Where a group entity transacts with an associate or joint venture of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate or joint venture.

6. Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to each of the group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill is allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

7. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell. Impairment losses on the initial classification as held for sale and subsequent reassessments are accounted for in profit or loss. Non-current assets (and disposal groups) classified as held for sale, are not depreciated.

8. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales-related taxes. Revenue is measured net of cash discounts, settlement discounts and rebates given to customers.

Sales of goods are generally recognised when goods are delivered and title has passed. In isolated cases, goods are exported free on board. Revenue on services is recognised when the service has been performed.

Other revenue relates to transactions that do not form part of core business sales and the quantum of these transactions are not material. Other revenue is recognised in accordance with the sale of goods principle.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

9. Government grants

Government grants are initially recognised as deferred income when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant. Grants that compensate the group for expenses incurred are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate. Grants that compensate the group for the cost of an asset are recognised as deferred income and then recognised in comprehensive income or expenses on a systematic basis over the useful life of the asset.

10. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on the straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to

10. Leasing continued

enter into an operating lease are also spread on a straight-line basis over the lease term.

During the year, the group entered into a significant sale and leaseback transaction for 15 of its industrial properties at their carrying amount. The group has accounted for the transaction as an operating sale and leaseback as the significant risks and rewards of ownership have been transferred to, and remain with, the purchaser. The sales price for the properties is equal to their fair value, in effect, a normal sale transaction occurred and the profit on the sale has been recognised in profit or loss in the current period.

11. Foreign currencies

In order to hedge its exposure to certain foreign exchange risks, the group enters into derivative financial instruments. Further details are provided in the accounting policy relating to financial instruments.

12. Employee benefits

The cost of providing employee benefits is accounted for in the period in which the benefits are earned by employees.

Short-term employee benefits

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

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 and the obligation can be measured reliably.

Post-employment benefits

The group operates a number of defined contribution and defined benefit funds in compliance with relevant local legislation. The assets of the funds are held separately from those of the group and are administered either by trustees, which include elected employee representatives, or in some cases, by independent experts.

The group does not provide post-retirement medical benefits for employees who joined the company after 1 June 1996. The obligation in respect of medical benefits to employees and pensioners employed before that date is treated as defined benefit plans.

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to industry-managed retirement benefit schemes are dealt with as defined contribution plans where the group's obligations under the schemes are equivalent to those arising in a defined contribution retirement plan.

For defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted on a triennial basis with interim valuations performed on an annual basis.

Consideration is given to any event that could impact the funds up to the reporting date where interim valuations are performed at an earlier date using an independent valuation expert.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets.

Share-based payments

The group issues equity-settled share-based payments to certain employees. The Black Management Trust (BMT) issues shares to certain employees and therefore this is treated as an equity-settled share-based payment. However, in the event of death or disability of an employee, the settlement will be done in cash rather than equity. Therefore this component is treated as cash settled. The Share Appreciation Plan (SAP), Performance Share Plan (PSP) and Deferred Bonus Plan (DBP) are all treated as equity-settled schemes. Equity-settled share-based payments are measured at fair value, excluding the effect of non-market vesting conditions, at the date of grant. The fair value at the grant date of the BMT equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the shares that will eventually vest, excluding the effect of non-market vesting conditions. The expense for the PSP is recognised proportionately so that after the third year of the grant a participant will be entitled to a third of the shares, after the fourth year another third so that after five years the participant will be entitled to receive full rights under the plan.

The expenses for the SAP and DBP are also recognised proportionally, but the participant will be entitled to full rights after the third year of the grant/third year after which bonus shares were purchased.

Fair value is measured using various models as disclosed in the share-based payment note. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of estimated forfeitures, exercise restrictions and behavioural considerations.

Grants issued to employees of subsidiaries are treated as equity-settled share-based payments, with the subsidiaries recognising a corresponding increase in equity as a contribution from the parent. In the company annual financial statements, this contribution is treated as an investment in subsidiaries.

13. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

13. Taxation continued

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

14. Property, plant and equipment and investment property

Property, plant and equipment and investment property are stated at cost less accumulated depreciation and any accumulated impairment losses.

All costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and for qualifying assets, borrowing costs in accordance with the group's accounting policy are included in the carrying value of the asset. Costs also include an estimate of costs of dismantling and removing the item and restoring the site on which it is located. When parts of an item of property, plant and equipment have different useful lives or residual values, they are accounted for as separate items (major components).

Depreciation commences when the assets are ready for their intended use. Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method – other than for the Bevcan operations where the units of production method is applied. The latter method was applied for the Bevcan operations for the first time from 1 October 2015 and the change in method was accounted for as a change in estimate in accordance with IAS 16: *Property, Plant and Equipment* and IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. Depreciation is not provided in respect of land.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The average straight-line rates of depreciation used are:

Freehold buildings and investment property	30 to 50 years
Leasehold buildings	Shorter of asset life or the lease term
Plant and equipment	2 to 20 years
Furniture and equipment	4 to 10 years
Motor vehicles	2 to 10 years

Depreciation methods, useful lives and residual values are reassessed annually or when there is an indication that they have changed.

The gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

16. Intangible assets excluding goodwill

Included in intangible assets are patents, trademarks, capitalised research and development costs, ERP system costs and computer software costs.

Acquired computer software licences, patents and trademarks are measured at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Costs associated with development or maintaining computer software programs are recognised as the expense is incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates.

17. Impairment of assets

At each reporting date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset, or cash-generating unit, is estimated to be less than its carrying amount, the carrying amount of the asset, or cash-generating unit, is reduced to its recoverable amount.

17. Impairment of assets continued

Where an impairment loss subsequently reverses, the carrying amount of the asset, or cash-generating unit, is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years.

18. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost comprises direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

19. Financial instruments

Financial assets and financial liabilities are recognised on the group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured initially 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. 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.

Non-current financial assets

Non-current financial assets relate to held-to-maturity investments and available-for-sale investments. These are initially measured at fair value, plus directly attributable transaction costs.

At subsequent reporting dates, debt securities that the group has expressed intention or ability to hold to maturity (held-to-maturity securities) are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Instruments other than held-to-maturity debt securities are classified as available-for-sale financial assets, and are measured at subsequent reporting dates at fair value. Unrealised gains and losses arising from the revaluation of available-for-sale financial assets are recognised in other comprehensive income.

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. Bank overdrafts which are repayable on demand and form an integral part of the daily cash management are also included in cash and cash equivalents.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the group's accounting policy for borrowing costs.

Trade payables

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

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The group's activities expose it to the financial risks of changes in foreign exchange rates, interest rates and commodity prices.

The group uses derivative financial instruments, primarily foreign currency forward contracts, commodity futures and interest rate derivatives to hedge its risks associated with foreign currency and market fluctuations relating to certain firm commitments and forecast transactions. These derivatives are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The resulting gain or loss is recognised in profit or loss as it arises, unless the derivative is designated and effective as a hedging instrument.

19. Financial instruments continued

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gain or loss on the derivative that had previously been recognised in equity is included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in profit or loss in the same period in which the hedge item affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Gains and losses deferred in the foreign currency translation reserve are recognised in profit or loss on disposal of the foreign operation.

20. Provisions

Provisions are recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

21. Segment reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the group's chief operating decision-maker in order to allocate resources to the segment and assess the segment's performance.

22. Financial guarantees

The group regards financial guarantee contracts as insurance contracts and has used accounting applicable to insurance contracts. Liabilities in terms of the financial guarantees are only recognised when it is probable that economic benefits will flow from the group.

23. Adoption of new and revised International Financial Reporting Standards and circulars

23.1 New and revised International Financial Reporting Standards in issue and effective for the current financial year

The group adopted all amendments or improvements to standards or interpretations that became effective during the current financial year with no effect on the financial statements of the group. No new standards were effective for the current financial year and the group did not elect to adopt any of these standards earlier than their effective dates.

23.2 New and revised International Financial Reporting Standards in issue but not yet effective for the current financial year

At the date of authorisation of these financial statements, the following standards, amendments to existing standards and interpretations were in issue but not yet effective for the current year and have not been early adopted.

These standards, amendments and interpretations will be effective for annual periods beginning after the dates listed below:

- IFRS 9: *Financial Instruments*

  IFRS 9 is part of the IASB's project to replace IAS 39. This standard introduced new requirements for the classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost or fair value.

  The group anticipates that the application of IFRS 9 may have a significant impact on amounts reported in respect of the group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

  Effective date: annual periods beginning on or after 1 January 2018.

- IFRS 15: *Revenue From Contracts With Customers*

  The objective of IFRS 15 is to establish the principles that an entity should apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

23. Adoption of new and revised International Financial Reporting Standards and circulars continued

23.2 New and revised International Financial Reporting Standards in issue but not yet effective for the current financial year continued

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five step model framework:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognise revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgement.

The group has initiated the process of assessing the impact of IFRS 15 on its consolidated financial statements.

Effective date: annual periods beginning on or after 1 January 2018.

- IFRS 16: *Leases*

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The standard introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low-value assets. The new standard will have a material impact on the group.

IFRS 16 is effective for reporting periods beginning on or after 1 January 2019 with early application permitted for entities that apply IFRS 15 on or before the date of initial application of IFRS 16.

- Annual improvements to IFRS 2010 – 2012 cycle

In addition to the new standards, revisions and amendments to existing standards described above, several minor amendments to standards are effective for annual periods beginning on 1 January 2016.

The group anticipates that the adoption of these amendments in future periods will not have a material impact on the results, financial position and cash flows of the group.

- Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or
(b) when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

The group anticipates that the adoption of these amendments in future periods will not have any impact on the results, financial position and cash flows of the group.

24. Comparative figures

During the year, the group reassessed its disclosure of gains and losses arising from the translation of financial instruments.

Previously, all gains and losses arising from the translation of financial instruments were regarded as not being part of the normal trading activities of the group and therefore recognised as "abnormal gains and losses" (ie outside of trading profit) as defined and presented in the segmental report disclosure (note 2). Following this reassessment, only losses on the translation of financial instruments arising from the illiquidity in Angola and Nigeria were regarded as "abnormal" and have been disclosed as such, while other translation gains and losses were now regarded as being part of the group's normal trading activities and have therefore been recognised as being part of trading profit.

Consequently, trading profit from continuing operations for the comparative period has been restated to R1 839.6 million from R1 820.5 million, while trading profit from discontinued operations has been restated to R43.2 million from R56.9 million.

Consolidated statement of financial position

at 30 September 2016

	Notes	2016 R million	2015 R million
ASSETS			
Non-current assets			
Property, plant and equipment	3	10 567.1	11 016.9
Investment property	3	6.3	8.8
Goodwill	4	3 734.4	3 769.0
Other intangible assets	5	309.0	349.6
Investments in associates	6	19.8	22.0
Investments in joint ventures	7	7.9	9.4
Non-current financial assets	8	56.4	45.7
Deferred tax assets	9	70.6	145.3
		14 771.5	15 366.7
Current assets			
Inventories	10	3 376.7	3 890.6
Trade receivables and other current assets	11	3 109.0	3 404.4
Tax assets		11.2	12.0
Bank balances, deposits and cash equivalents	12	2 835.4	1 587.4
		9 332.3	8 894.4
Assets classified as held for sale	13	–	146.4
Total assets		24 103.8	24 407.5
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	35.4	36.1
Capital reserves	14	(121.4)	(405.0)
Other reserves	14	51.0	1 061.7
Retained earnings	14	9 238.5	8 109.6
Shareholders' equity		9 203.5	8 802.4
Non-controlling interest	14	241.0	370.0
Total equity		9 444.5	9 172.4
Non-current liabilities			
Loans and borrowings	15	6 202.1	4 212.0
Other non-current liabilities	16	37.0	61.6
Retirement benefit obligation	17	1 855.7	2 008.4
Deferred tax liabilities	9	230.1	329.2
		8 324.9	6 611.2
Current liabilities			
Trade payables and other current liabilities	18	4 668.7	4 183.3
Bank overdrafts and loans	15	1 322.8	4 119.1
Provisions	19	269.0	235.3
Tax liabilities		73.9	86.2
		6 334.4	8 623.9
Total equity and liabilities		24 103.8	24 407.5

Consolidated statement of comprehensive income

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
CONTINUING OPERATIONS			
Revenue	20	19 138.9	17 291.3
Raw materials and consumables used		10 041.5	9 304.5
Employee benefit expense		3 122.7	2 804.9
Depreciation and amortisation expense		911.7	802.3
Other operating expenses		3 156.2	2 877.3
Other operating income		256.0	179.1
Operating profit	21	2 162.8	1 681.4
Finance costs	23	527.5	316.6
Finance income	24	42.0	37.6
Share of net losses in associates	6	(1.3)	(2.6)
Share of net profits/(losses) in joint ventures	7	1.4	(1.2)
Profit before tax		1 677.4	1 398.6
Income tax expense/(benefit)	26	199.1	(57.5)
Profit after tax from continuing operations		1 478.3	1 456.1
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	29	–	(394.8)
Profit for the year		1 478.3	1 061.3
Other comprehensive (expense)/income for the year, net of tax			
Items that will not be reclassified to profit or loss			
Net actuarial loss from retirement benefit obligations		(491.0)	(9.6)
Items that may be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(509.4)	774.6
(Loss)/gain on cash flow hedges		(34.3)	56.8
Other comprehensive (expense)/income for the year, net of tax		(1 034.7)	821.8
Total comprehensive income for the year		443.6	1 883.1
Profit/(loss) attributable to:			
Owners of Nampak Ltd		1 610.4	1 043.2
Non-controlling interest in subsidiaries		(132.1)	18.1
		1 478.3	1 061.3
Total comprehensive income/(expense) attributable to:			
Owners of Nampak Ltd		572.6	1 794.0
Non-controlling interest in subsidiaries		(129.0)	89.1
		443.6	1 883.1
Earnings per share			
Basic (cents per share)	32		
Continuing operations		254.5	228.3
Discontinued operations		–	(62.7)
Total		254.5	165.6
Diluted (cents per share)	32		
Continuing operations		253.9	225.6
Discontinued operations		–	(61.9)
Total		253.9	163.7

Consolidated statement of changes in equity

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
Opening balance		9 172.4	7 883.1
Net shares issued during the year		28.9	74.9
Share-based payment expense/(income)		13.9	(2.6)
Share grants exercised		(28.8)	(75.0)
Share of movement in associate's and joint venture's non-distributable reserve		0.9	0.6
Non-controlling interest realised on disposal of subsidiary		–	2.6
Shares repurchased and cancelled		(0.8)	–
Treasury shares disposed		384.2	–
Transfer from hedging reserve to related assets		–	(4.9)
Increase in non-controlling shareholders' interest on consolidation of Zimbabwe associates		–	356.8
Total comprehensive income for the year		443.6	1 883.1
Dividends paid	31	(569.8)	(946.2)
Closing balance		9 444.5	9 172.4
Comprising:			
Share capital	14	35.4	36.1
Capital reserves	14	(121.4)	(405.0)
Share premium		250.7	221.9
Treasury shares		(557.9)	(827.6)
Share-based payments reserve		185.8	200.7
Other reserves	14	51.0	1 061.7
Foreign currency translation reserve		1 494.9	2 017.8
Financial instruments hedging reserve		18.8	53.1
Recognised actuarial losses		(1 466.6)	(975.6)
Share of non-distributable reserves in associates and joint ventures		3.7	4.5
Available-for-sale financial assets revaluation reserve		–	(38.3)
Other		0.2	0.2
Retained earnings	14	9 238.5	8 109.6
Shareholders' equity		9 203.5	8 802.4
Non-controlling interest	14	241.0	370.0
Total equity		9 444.5	9 172.4

Consolidated statement of cash flows

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
Cash flows from operating activities			
Cash receipts from customers		19 161.6	16 916.6
Cash paid to suppliers and employees		(16 336.3)	(15 190.1)
Cash generated from operations	36.1	2 825.3	1 726.5
Income from investments		–	7.4
Interest received		40.1	40.9
Interest paid		(561.5)	(417.3)
Retirement benefits, contributions and settlements		(161.0)	(364.9)
Income tax paid		(201.3)	(151.6)
Replacement capital expenditure		(475.7)	(1 352.6)
Cash flows from operations		1 465.9	(511.6)
Dividends paid		(575.5)	(946.2)
Cash generated from/(utilised in) operating activities		890.4	(1 457.8)
Cash flows from investing activities			
Expansion capital expenditure		(951.7)	(771.0)
Capitalised expenditure on group ERP systems and other intangible assets		(16.2)	(71.6)
Proceeds from sale and leaseback transaction		1 701.1	–
Proceeds from disposal of other property, plant, equipment, investments and non-current assets held for sale		186.7	145.3
Disposal of businesses	36.2	–	1 982.7
(Increase)/decrease in non-current financial assets and investments		(28.5)	51.0
Cash generated from investing activities		891.4	1 336.4
Cash flows from financing activities			
Non-current borrowings raised		2 665.5	558.3
Non-current borrowings repaid		(1 036.8)	(1 887.0)
Net current borrowings raised/(repaid)		339.7	(160.0)
Proceeds from disposal of treasury shares		384.2	–
Capital raised from issue of shares		28.9	74.9
Shares repurchased and cancelled		(0.8)	–
Cash raised/(repaid) in financing activities		2 380.7	(1 413.8)
Net increase/(decrease) in cash and cash equivalents		4 162.5	(1 535.2)
Net overdraft at beginning of year		(2 084.9)	(681.0)
Cash acquired on consolidation of Zimbabwe associates		–	44.1
Translation of cash in foreign subsidiaries		(235.6)	87.2
Cash and cash equivalents/(net overdraft) at end of year	36.3	1 842.0	(2 084.9)

1. Financial risk management

Capital risk management

The group manages its capital to ensure that entities in the group and the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The group's objectives when managing capital are to provide an adequate return to shareholders, to appropriately gear the business, to safeguard the ability of the group to continue as a going concern and to take advantage of opportunities that are expected to provide an adequate return to shareholders.

In order to optimise the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue or buy back shares or sell assets to reduce debt. In line with this strategy, the group did not declare interim or final dividends for the year (note 31) and entered into a sale and leaseback transaction for 15 of its industrial properties in South Africa (note 27) among other measures applied.

The group monitors capital based on its gearing ratio and net debt to EBITDA ratio. These ratios are calculated as net debt divided by total equity and EBITDA respectively.

Financial risk management objectives

The group's corporate treasury provides services to the business, coordinates access to domestic and international financial markets and monitors and manages the financial risks relating to the operations of the group. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The main risk areas to which the group is exposed are interest rates, liquidity, currency and commodity prices. Selected derivative and non-derivative hedging instruments are used to hedge risks. Hedging instruments are used to cover risks that affect the group's cash flows and are not used for trading or speculative purposes.

Treasury management, reporting to the chief financial officer, is responsible for considering and managing the group's day-to-day financial market risks by adopting strategies within the guidelines set by the treasury policy manual and approved by the risk and sustainability committee. Certain transactions require prior approval of the board of directors.

Compliance with policies and exposure limits are periodically reviewed by the internal auditors.

There has been no change to the group and company's exposure to market risk or the manner in which these risks are managed and measured.

Interest rate risk management

Interest rate risk is the possibility that the group may suffer financial loss due to adverse movements in interest rates. The group is exposed to interest rate risks mainly in South Africa and the Isle of Man. To minimise the effects of interest rate fluctuations in these countries, the group manages the interest rate risk for net debt denominated in rand and dollar separately. Interest rate hedging activities are reviewed regularly to ensure compliance with acceptable risk tolerance levels.

The rand and dollar interest rate risks are mainly managed on a floating rate basis using derivative instruments, where appropriate, to limit the effects of adverse movements in rates.

There were no interest rate derivatives in place during the year.

1. Financial risk management continued

Interest rate risk management continued

The risk profile of interest-bearing financial assets and liabilities at 30 September:

	Floating rate liabilities R million	Fixed rate liabilities R million	Floating rate assets R million	Net liability/ (asset) R million
South African rand	1 827.1	–	(83.3)	1 743.8
UK pound	–	–	(52.5)	(52.5)
US dollar	3 291.2	2 393.2	(2 366.2)	3 318.2
Other currencies	13.4	–	(397.6)	(384.2)
Total at 30 September 2016	5 131.7	2 393.2	(2 899.6)	4 625.3
South African rand	3 200.2	–	(214.2)	2 986.0
UK pound	–	–	(155.3)	(155.3)
US dollar	2 697.1	2 414.1	(862.8)	4 248.4
Other currencies	19.7	–	(516.7)	(497.0)
Total at 30 September 2015	5 917.0	2 414.1	(1 749.0)	6 582.1

	2016		2015	
Weighted average interest rates are as follows:	Bank balances %	Borrowings* %	Bank balances %	Borrowings* %
South African rand	6.7	8.2	5.3	6.9
UK pound	0.1	–	0.1	–
US dollar	4.3	3.9	0.2	3.3

Borrowings include overnight call facilities.

Sensitivity analysis

If the market interest rates had been 100 basis points higher/lower at 30 September 2016 profit or loss would have been R51.3 million lower/higher (2015: R59.2 million).

The amount of R51.3 million (2015: R59.2 million) is calculated based on the assumption that the daily average weighted cost of borrowings was higher/lower by 100 basis points throughout the year and such rate was applied to the borrowings as at year-end. This would not necessarily equate to the actual profit or loss as year-end borrowings do not reflect actual borrowings throughout the year.

1. Financial risk management continued

Liquidity risk management

Liquidity risk is the possibility that the group may suffer financial loss through liquid funds not being available or that excessive finance costs must be paid to obtain funds to meet payment requirements. The ultimate responsibility for liquidity risk management rests with the board of directors. The group manages liquidity risk through forecasting and monitoring cash flow requirements on a daily basis, and by maintaining sufficient undrawn facilities.

To reduce credit risk, banking facilities are entered into only with leading financial institutions.

The sharp fall in oil prices from above US$110 a barrel in mid-2014 to below US$30 in early 2016 led to a steep decline in the value of the currencies of oil-exporters Angola and Nigeria. During the year, the Angolan kwanza and the Nigerian naira weakened by 23% and 58% respectively against the US dollar, pressuring public finances and leading to shortages in hard currencies. Significant regulatory uncertainty in Nigeria before and after the unpegging of the naira on 20 June 2016 placed significant pressure on Nampak's ability to receive US dollar allocations.

A considerable amount of management attention has been applied to these liquidity constraints.

At 30 September, the kwanza equivalent of US$45 million (2015: nil) has been hedged through US dollar indexed Angolan kwanza bonds in order to protect the group against further Angolan kwanza devaluation. The Angola liquidity position has been somewhat better than the previous year under review.

Nigerian liquidity has remained challenging despite the announcement by the Nigerian Central Bank on 17 June 2016 that it would float its currency on 20 June 2016. In Nigeria, US$27 million has been secured in deliverable forward exchange contracts with maturity dates post-year-end with the majority maturing in November 2016.

Accordingly, R990 million (50%) of the group's cash holdings in Nigeria and Angola were hedged at year-end.

Due to these liquidity constraints the group experienced difficulties in timeously converting the bank balances (in local currency) of the operations into US dollars in order to settle US dollar-denominated group commitments. This combined with the weakened Angolan and Nigerian currencies, resulted in total foreign exchange losses for the group of R681.0 million (2015: R160.5 million) which have been reclassified to abnormal losses as they are not directly attributable to normal trading (refer note 2).

The group remains committed to the operations in these countries with the overall long-term investment rationale based on the demographics underpinning growth in packaging being sound. The group has adequate funding for operations in the rest of Africa and is well positioned to benefit in the medium to long term.

Significant liquid resources were held at year-end. The group had the following undrawn facilities available at 30 September:

	South Africa R million	Rest of Africa R million	Europe R million	Total R million
Expiry period at 30 September 2016				
One year	5 730.0	112.4	851.0	6 693.4
Total	5 730.0	112.4	851.0	6 693.4
Expiry period at 30 September 2015				
One year	2 251.0	59.9	1 285.9	3 596.8
Total	2 251.0	59.9	1 285.9	3 596.8

1. Financial risk management continued

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities at 30 September was as follows:

	Notes	Carrying amount R million	Current year R million	1 – 2 years R million	2 – 3 years R million	3 – 4 years R million	Over 4 years R million
At 30 September 2016							
Financial assets							
Non-current financial assets	8	56.4	–	7.2	5.6	5.9	37.7
Trade receivables and other current assets[1]	11	2 897.9	2 897.9	–	–	–	–
Bank balances, deposits and cash equivalents	12	2 835.4	2 835.4	–	–	–	–
Total		5 789.7	5 733.3	7.2	5.6	5.9	37.7
Financial liabilities							
Non-current loans and borrowings	15	6 202.1	–	2 320.2	1 052.2	1 720.6	1 109.1
Trade payables and other current liabilities	18	4 668.7	4 668.7	–	–	–	–
Bank overdrafts and loans	15	1 322.8	1 322.8	–	–	–	–
Total		12 193.6	5 991.5	2 320.2	1 052.2	1 720.6	1 109.1
Total at 30 September 2015							
Financial assets							
Non-current financial assets	8	45.7	–	9.8	3.9	3.6	28.4
Trade receivables and other current assets	11	3 166.2	3 166.2	–	–	–	–
Bank balances, deposits and cash equivalents	12	1 587.4	1 587.4	–	–	–	–
Assets classified as held for sale[2]	13	122.2	122.2	–	–	–	–
Total		4 921.5	4 875.8	9.8	3.9	3.6	28.4
Financial liabilities							
Non-current loans and borrowings	15	4 212.0	–	455.1	464.2	869.9	2 422.8
Trade payables and other current liabilities[3]	18	4 177.6	4 177.6	–	–	–	–
Bank overdrafts and loans	15	4 119.1	4 119.1	–	–	–	–
Total		12 508.7	8 296.7	455.1	464.2	869.9	2 422.8

[1] *Prepayments are excluded from trade receivables and other current assets.*
[2] *Amount relates to a loan to Sancella (Pty) Ltd reclassified to assets held for sale.*
[3] *Shareholders for dividends are excluded from trade payables and other current liabilities.*

Currency risk management

Currency risk is the possibility that the group may suffer financial loss as a consequence of the depreciation in the measurement currency relative to the foreign currency prior to payment of a commitment in that foreign currency or the measurement currency strengthening prior to receiving payment in that foreign currency. The group also has translation risk arising from the consolidation of foreign operations into South African rand. Risks from foreign currencies for trading purposes are hedged to the extent that they influence the group's cash flows.

It is group policy that all foreign exchange exposures of the South African divisions are hedged. Net currency exposures and hedging positions are centrally controlled and managed for South African operations. The currency exposure of the group's rest of Africa and European operations is centrally controlled and managed by the operations themselves. Speculative positions are not permitted.

The group uses forward exchange contracts (FECs) in particular, together with other hedging instruments such as swaps and options, to manage transactional currency risks. Specific translation risks are managed through the selective use of options and hedge positions. In South Africa, all capital commitments are required to be designated as a cash flow hedge. These hedges are tested for hedge effectiveness on a regular basis. In the current year, a loss on the fair value of FECs amounting to R34.3 million (2015: R56.8 million gain) was taken to equity. When risks and rewards of ownership transfer to the group, an adjustment to the carrying value will be made against the assets. There were no adjustments against the carrying amount of assets during the year (2015: R4.9 million).

1. Financial risk management continued

Currency risk management continued

Material concentrations of currency risk exists within the group's Angola and Nigeria operations which are responsible for forex losses on the devaluation of the currencies against the US dollar. These currency risks mainly affect cash, cash equivalents and trade receivables.

Where material concentrations of currency risk exists within the group, a sensitivity analysis was performed to calculate what the decrease in profit or loss for the year would have been if the affected individual currencies weakened against the US dollar.

At 30 September 2016, the total possible decrease in profit or loss, calculated for the estimated currency movements, was R118.9 million with the kwanza/US dollar and naira/US dollar exchange rate (with an expected 10% devaluation). These changes had no material effect on the group's equity.

The amounts were calculated with reference to the financial instruments, exposed to currency risk at the reporting date and does not reflect the group's exposure throughout the reporting period as these balances may vary significantly due to the self-funding nature of the group's required working capital and cyclical nature of cash received from sale of merchandise. The possible currency movements were determined based on management's best estimates taking into account prevailing economic and market conditions and future expectations.

Currency conversion guide at 30 September	2016	2015
Statement of comprehensive income (average)		
Rand/UK pound	21.07	18.56
Rand/Euro	16.43	13.77
Rand/US dollar	14.79	12.02
Kwanza/US dollar	161.57	114.52
Naira/US dollar	229.60	191.21
Statement of financial position (spot)		
Rand/UK pound	17.80	20.97
Rand/Euro	15.42	15.50
Rand/US dollar	13.72	13.86
Kwanza/US dollar	171.72	140.06
Naira/US dollar	315.00	199.00

Sensitivity analysis

The primary currency risk relates to movements in the exchange rates with the US dollar, UK pound and euro.

If the exchange rates with these currencies had weakened by 5% at 30 September 2016, with all other variables held constant, the impact on profit and loss for the year would have been a decrease of R35.5 million (2015: R51.4 million). Conversely, if the exchange rates with these currencies strengthened by 5%, profit and loss would increase by R35.5million (2015: R51.4 million).

1. Financial risk management continued

Currency risk management continued

In South Africa, all imports, exports and capital commitments are fully hedged once they are firm and ascertainable. The values of open forward exchange contracts (FECs) entered into at 30 September and their expected maturity profiles are:

	Average contract rate		Notional amount net imports		Fair value (liability)/asset	
	2016 R	2015 R	2016 R million	2015 R million	2016 R million	2015 R million
Fair value hedges and FECs						
US dollar						
Less than 3 months	14.68	13.22	(136.0)	391.8	(22.0)	53.5
3 to 6 months	14.96	12.87	(98.1)	(92.7)	(4.5)	10.9
6 to 9 months	15.31	13.61	(145.4)	(77.6)	(9.3)	4.4
Greater than 9 months	14.95	14.13	(29.9)	(17.7)	(0.4)	0.6
Euro						
Less than 3 months	16.43	14.70	(202.9)	(111.3)	(6.8)	14.9
3 to 6 months	17.23	15.06	(62.2)	(34.4)	(3.9)	4.5
6 to 9 months	17.73	14.94	(29.5)	(11.5)	(2.5)	1.0
UK pound						
Less than 3 months	21.84	20.32	(5.9)	(130.4)	10.0	0.7
Other						
Less than 3 months	4.35	13.15	2.5	48.4	(1.1)	12.8
					(40.5)	103.3

Commodity price risk management

Commodity price risk is the risk that the group may suffer financial loss when a fluctuating price contract is entered into and commodity prices increase or when a fixed price agreement is entered into and commodity prices fall. The group uses derivative instruments, including forward agreements and futures, to hedge commodity risk.

The values of open future contracts entered into at 30 September and their expected maturity profiles are:

	Average contract rate		Notional amount		Fair value (liability)/asset	
	2016 R	2015 R	2016 R million	2015 R million	2016 R million	2015 R million
Less than 3 months	23 669	22 450	(33.3)	(12.3)	(1.0)	(0.4)
3 to 6 months	23 222	–	(28.4)	–	0.5	–
6 to 9 months	23 225	–	(9.9)	–	0.3	–
					(0.2)	(0.4)

Sensitivity analysis

If commodity prices relevant to the group had been 5% higher/lower and all other variables remained constant, profit for the year would have been R3.1 million lower/higher (2015: R0.04 million higher/lower).

At year-end, the primary commodity exposure that the group had related to the purchase price of aluminium.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group.

Potential concentrations of credit risk consist principally of cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as trade debtors. The credit risk on liquid funds and derivative financial instruments is limited because the group's counterparties are major banks of high standing.

Trade debtors comprise a large, widespread customer base. Ongoing credit evaluations on the financial condition of customers are performed, taking into account financial position and past experience.

The group does not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for at year-end.

1. Financial risk management continued

Carrying amount of financial instruments

The group's financial instruments consist mainly of investments, bank balances, deposits and cash equivalents, trade receivables and other financial assets, trade payables and other financial liabilities, interest-bearing borrowings and derivative financial instruments.

The following financial assets and financial liabilities are reflected at their carrying amount at year-end, and not measured at fair value due to their relative short-term nature or other measurement requirements:

Loans and other non-current receivables: the carrying amount of loans and receivables is shown at amortised cost.

Available-for-sale financial assets: these assets consist of unlisted investments and management is of the opinion that the carrying amount of these investments approximates their cost. These investments have no quoted market price in an active market, and are thus shown at cost as the fair value cannot be reliably measured. The investments have also been assessed for impairment, and no indicators were identified.

Bank balances, deposits and cash equivalents: these financial assets are measured at amortised cost.

Trade receivables and other financial assets: these financial assets are measured at amortised cost.

Trade payables and other financial liabilities: these financial liabilities are measured at amortised cost.

Non-current and current borrowings: the carrying amounts of non-current and current borrowings are shown at amortised cost.

The following financial assets and financial liabilities are carried at fair value at year-end:

Derivative financial instruments: derivative financial instruments are measured at fair value based on calculations using mark-to-market valuations.

The group's financial instruments carried at fair value are classified into three categories defined as follows:

Level 1 — financial instruments are those that are valued using unadjusted quoted prices in active markets for identical financial instruments. The group had no level 1 financial instruments at year-end.

Level 2 – financial instruments are those valued using techniques based primarily on observable market data. Instruments in this category are valued using quoted prices for similar instruments or identical instruments in markets which are not considered to be active, or valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. Financial instruments classified as level 2 consist of forward exchange contracts and commodity futures (as set out above) and their fair value is determined using the contract exchange rate at measurement date, with the resulting value discounted back to the present value.

Level 3 – financial instruments are those valued using techniques that incorporate information other than observable market data. Instruments in this category have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data. The group had no level 3 financial instruments at year-end.

The carrying amounts of financial instruments as presented on the statement of financial position are measured as follows:

	Notes	Carrying amount R million	At fair value – level 2 R million	At amortised cost R million	At cost R million
At 30 September 2016					
Financial assets					
Non-current financial assets	8	56.4	–	56.4	–
Trade receivables and other current assets[1]	11	2 897.9	–	2 897.9	
Trade receivables		2 594.9	–	2 594.9	–
Other receivables		303.0	–	303.0	–
Bank balances, deposits and cash equivalents	12	2 835.4	–	2 835.4	–
Total		5 789.7	–	5 789.7	–

Notes to the consolidated financial statements continued

for the year ended 30 September 2016

1. Financial risk management continued

Carrying amount of financial instruments continued

	Notes	Carrying amount R million	At fair value – level 2 R million	At amortised cost R million	At cost R million
At 30 September 2016					
Financial liabilities					
Non-current loans and borrowings	15	6 202.1	–	6 202.1	–
Trade payables and other current liabilities	18	4 668.7	40.7	4 628.0	
Trade payables		2 431.9	–	2 431.9	–
Derivative financial liabilities		40.7	40.7	–	–
Other payables		2 196.1	–	2 196.1	–
Bank overdrafts and loans	15	1 322.8	–	1 322.8	–
Total		12 193.6	40.7	12 152.9	–
At 30 September 2015					
Financial assets					
Non-current financial assets	8	45.7	–	33.0	12.7
Trade receivables and other current assets[1]	11	3 166.2	178.2	2 988.0	–
Trade receivables		2 726.9	–	2 726.9	–
Derivative financial assets		178.2	178.2	–	–
Other receivables		261.1	–	261.1	–
Bank balances, deposits and cash equivalents	12	1 587.4	–	1 587.4	–
Assets classified as held for sale[3]	13	122.2	–	122.2	–
Total		4 921.5	178.2	4 730.6	12.7
Financial liabilities					
Non-current loans and borrowings	15	4 212.0	–	4 212.0	–
Trade payables and other current liabilities[2]	18	4 177.6	75.3	4 102.3	–
Trade payables		2 520.1	–	2 520.1	–
Derivative financial liabilities		75.3	75.3	–	–
Other payables		1 582.2	–	1 582.2	–
Bank overdrafts and loans	15	4 119.1		4 119.1	
Total		12 508.7	75.3	12 433.4	–

[1] *Prepayments are excluded from trade receivables and other current assets.*
[2] *Shareholders for dividends are excluded from trade payables and other current liabilities.*
[3] *Amount relates to a loan to Sancella (Pty) Ltd reclassified to assets held for sale.*

2. Segmental report

Segment analysis	External revenue 2016 R million	External revenue 2015 R million	Internal revenue 2016 R million	Internal revenue 2015 R million	Trading profit[1] 2016 R million	Trading profit[1] 2015 R million
Metals	10 510.1	9 933.2	39.8	52.4	1 284.9	1 202.5
Glass	1 322.7	876.7	–	–	104.5	(81.1)
Plastics	5 556.6	5 011.4	9.9	7.5	392.2	361.8
Paper	1 749.5	1 470.0	7.9	6.2	235.9	211.1
Corporate	–	–	2 828.0	2 992.5	(112.4)	145.3
Eliminations	–	–	(2 885.6)	(3 058.6)	–	–
Continuing operations	19 138.9	17 291.3	–	–	1 905.1	1 839.6
Discontinued operations	–	3 324.9	–	60.8	–	43.2
Eliminations	–	–	–	(60.8)	–	–
Total	19 138.9	20 616.2	–	–	1 905.1	1 882.8
Geographical analysis (continuing operations):						
South Africa	10 958.8	10 599.5	322.7	259.6	942.0	695.1
Rest of Africa	5 949.8	4 723.9	83.8	66.5	990.2	882.8
Europe	2 230.3	1 967.9	–	–	85.3	116.4
Corporate	–	–	2 828.0	2 992.5	(112.4)	145.3
Eliminations	–	–	(3 234.5)	(3 318.6)	–	–
	19 138.9	17 291.3	–	–	1 905.1	1 839.6

[1] *Operating profit before abnormal items.*
[2] *EBITDA calculation is before net impairments/(reversals).*

Reconciliation of operating profit/(loss) and trading profit

	Continuing operations 2016 R million	Continuing operations 2015 R million	Discontinued operations 2016 R million	Discontinued operations 2015 R million	Total 2016 R million	Total 2015 R million
Operating profit/(loss)	2 162.8	1 681.4	–	(503.8)	2 162.8	1 177.6
Abnormal losses/(gains)*						
Retrenchment and restructuring costs	34.1	77.3	–	119.1	34.1	196.4
Net impairment losses on property, plant, equipment, intangible assets, investments and shareholder loans	360.4	121.4	–	77.7	360.4	199.1
Profit on disposal of property subject to sale and leaseback	(1 318.9)	–	–	–	(1 318.9)	–
Profit on disposal of other property	(15.2)	(102.5)	–	–	(15.2)	(102.5)
Net (profit)/loss on disposal of investments and businesses	(3.5)	–	–	350.2	(3.5)	350.2
Gain on revaluation and consolidation of Zimbabwe entities	–	(124.2)	–	–	–	(124.2)
Devaluation loss arising from Angolan and Nigerian illiquidity	681.0	160.5	–	–	681.0	160.5
Business acquisition-related costs	4.4	25.7	–	–	4.4	25.7
Trading profit	1 905.1	1 839.6	–	43.2	1 905.1	1 882.8

* *Abnormal losses/(gains) are defined as losses and gains which do not arise from normal trading activities or are of such a size, nature or incidence that their disclosure is relevant to explain the performance for the period.*

	Trading margin		EBITDA[2]		Operating assets		Operating liabilities		Capital expenditure	
	2016 %	2015 %	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
	12.2	12.1	918.7	1 371.2	9 802.5	10 296.8	3 138.4	3 141.7	843.8	1 609.3
	7.9	(9.3)	305.5	55.5	2 390.1	2 331.1	197.6	245.3	150.7	191.7
	7.1	7.2	616.8	521.9	2 966.4	3 010.5	944.2	909.7	375.0	242.4
	13.5	14.4	299.9	249.7	1 132.6	1 368.3	514.9	319.5	52.9	72.0
	–	–	1 294.0	406.8	6 336.2	6 825.0	1 876.4	1 151.9	21.2	36.3
	–	–	–	–	(1 505.4)	(1 347.1)	(1 696.8)	(1 287.9)	–	–
	10.0	10.6	3 434.9	2 605.1	21 122.4	22 484.6	4 974.7	4 480.2	1 443.6	2 151.7
		1.3	–	(416.6)	–	16.6	–	–	–	43.5
	–	–	–	–	–	–	–	–	–	–
	10.0	9.1	3 434.9	2 188.5	21 122.4	22 501.2	4 974.7	4 480.2	1 443.6	2 195.2
	8.6	6.6	1 341.2	1 067.1	9 729.3	8 918.0	2 237.5	2 409.9	1 061.2	1 405.1
	16.6	18.7	627.1	969.6	6 019.1	7 254.4	2 523.0	1 978.2	235.9	678.7
	3.8	5.9	172.6	161.6	871.0	1 015.6	342.1	380.1	125.3	31.6
	–	–	1 294.0	406.8	6 336.2	6 825.0	1 876.4	1 223.1	21.2	36.3
	–	–	–	–	(1 833.2)	(1 528.4)	(2 004.3)	(1 511.1)	–	–
	10.0	10.6	3 434.9	2 605.1	21 122.4	22 484.6	4 974.7	4 480.2	1 443.6	2 151.7

	Revenue to external customers*	
	2016 R million	2015 R million
Geographical information		
South Africa	9 967.6	11 379.8
United Kingdom	2 115.2	2 209.0
Angola	1 664.3	1 635.4
Nigeria	2 267.4	1 494.9
Rest of the world	3 124.4	3 897.1
	19 138.9	20 616.2

** Revenue is attributed to countries on the basis of the customer's location.*

	Non-current assets*	
	2016 R million	2015 R million
Geographical information		
South Africa	5 995.1	5 863.4
Angola	2 072.7	2 442.7
Nigeria	1 142.0	1 340.9
United Kingdom	520.5	603.2
Rest of the world	4 914.2	4 949.7
	14 644.5	15 199.9

** Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.*

2. Segmental report continued

Operating segments are identified on the same basis that financial information is reported internally for the purpose of allocating resources between segments and assessing their performance by the group's chief operating decision-maker, defined as the group executive committee. Reportable segments have been identified after applying the quantitative thresholds per IFRS 8: *Operating Segments*, and after aggregating operating segments with similar economic characteristics.

The principal activities of the segments are as follows:

Metals – manufacture of beverage cans, food cans, aerosol cans and other metal packaging.

Glass – manufacture of various types of glass packaging.

Plastics – manufacture of plastic bottles, crates, drums and tubes.

Paper – manufacture of corrugated boxes and folding cartons.

Corporate – head office activities, procurement, treasury, property services and consolidation adjustments including goodwill.

The differences between the measurements of the reportable segments' profit and losses and assets and liabilities, and the group's profit and losses and assets and liabilities are as follows:

- Reportable segments' contributions to post-retirement medical aid funds and pension funds are expensed as and when incurred, while at group these funds are actuarially valued and accounted for as per the group accounting policy (refer to accounting policy note 12).
- Reportable segments' account for profit and loss on close-out of forward exchange contracts while at group forward exchange contracts are fair valued and the fair value adjustments are accounted for as per the group accounting policy (refer to accounting policy note 19).

There is no individual customer who contributes more than 10% to the group's total revenue.

In addition, the businesses are grouped by geographical location. The main geographical regions identified are South Africa, United Kingdom, Angola, Nigeria and rest of the world. Geographical split is determined by location of the operating assets.

3. Property, plant and equipment

	Freehold land and buildings R million	Leasehold buildings R million	Plant, equipment and vehicles R million	Capitalised leased plant and vehicles R million	Total property, plant and equipment R million	Investment properties R million
Gross carrying amount						
At 1 October 2014	1 428.5	647.8	13 939.2	23.6	16 039.1	25.8
Additions	9.2	206.5	1 907.9	–	2 123.6	–
Transfer from equity on cash flow hedges	–	–	(4.9)	–	(4.9)	–
Interest capitalised	–	–	100.0	–	100.0	–
Business combinations	175.8	–	529.4	–	705.2	0.3
Disposals	(15.1)	–	(168.3)	(2.5)	(185.9)	(11.5)
Disposal of businesses	(318.2)	(1.5)	(2 024.8)	(2.5)	(2 347.0)	–
Impairment loss	(3.1)	(1.5)	(117.1)	–	(121.7)	–
Reversal of impairment loss	–	–	0.3	–	0.3	–
Reclassified to assets held for sale	(30.2)	–	–	–	(30.2)	–
Translation differences	56.6	189.5	936.9	–	1 183.0	0.1
Other movements	89.9	(2.1)	(99.2)	0.1	(11.3)	–
At 30 September 2015	1 393.4	1 038.7	14 999.4	18.7	17 450.2	14.7
Additions	6.7	6.7	1 414.0	–	1 427.4	–
Interest capitalised	–	–	37.9	–	37.9	–
Disposals – sale and leaseback*	(354.8)	–	(119.8)	–	(474.6)	(4.0)
Disposals – other	(15.6)	(0.4)	(406.0)	(3.4)	(425.4)	–
Impairment loss	–	–	(347.2)	–	(347.2)	–
Translation differences	(109.7)	(11.1)	(599.6)	–	(720.4)	–
Other movements	57.8	3.9	(84.2)	–	(22.5)	(0.3)
At 30 September 2016	977.8	1 037.8	14 894.5	15.3	16 925.4	10.4
Accumulated depreciation						
At 1 October 2014	396.1	81.4	5 693.7	20.1	6 191.3	9.3
Depreciation charge for the year	30.5	31.1	704.6	0.4	766.6	1.6
Business combinations	4.8	–	286.6	–	291.4	–
Disposals	(2.4)	–	(143.0)	(2.0)	(147.4)	(4.0)
Disposal of businesses	(102.1)	(1.1)	(966.1)	(1.9)	(1 071.2)	–
Reclassified to assets held for sale	(6.0)	–	–	–	(6.0)	–
Translation differences	8.3	19.9	388.4	–	416.6	0.2
Other movements	12.0	0.7	(20.6)	(0.1)	(8.0)	(1.2)
At 30 September 2015	341.2	132.0	5 943.6	16.5	6 433.3	5.9
Depreciation charge for the year	30.5	31.5	800.2	0.2	862.4	0.7
Disposals – sale and leaseback*	(92.9)	–	(9.2)	–	(102.1)	(1.9)
Disposals – other	(4.8)	(0.4)	(370.2)	(3.2)	(378.6)	–
Translation differences	(37.6)	(3.5)	(408.2)	–	(449.3)	0.1
Other movements	5.9	(2.4)	(11.0)	0.1	(7.4)	(0.7)
At 30 September 2016	242.3	157.2	5 945.2	13.6	6 358.3	4.1
Net book value at 30 September 2016	735.5	880.6	8 949.3	1.7	10 567.1	6.3
Net book value at 30 September 2015	1 052.2	906.7	9 055.8	2.2	11 016.9	8.8

** The group entered into a sale and leaseback transaction for the sale and leaseback of 15 of its industrial properties effective 1 September. Refer to note 27.*

3. Property, plant and equipment continued

	2016 R million	2015 R million
Property rental income earned by the group from its investment property under operating leases	5.5	7.3

Impairment losses have been recognised on certain plant and equipment where the carrying value exceeded the higher of value-in-use or fair value less cost to sell.

Change in accounting estimate

As of 1 October 2015, the group changed its method of depreciating plant at its Bevcan operations from the straight-line method to the units of production method, as it was felt that the latter method reflects more appropriately the pattern of the consumption of the future economic benefits embodied in the assets concerned. In accordance with IAS 16: *Property, Plant and Equipment*, this change is an accounting estimate and is therefore applied prospectively in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors*. The impact of the change in depreciation method for the year ended 30 September 2016 is a decrease in the depreciation expense of R122.0 million.

4. Goodwill

	R million
Carrying amount	
At 1 October 2014	3 166.1
Disposal of business	(34.0)
Translation differences	597.7
Other	39.2
At 30 September 2015	3 769.0
Translation differences	(34.6)
At 30 September 2016	3 734.4

The allocation of goodwill by cash-generating unit (CGU) is presented below:

	Cost R million	Cumulative impairment R million	Net carrying value R million
At 30 September 2015			
Metals	3 374.7	(18.4)	3 356.3
Glass	321.1	–	321.1
Plastics	114.0	(60.1)	53.9
Paper	37.7	–	37.7
	3 847.5	(78.5)	3 769.0
At 30 September 2016			
Metals	3 340.5	(18.4)	3 322.1
Glass	321.1	–	321.1
Plastics	114.0	(60.1)	53.9
Paper	37.3	–	37.3
	3 812.9	(78.5)	3 734.4

The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

4. Goodwill continued

The recoverable amounts of the CGUs are determined using value-in-use calculations. These calculations use cash flow projections based on the most recent financial budgets approved by management for the next five years. Cash flows beyond the five-year period are extrapolated using the growth rates below:

Key assumptions used for value-in-use calculations

	South Africa %	Rest of Africa %	Nigeria** %	Europe %
2015				
Growth rate*	5.5	2.0	–	2.0
Discount rate (post-tax)	10.8	8.8	–	6.3
2016				
Growth rate*	5.6	2.3 – 13.5	2.3 – 12.8	2.2
Discount rate (post-tax)	11.8	7.5 – 18.0	10.3 – 21.7	5.2
Discount rate (pre-tax)	14.2	9.6 – 21.5	12.5 – 21.8	5.4

* *The growth rates are obtained from external sources of information and are used in the calculation of the termination value after the five-year management estimate of cash flows.*

** *Included in rest of Africa in prior year.*

Management estimates discount rates using the post-tax average weighted cost of capital for the group, adjusted for risks associated with the geographical markets in which the CGUs operate. A post-tax rate is used due to the different tax rates applicable in the tax jurisdictions concerned. Growth rates are based on industry growth rate forecasts.

Nigeria's discount rate has been specifically increased by a further 1.5% to accommodate for the risk associated with illiquidity in the market.

Additionally, management considers the impact of sales volumes both from a market and customer variation point of view, production efficiencies and the impact of fluctuations in overhead when determining the cash flow projections used in value-in-use calculations. Sensitivity in the calculation of headroom, being the difference between the value-in-use and the net asset value (including goodwill) is assessed through the value-in-use calculation process and it is the determination of management that headroom is not adversely affected by these movements.

The present value of the future cash flows expected to be derived from the Nampak Glass and Bevcan Nigeria operations exceed the carrying amount of their CGUs. Cash flow projections are supported by reasonable assumptions. There has been no deterioration in the capability of assets within these CGUs to generate cash flows and further to this there is no persuasive evidence that the assets associated with the goodwill can no longer demonstrate the financial results that were expected from them at the time of the respective purchases. Therefore no impairment of goodwill is required for either the Nampak Glass or Bevcan Nigeria operations.

In the prior year, goodwill of R34.0 million was included in the disposal of the Flexibles business.

5. Other intangible assets

	ERP systems and software R million	Other* R million	Total R million
Cost			
At 1 October 2014	439.5	329.7	769.2
Additions	11.7	59.9	71.6
Business combinations	–	63.3	63.3
Disposals	(4.0)	–	(4.0)
Disposal of businesses	(71.3)	(35.8)	(107.1)
Translation differences	(0.4)	18.6	18.2
Other movements	(1.2)	0.2	(1.0)
At 30 September 2015	374.3	435.9	810.2
Additions	15.6	0.6	16.2
Disposals	(170.7)	–	(170.7)
Impairment loss	(8.5)	–	(8.5)
Translation differences	(3.5)	(1.0)	(4.5)
Other movements	11.3	(4.0)	7.3
At 30 September 2016	218.5	431.5	650.0
Amortisation			
At 1 October 2014	406.2	109.6	515.8
Charge for the year	10.0	33.6	43.6
Disposals	(3.9)	–	(3.9)
Disposal of businesses	(69.3)	(25.8)	(95.1)
Translation differences	(0.9)	0.5	(0.4)
Other movements	0.6	–	0.6
At 30 September 2015	342.7	117.9	460.6
Charge for the year	14.2	34.4	48.6
Disposals	(170.7)	–	(170.7)
Translation differences	(1.7)	(0.3)	(2.0)
Other movements	5.8	(1.3)	4.5
At 30 September 2016	190.3	150.7	341.0
Net carrying value at 30 September 2016	28.2	280.8	309.0
Net carrying value at 30 September 2015	31.6	318.0	349.6

** Other intangible assets consist of patents, trademarks, licences and customer relationships.*

6. Investments in associates

	2016 R million	2015 R million
(Refer to Annexure B for details)		
Cost of investments in associates	4.1	4.9
Share of other post-acquisition reserves	3.7	3.9
Share of post-acquisition profit, net of dividend received	12.0	13.2
Opening balance	13.2	69.2
Decrease in interest	0.1	–
Consolidation of Zimbabwe associates	–	(53.4)
Share of current year loss	(1.3)	(2.6)
	19.8	22.0

The financial year-ends of Group Risk Holdings (Pty) Ltd and Collect-a-Can (Pty) Ltd are 30 September and 31 December respectively.

The group's interest in Group Risk Holdings (Pty) Ltd decreased from 22.1% to 16.8% during the year. This was a consequence of Nampak's insurance premium being reduced due to our contribution to the associated mutual risk group having decreased following the disposal of the assets relating to the SA Paper divisions.

During the prior year, the group acquired a controlling interest in the associates located in Zimbabwe, Megapak Zimbabwe (Pvt) Ltd (previously 49.0% interest) and Hunyani Holdings Ltd (previously 38.9% interest) (see note 30).

Summarised financial information in respect of the group's associates is set out below:

	2016 R million	2015 R million
Revenue	326.0	451.2
Net loss for the year	(2.3)	(10.6)
Group's share of associates' net loss for the year	(1.3)	(2.6)
Total assets	494.3	403.1
Total liabilities	430.7	341.8
Net assets	63.6	61.3
Group's share of associates' net assets	19.8	22.0

7. Investments in joint ventures

	2016 R million	2015 R million
(Refer to Annexure B for details)		
Cost of investments in joint ventures	5.9	36.8
Share of other post-acquisition reserves	–	0.6
Share of post-acquisition net profit/(loss), net of dividend received	1.1	(29.2)
Opening balance	(29.2)	(25.0)
Disposal of joint ventures	28.9	–
Share of current year net profit/(loss)		
– continuing operations	1.4	(1.2)
– discontinued operations	–	(3.0)
Translation differences	0.9	1.2
	7.9	9.4

7. Investments in joint ventures continued

	2016 R million	2015 R million
The financial year-end of Softex Tissue Products (Pvt) Ltd is 30 September.		
During the current year, the group disposed of its interests in Sancella SA (Pty) Ltd (effective 1 December 2015) and Crown Cork Company (Mozambique) LDA (effective 15 March 2016). The proceeds from the disposal of the interests in Sancella SA (Pty) Ltd were applied to settle outstanding loan balances.		
Summarised financial information in respect of the group's joint ventures is set out below:		
Revenue	167.6	583.2
Net loss for the year	(26.0)	(55.0)
Group's share of joint ventures' net profit/(loss) for the year	1.4	(4.2)
Total assets	24.5	448.2
Total liabilities	9.6	477.9
Net assets/(liabilities)	14.9	(29.7)
Group's share of joint ventures' net assets	7.9	9.4

8. Non-current financial assets

	2016 R million	2015 R million
Available-for-sale financial assets		
(Refer to Annexure B for details)		
Unlisted investments	–	12.7
	–	12.7
Loans and receivables		
Equipment sales receivables[1]	62.3	34.3
Other loans and receivables	1.9	5.1
Total loans and receivables	64.2	39.4
Less: Amounts receivable within one year, reflected in trade receivables and other current assets (note 11)	7.8	6.4
Net non-current loans and receivables	56.4	33.0
Total non-current financial assets	56.4	45.7

[1] *Equipment sales receivables are repayable from 2017 to 2021. Interest rates charged are from 9.5% to 13.0%.*

9. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the group, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation R million	Provisions R million	Pre-payments R million	Retirement benefit obligation R million	Tax losses R million	Other R million	Total R million
At 1 October 2014	1 009.2	(250.8)	9.4	(580.0)	(77.7)	199.1	309.2
Charge/(credit) to other comprehensive income for the year	39.1	–	–	(4.7)	–	(1.1)	33.3
(Credit)/charge to profit for the year	(152.6)	4.6	(0.3)	103.1	(106.3)	(75.3)	(226.8)
Business combinations	68.1	(3.9)	0.5	–	0.6	10.2	75.5
Translation differences	(2.3)	2.3	0.3	–	4.7	(12.3)	(7.3)
At 30 September 2015	961.5	(247.8)	9.9	(481.6)	(178.7)	120.6	183.9
(Credit)/charge to other comprehensive income for the year	–	–	–	(8.4)	–	(50.5)	(58.9)
Charge/(credit) to profit for the year	312.7	3.8	7.4	20.0	(243.7)	(77.9)	22.3
Translation differences	(24.3)	2.4	0.1	24.5	(2.3)	11.8	12.2
At 30 September 2016	1 249.9	(241.6)	17.4	(445.5)	(424.7)	4.0	159.5

	2016 R million	2015 R million
Analysed between:		
Deferred tax assets	70.6	145.3
Deferred tax liabilities	230.1	329.2
	159.5	183.9

At year-end, the group had unused tax losses of R1 690.6 million (2015: R520.4 million) available for offset against future taxable profits. Deferred tax assets have been recognised in respect of R1 566.1 million (2015: R436.7 million) of such losses. No deferred tax asset has been recognised on the remaining R124.5 million (2015: R83.7 million) due to the unpredictability of future profit streams. There are no expiry dates on the tax losses.

In addition, the group had capital losses available for utilisation against future capital gains to the value of R2 084.4 million (2015: R2 648.2 million). During the year, R864.3 million (2015: R181.4 million) of the capital losses were utilised. Deferred tax has been raised on R188.9 million (2015: R342.3 million) of the losses.

10. Inventories

	2016 R million	2015 R million
Raw materials	1 457.6	1 914.1
Work in progress	41.3	52.8
Finished goods	1 137.8	1 169.8
Consumables	740.0	753.9
Total	3 376.7	3 890.6
Carrying amount of inventories included at net realisable value	154.2	157.2
Amount of write-down of inventory to net realisable value included in raw materials and consumables used	51.1	2.5
Amount of reversals of previous inventory write-downs included in raw materials and consumables used	–	11.2

11. Trade receivables and other current assets

	2016 R million	2015 R million
Trade receivables	2 594.9	2 726.9
Prepayments	211.1	238.2
Derivative financial instruments (note 1)	–	178.2
Current portion of loans and receivables (note 8)	7.8	6.4
Royalties receivable	164.5	118.7
Other	130.7	136.0
Total	3 109.0	3 404.4

The directors consider that the carrying amounts of trade receivables and other current assets approximate their fair values due to the short-term nature of these assets. The total amount receivable represents the maximum exposure to credit risk for trade receivables and other current assets, before any credit enhancements or collateral that may be held.

The average credit term on the sale of goods is 30 days. The group does not permit general provisions for doubtful debts based solely on the age of receivables. The allowance for doubtful debt is provided for on the basis of the estimated irrecoverable amounts from the sale of goods, determined by historical trend analysis for similar classes of receivables.

Included in the group's trade receivable balance are debtors with a carrying value of R635.5 million (2015: R589.5 million) which are past due at the reporting date for which the group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The group does not hold any collateral over these balances.

Ageing of past due but not impaired trade receivables

	2016 R million	2015 R million
30 days and less	425.2	283.6
30 – 60 days	106.7	154.5
60 – 90 days	38.0	57.7
90 – 180+ days	65.6	93.7
Total	635.5	589.5

11. Trade receivables and other current assets continued

An allowance of R46.0 million (2015: R57.3 million) has been made for estimated irrecoverable amounts from the sale of goods. This allowance has been determined by reference to past default.

	2016 R million	2015 R million
Analysis of the allowance for doubtful debts		
Balance at beginning of year	57.3	94.3
Impairment losses recognised on receivables	21.0	21.4
Amounts written off during the year	(15.2)	(3.5)
Disposal of businesses	–	(48.8)
Impairment losses reversed	(12.1)	(17.9)
Translation differences	(5.0)	11.8
Balance at end of year	46.0	57.3

In determining the recoverability of a trade receivable, the group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the reporting date. With the exception of a few multinationals, the concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the board of directors believes that there is no further credit provision required in excess of the allowance for doubtful debts.

12. Bank balances, deposits and cash equivalents

	2016 R million	2015 R million
Cash at bank	1 251.8	997.6
Short-term bank deposits	966.1	589.8
Cash equivalents*	617.5	–
Total	2 835.4	1 587.4

** Cash equivalents relate to US dollar indexed Angolan kwanza bonds. As at 30 September the Angolan kwanza equivalent of US$45 million had been hedged through these bonds in order to protect the group against further Angolan kwanza devaluation.*

	2016 R million	2015 R million
Analysed between:		
South African rand	45.3	56.0
Foreign currencies	2 790.1	1 531.4
	2 835.4	1 587.4

13. Assets held for sale

Assets which are expected to be sold in the next 12 months are classified as held for sale and are presented separately in the statement of financial position.

Assets relating to the discontinued operation in the previous year consisted of an immovable property used by Nampak Flexibles which had not been formally transferred at the end of September 2015, as well as the loan to Sancella SA (Pty) Ltd. These assets were disposed of during the first quarter of the current financial year.

The additional property classified as held for sale related to the Liquid Packaging business and was disposed of in September 2016 along with the properties that were subject to the sale and leaseback transaction (note 27).

	2016 R million	2015 R million
Assets classified as held for sale		
Property	–	7.6
Assets relating to the discontinued operation	–	138.8
Total	–	146.4
The major classes of assets and liabilities of the discontinued operations at the end of the year are as follows:		
Property	–	16.6
Current portion of loans and receivables	–	122.2
Total	–	138.8

14. Capital and reserves

	Notes	Capital reserves: Share capital R million	Capital reserves: Share premium R million	Capital reserves: Treasury shares R million	Capital reserves: Share-based payments reserve R million
Reconciliation of movement in capital and reserves					
At 1 October 2014		36.1	147.0	(827.6)	278.3
Employee share option scheme:					
– value of employee services		–	–	–	(2.6)
– share grants exercised		–	–	–	(75.0)
– proceeds from shares issued		–*	74.9	–	–
Share of associates' and joint ventures' non-distributable reserves		–	–	–	–
Consolidation of Zimbabwe associates		–	–	–	–
Currency translation differences		–	–	–	–
Gain on cash flow hedges		–	–	–	–
Transfer from cash flow hedging reserve to assets		–	–	–	–
Net actuarial loss		–	–	–	–
Non-controlling interest realised with disposal of subsidiary		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	31	–	–	–	–
At 30 September 2015		36.1	221.9	(827.6)	200.7
Employee share option scheme:					
– value of employee services		–	–	–	13.9
– share grants exercised		–	–	–	(28.8)
– proceeds from shares issued		0.1	28.8	–	–
Share of associates' non-distributable reserves		–	–	–	–
Shares repurchased and cancelled		(0.8)	–	–	–
Treasury shares disposed		–	–	269.7	–
Disposal of investments		–	–	–	–
Currency translation differences		–	–	–	–
Loss on cash flow hedges		–	–	–	–
Net actuarial loss		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	31	–	–	–	–
At 30 September 2016		35.4	250.7	(557.9)	185.8

** Less than R100 000.*

Other reserves									
Foreign currency translation reserve R million	Financial instruments hedging reserve R million	Recognised actuarial losses R million	Share of non-distributable reserves in associates and joint ventures R million	Available-for-sale financial assets revaluation reserve R million	Other R million	Retained earnings R million	Total attributable to owners of Nampak Ltd R million	Non-controlling interest R million	Total equity R million
1 314.2	1.2	(966.0)	3.9	(38.3)	0.2	7 985.1	7 934.1	(51.0)	7 883.1
–	–	–	–	–	–	–	(2.6)	–	(2.6)
–	–	–	–	–	–	–	(75.0)	–	(75.0)
–	–	–	–	–	–	–	74.9	–	74.9
–	–	–	0.6	–	–	–	0.6	–	0.6
–	–	–	–	–	–	25.2	25.2	331.6	356.8
703.6	–	–	–	–	–	–	703.6	71.0	774.6
–	56.8	–	–	–	–	–	56.8	–	56.8
–	(4.9)	–	–	–	–	–	(4.9)	–	(4.9)
–	–	(9.6)	–	–	–	–	(9.6)	–	(9.6)
–	–	–	–	–	–	–	–	2.6	2.6
–	–	–	–	–	–	1 043.2	1 043.2	18.1	1 061.3
–	–	–	–	–	–	(943.9)	(943.9)	(2.3)	(946.2)
2 017.8	**53.1**	**(975.6)**	**4.5**	**(38.3)**	**0.2**	**8 109.6**	**8 802.4**	**370.0**	**9 172.4**
–	–	–	–	–	–	–	13.9	–	13.9
–	–	–	–	–	–	–	(28.8)	–	(28.8)
–	–	–	–	–	–	–	28.9	–	28.9
–	–	–	0.9	–	–	–	0.9	–	0.9
–	–	–	–	–	–	–	(0.8)	–	(0.8)
–	–	–	–	–	–	114.5	384.2	–	384.2
(10.4)	–	–	(1.7)	38.3	–	(26.2)	–	–	–
(512.5)	–	–	–	–	–	–	(512.5)	3.1	(509.4)
–	(34.3)	–	–	–	–	–	(34.3)	–	(34.3)
–	–	(491.0)	–	–	–	–	(491.0)	–	(491.0)
–	–	–	–	–	–	1 610.4	1 610.4	(132.1)	1 478.3
–	–	–	–	–	–	(569.8)	(569.8)	–	(569.8)
1 494.9	**18.8**	**(1 466.6)**	**3.7**	**–**	**0.2**	**9 238.5**	**9 203.5**	**241.0**	**9 444.5**

14. Capital and reserves continued

	2016 R million	2015 R million
Share capital		
Authorised:		
776 857 200 ordinary shares of 5 cents each	38.9	38.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
100 redeemable preference shares of 5 cents each	–	–
Total	39.9	39.9
Issued:		
688 668 338 (2015: 702 496 655) ordinary shares of 5 cents each	34.4	35.1
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
Total	35.4	36.1
14 909 744 (2015: 18 476 043) ordinary shares have been set aside for employees' share schemes.		
Capital reserves		
Share premium	250.7	221.9
Treasury shares	(557.9)	(827.6)
3 713 207 ordinary shares held by the Nampak Black Management Share Trust	(42.3)	(312.0)
45 070 855 ordinary shares held by Nampak Products Ltd	(515.6)	(515.6)
Share-based payments reserve	185.8	200.7
Total	(121.4)	(405.0)
Reconciliation of number of ordinary shares issued		
Number of ordinary shares issued at beginning of year	702 496 655	700 707 537
Repurchase and cancellation of ordinary shares*	(14 969 114)	–
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	844 188	489 630
Ordinary shares allotted to directors in terms of the PSP	111 440	567 179
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	13 831	287 346
Ordinary shares allotted to directors in terms of the SAP	–	215 366
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	153 234	107 597
Ordinary shares allotted to directors in terms of the DBP	18 104	122 000
Number of ordinary shares issued at end of year	688 668 338	702 496 655
Treasury shares	(48 784 062)	(72 440 050)
Net number of ordinary shares	639 884 276	630 056 605

** In November 2015, Nampak Ltd exercised its option in terms of the preferred ordinary share subscription agreement between Nampak Ltd and Red Coral Investments 23 (Pty) Ltd (Red Coral) to repurchase 14 969 114 of its ordinary shares from Red Coral as calculated in terms of the formula provided in the agreement.*

14. Capital and reserves continued

Preference shares

There were no changes to the issued 6.5% and 6% preference shares.

Treasury shares

Treasury shares represent Nampak Ltd shares held by group subsidiary companies.

During the year, 23 655 988 of the shares held by the Black Management Trust (BMT) were sold to settle the founding grant (including the notional return thereon) owed to Nampak Ltd and to settle the amount due to beneficiaries in accordance with the provisions contained in the BMT deed of trust. Refer to note 22.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Financial instruments hedging reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions in terms of which risk of ownership has not yet passed.

Recognised actuarial losses

Actuarial losses comprise:
(a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
(b) the effects of changes in actuarial assumptions.

The group policy is to recognise all actuarial gains/(losses) in the period in which they occur in equity.

Share of non-distributable reserves in associates and joint ventures

Non-distributable reserves of associates and joint ventures arise out of associate companies and joint ventures being equity accounted. These reserves are not available for distribution by way of dividends.

Available-for-sale financial assets revaluation reserve

The available-for-sale financial assets revaluation reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

Non-controlling interest

Non-controlling interest represents the value of the remaining ownership in the subsidiary investments that are not wholly owned by the group.

15. Loans and borrowings

	Redeemable/ repayable	Year-end interest rates	2016 R million	2015 R million
Secured loans[1]				
– Foreign	2018 to 2023	2.7% to 5.3%	5 192.0	4 658.2
Unsecured loans				
– Local	2018	8.7%	1 000.0	–
Capitalised finance leases[2]				
– Local	2017	7.5%	0.1	0.3
– Foreign	2019	11.0%	0.2	0.3
			6 192.3	4 658.8
Less: Instalments due for repayment within one year, reflected as current loans[3]			(9.8)	446.8
Net non-current loans and borrowings			6 202.1	4 212.0

[1] *Loans and borrowings are secured as follows:*
R5 192.0 million (2015: R4 658.2 million) debt is secured by guarantees issued by Nampak Ltd.
This facility is subject to covenants relating to interest cover, gearing and liquidity of the Nampak Ltd group.
The Nampak Ltd group was within the covenant requirements throughout the year under review
No liabilities have been recognised for the outstanding guarantees.

[2] *Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default. All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments. Interest rates are fixed at the contract date. The fair value of the group's lease obligations approximates the carrying amount.*

[3] *Included in the current portion of loans repayable within one year is the following year's amortisation of legal fees capitalised previously as part of the carrying amount of foreign secured loans.*

Current loans

	2016 R million	2015 R million
Current portion of loans	(10.1)	446.2
Current portion of finance leases	0.3	0.6
Note programme – unsecured	250.0	–
Other current loans – unsecured	89.2	–
Bank overdrafts – unsecured	993.4	3 672.3
Total current loans and borrowings	1 322.8	4 119.1
Total borrowings	7 524.9	8 331.1

15. Loans and borrowings continued

Summary of borrowings by year of redemption or payment:

		Total R million	Local R million	Foreign R million
Total owing at 30 September 2016		6 192.3	1 000.1	5 192.2
Repayable during the year ending 30 September	2017	(9.8)	0.1	(9.9)
	2018	2 320.2	1 000.0	1 320.2
	2019	1 052.2	–	1 052.2
	2020	1 720.6	–	1 720.6
	2021 onwards	1 109.1	–	1 109.1

Included above are minimum lease payments due on capitalised finance leases which are all repayable during the year ended 30 September 2017:

	Total R million	Local R million	Foreign R million
Total owing at 30 September 2016	0.3	0.1	0.2

16. Other non-current liabilities

	2016 R million	2015 R million
Onerous operating lease liabilities	22.7	40.4
Deferred income	24.9	20.1
	47.6	60.5
Less: Current portion	10.6	1.5
	37.0	59.0
Add: Non-current provisions (note 19)	–	2.6
Total	37.0	61.6

The onerous operating leases relate to land and buildings, motor vehicles and other commitments with remaining terms from 2017 onwards. The deferred income mainly relates to government grants which are amortised over the useful lives of the assets to which they pertain.

17. Retirement benefit information

17.1 Defined contribution funds

Membership and costs for each fund are as follows:

		Members		Contribution costs	
	Country	2016	2015	2016 R million	2015 R million
Nampak Group Pension Fund*	RSA	1 220	1 860	69.9	123.1
Nampak Provident Fund*	RSA	2 896	5 581	76.0	168.3
Other – Rest of Africa	Rest of Africa	3 117	3 245	27.1	36.9
Other – UK	UK	487	238	13.2	10.2
Other – South Africa	RSA	82	391	4.8	7.1
Totals		7 802	11 315	191.0	345.6

** These funds are governed by the Pension Funds Act, No 24 of 1956.*

17.2 Defined benefit funds

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Pension funds		
	South Africa	United Kingdom	Post-retirement medical
2016			
Assumptions (%)			
Discount rate	9.5	2.2	9.2
Consumer price inflation (long term)	7.0	1.9	7.0
Expected return on funds' assets	–	2.2	–
Rate of compensation increase	–	3.0	–
Pension increase	4.7	1.8/2.2/2.9	–
Rate of medical inflation	–	–	8.5
Membership data			
Total membership	27	1 451	1 882
2015			
Assumptions (%)			
Discount rate	8.6	3.7	8.8
Consumer price inflation (long term)	6.0	2.9	6.7
Expected return on funds' assets	–	–	8.8
Rate of compensation increase	–	3.4	–
Pension increase	4.7	2.8/2.1	–
Rate of medical inflation	–	–	8.2
Membership data			
Total membership	23	1 290	2 494

17. Retirement benefit information continued

17.2 Defined benefit funds continued

The major categories of plan assets as a percentage of total plan assets (UK pension fund only) are as follows:

	%
2016	
Emerging market equity	7.5
Emerging market debt	4.7
Diversified growth funds	49.6
Cash	3.6
Insured pensions	34.6
2015	
Emerging market equity	6.2
Emerging market debt	3.6
Diversified growth funds	51.9
Cash	1.2
Insured pensions	37.1

The amounts recognised in the statement of financial position are as follows:

	Pension funds		Post-retirement medical	
	South Africa R million	United Kingdom R million	South Africa R million	Total R million
2016				
Valuation results				
Fair value of plan assets	–	(1 670.3)	–	(1 670.3)
Present value of benefit obligations	2.4	2 383.2	1 140.4	3 526.0
Net liability	2.4	712.9	1 140.4	1 855.7
2015				
Valuation results				
Fair value of plan assets	–	(1 759.9)	–	(1 759.9)
Present value of benefit obligations	2.1	2 233.1	1 533.1	3 768.3
Net liability	2.1	473.2	1 533.1	2 008.4

17. Retirement benefit information continued

17.2 Defined benefit funds continued

The amounts recognised in the statement of comprehensive income are as follows:

	Pension funds		Post-retirement medical	
	South Africa R million	United Kingdom R million	South Africa R million	Total R million
2016				
Service cost:				
Current service cost	–	–	5.7	5.7
Past service cost (adjustment)	–	(46.5)	–	(46.5)
Curtailment gain	–	–	(91.2)	(91.2)
Net interest cost	0.2	16.6	131.7	148.5
Components on defined benefit expense/(income) recognised in profit or loss	0.2	(29.9)	46.2	16.5
Remeasurement of the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense) – gain	–	(147.0)	–	(147.0)
Actuarial (gains)/losses arising from changes in demographic assumptions	–	(8.1)	9.9	1.8
Actuarial losses arising from changes in financial assumptions	0.1	587.0	81.1	668.2
Actuarial gains arising from experiences adjustments	–	(23.6)	–	(23.6)
Components of defined benefit expense recognised in other comprehensive income	0.1	408.3	91.0	499.4
2015				
Service cost:				
Current service cost	–	–	15.1	15.1
Past service cost (adjustment)	–	(20.0)	(41.2)	(61.2)
Net interest cost	0.1	18.1	149.9	168.1
Components of defined benefit expense/(income) recognised in profit or loss	0.1	(1.9)	123.8	122.0
Remeasurement of the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense) – loss	–	125.4	–	125.4
Actuarial gains arising from changes in demographic assumptions	–	(115.1)	(15.5)	(130.6)
Actuarial losses arising from changes in financial assumptions	0.7	5.8	40.7	47.2
Actuarial gains arising from experience adjustments	–	(25.2)	(2.5)	(27.7)
Components of defined benefit expense/(income) recognised in other comprehensive income	0.7	(9.1)	22.7	14.3

17. Retirement benefit information continued

17.2 Defined benefit funds continued

Changes in the fair value of plan assets are as follows:

	Pension funds		Post-retirement medical	
	South Africa R million	United Kingdom R million	South Africa R million	Total R million
At 1 October 2014	–	1 687.0	–	1 687.0
Interest income	–	67.9	–	67.9
Remeasurement loss:				
Return on plan assets (excluding amounts included in net interest expense)	–	(125.4)	–	(125.4)
Contributions by employers	–	53.8	–	53.8
Contributions by members	–	–	–	–
Translation difference on foreign plans	–	258.9	–	258.9
Benefits paid	–	(81.8)	–	(81.8)
Settlements	–	(100.5)	–	(100.5)
At 30 September 2015	–	1 759.9	–	1 759.9
Interest income	–	64.9	–	64.9
Remeasurement gain:				
Return on plan assets (excluding amounts included in net interest expense)	–	147.0	–	147.0
Contributions by employers	–	61.1	–	61.1
Translation difference on foreign plans	–	(278.1)	–	(278.1)
Benefits paid	–	(84.5)	–	(84.5)
At 30 September 2016	–	1 670.3	–	1 670.3

17. Retirement benefit information continued

17.2 Defined benefit funds continued

Changes in the present value of the defined benefit obligation are as follows:

	Pension funds		Post-retirement medical	
	South Africa R million	United Kingdom R million	South Africa R million	Total R million
At 1 October 2014	1.3	2 161.0	1 697.7	3 860.0
Current service cost	–	–	15.1	15.1
Interest cost	0.1	86.0	149.9	236.0
Remeasurement (gains)/losses:				
Actuarial gains arising from changes in demographic assumptions	–	(115.1)	(15.5)	(130.6)
Actuarial losses arising from changes in financial assumptions	0.7	5.8	40.7	47.2
Actuarial gains arising from experience adjustments	–	(25.2)	(43.6)	(68.8)
Past service cost, including gains on curtailments	–	(20.0)	–	(20.0)
Translation difference on foreign plans	–	322.8	–	322.8
Benefits paid	–	(72.4)	(95.4)	(167.8)
Settlements		(109.8)	(215.8)	(325.6)
At 30 September 2015	2.1	2 233.1	1 533.1	3 768.3
Current service cost	–	–	5.7	5.7
Interest cost	0.2	81.5	131.7	213.4
Past service cost (adjustment)	–	(46.5)	–	(46.5)
Remeasurement (gains)/losses:				
Remeasurement gain – curtailment*	–	–	(91.2)	(91.2)
Actuarial (gains)/losses arising from changes in demographic assumptions	–	(8.1)	9.9	1.8
Actuarial losses arising from changes in financial assumptions	0.1	587.0	81.1	668.2
Actuarial gains arising from experience adjustments	–	(23.6)	–	(23.6)
Translation difference on foreign plans	–	(355.7)	–	(355.7)
Benefits paid	–	(84.5)	(99.9)	(184.4)
Settlements*		–	(430.0)	(430.0)
At 30 September 2016	2.4	2 383.2	1 140.4	3 526.0
Expected contributions to defined benefit plans in 2017	0.3	63.8	83.4	147.5

* *During the current financial year, Nampak Limited offered continuation members in receipt of a monthly medical scheme contribution subsidy the option of converting the monthly subsidy into an annuity secured in the pensioner's own individual name. As at the effective date of the post-retirement medical valuation, a total of 475 continuation members had accepted this offer from Nampak Limited. The result of the offer is that the Nampak Limited liability in respect of continuation members who accepted this offer has been replaced by the purchase of an annuity in the continuation members' individual names. The liability has therefore been extinguished and the transaction has led to a curtailment gain of R83.8 million in the 2016 financial year. The curtailment gain was calculated as the difference between the cost of the annuities and the value of the liabilities on an individual basis and summed to provide a total. The curtailment gain or loss was based on the 30 September 2016 valuation liability. The total settlements payable to continuation members at 30 September 2016 is R406.4 million. This amount has been treated as an accrual in the 2016 financial statements.*

The total unfunded pension liability is R2.4 million (2015: R2.1 million) and the unfunded post-retirement medical liability is R1 140.4 million (2015: R1 533.1 million).

17. Retirement benefit information continued

17.2 Defined benefit funds continued

Post-retirement medical plans

Assumed healthcare cost trends have a significant effect on the amounts recognised in the income statement. The effect of a one percentage point change in assumed healthcare cost trend rates would be as follows:

	One % point increase R million	One % point decrease R million
Effect on aggregate of the service costs and interest cost	17.4	14.8
Effect on defined benefit obligation	122.5	104.9

Pension Fund UK

The effect of a 0.1 percentage point change in the following assumptions will effect the liability recognised as follow:

	0.1% point increase R million	0.1% point decrease R million
Discount rate	43.6	43.6
Inflation	36.1	36.1

The statutory actuarial valuations of the defined benefit funds are as follows:

	Valuation date	Fair value of assets R million	Fair value of liabilities R million	Valuation basis
Nampak plc Pension Plan	05/04/2013	928.4	1 235.3	PUC
Nampak plc Staff Pension Plan	05/04/2013	712.7	861.1	PUC
Nampak Post-Retirement Medical Aid Fund	30/09/2016	–	1 140.4	PUC

PUC: projected unit credit

The latest actuarial valuations in respect of the defined benefit funds found them in sound financial condition. In arriving at their findings, the actuaries have taken into account reasonable long-term estimates of inflation, future increases in wages, salaries and pensions and sustainable investment returns. Funds denominated in foreign currency have been translated at the rate ruling at year-end.

The valuations listed above are not necessarily the valuations used in determining the surplus or obligation recognised on the statement of financial position.

18. Trade payables and other current liabilities

	2016 R million	2015 R million
Trade payables	2 431.9	2 520.1
Accruals	1 632.6	1 273.7
Derivative financial instruments (note 1)	40.7	75.3
Shareholders for dividends	–	5.7
Value added tax	380.7	166.9
Other	182.8	141.6
Total	4 668.7	4 183.3

Trade payables and accruals mainly consist of amounts outstanding for trade purchases and ongoing costs.

The directors consider that the carrying amounts of trade payables and other current liabilities approximate their fair values.

19. Provisions

	Restructuring R million	Customer claims R million	Other R million	Total R million
At 1 October 2014	7.0	15.7	28.6	51.3
Additions	252.3	12.8	33.8	298.9
Usage	(30.9)	(14.4)	(27.8)	(73.1)
Reversals	(4.2)	(5.5)	(5.7)	(15.4)
Disposal of business	–	–	(6.1)	(6.1)
Translation differences	0.1	0.6	1.7	2.4
Other	1.6	0.1	(21.8)	(20.1)
At 30 September 2015	225.9	9.3	2.7	237.9
Additions	26.2	47.2	97.0	170.4
Usage	(74.9)	(1.5)	1.4	(75.0)
Reversals	(42.9)	(5.7)	–	(48.6)
Translation differences	(1.8)	(1.2)	(9.8)	(12.8)
Other	(3.1)	–	0.2	(2.9)
At 30 September 2016	129.4	48.1	91.5	269.0

	2016 R million	2015 R million
Analysed as:		
Current	269.0	235.3
Non-current (note 16)	–	2.6
	269.0	237.9

Restructuring
Provisions for restructuring are recognised when the group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. Restructuring provisions only include those direct expenditures which are necessarily entailed by the restructuring and are not associated with the ongoing activities of the group.

Customer claims
Amounts expected to be payable under customer claims in respect of packaging already supplied. The provision is based on historical customer claims data and a weighting of all possible outcomes against their associated probabilities.

Other
These provisions mainly relate to onerous leases on property.

20. Revenue

	Continuing operations 2016 R million	Continuing operations 2015 R million	Discontinued operations 2016 R million	Discontinued operations 2015 R million	Total 2016 R million	Total 2015 R million
Sale of goods	19 099.9	16 982.0	–	3 301.8	19 099.9	20 283.8
Rendering of services	5.7	2.7	–	50.2	5.7	52.9
Other	33.3	306.6	–	(27.1)	33.3	279.5
	19 138.9	17 291.3	–	3 324.9	19 138.9	20 616.2

21. Operating profit

Operating profit is stated after taking into account the following items:

	Continuing operations 2016 R million	Continuing operations 2015 R million	Discontinued operations 2016 R million	Discontinued operations 2015 R million	Total 2016 R million	Total 2015 R million
21.1 Cost of goods sold	12 771.6	11 945.6	–	2 052.7	12 771.6	13 998.3
21.2 Included in employee benefit expense						
Retrenchment costs	29.7	46.2	–	6.8	29.7	53.0
Defined benefit plan expense	107.7	182.9	–	0.3	107.7	183.2
Pension fund curtailment gain on restructure	(91.2)	(61.2)	–	–	(91.2)	(61.2)
Other share-based payment expenses	19.3	(3.6)	–	–	19.3	(3.6)
21.3 Depreciation and amortisation consists of						
Investment properties	0.7	1.6	–	–	0.7	1.6
Freehold and leasehold buildings	62.0	61.6	–	–	62.0	61.6
Plant, equipment and vehicles	800.4	695.5	–	9.5	800.4	705.0
Intangible assets	48.6	43.6	–	–	48.6	43.6
	911.7	802.3	–	9.5	911.7	811.8
21.4 Included in other operating expenses and income						
Auditors' remuneration						
Audit and professional fees	26.4	19.5	–	(0.7)	26.4	18.8
Tax services	2.2	1.1	–	–	2.2	1.1
Other services	1.3	2.2	–	0.1	1.3	2.3
	29.9	22.8	–	(0.6)	29.9	22.2
Impairments						
Freehold and leasehold buildings	–	4.6	–	–	–	4.6
Plant and equipment	347.2	117.1	–	–	347.2	117.1
Intangible assets	8.5	–	–	–	8.5	–
Loans to non-controlling shareholders	–	–	–	77.7	–	77.7
Other investments	5.1	–	–	–	5.1	–
	360.8	121.7	–	77.7	360.8	199.4
Reversal of impairments						
Plant and equipment	–	(0.3)	–	–	–	(0.3)
Loans to non-controlling shareholders	(0.4)	–	–	–	(0.4)	–
Total	(0.4)	(0.3)	–	–	(0.4)	(0.3)
Rentals in respect of operating leases						
Property	107.7	75.4	–	16.9	107.7	92.3
Plant, equipment and vehicles	8.8	5.4	–	1.2	8.8	6.6
Total	116.5	80.8	–	18.1	116.5	98.9

21. Operating profit continued

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
21.4 Included in other operating expenses and income continued						
Net loss/gain on financial instruments						
Derivatives	108.9	(43.8)	–	5.2	108.9	(38.6)
Other financial instruments*	546.3	185.2	–	8.5	546.3	193.7
	655.2	141.4	–	13.7	655.2	155.1

* *Includes devaluation losses arising from Angolan and Nigerian illiquidity.*

	Continuing operations 2016	Continuing operations 2015	Discontinued operations 2016	Discontinued operations 2015	Total 2016	Total 2015
Net (profit)/loss on disposals						
Net profit on disposal of property – sale and leaseback	(1 318.9)	–	–	–	(1 318.9)	–
Net profit on disposal of other property	(15.2)	(102.5)	–	–	(15.2)	(102.5)
Net loss/(profit) on disposal of plant, equipment and intangible assets	22.0	(0.3)	–	3.6	22.0	3.3
(Gain)/loss on disposal of businesses and investments	(3.5)	–	–	350.2	(3.5)	350.2
	(1 315.6)	(102.8)	–	353.8	(1 315.6)	251.0
Other expenses/(income)						
Administration and technical fees	47.6	38.7	–	0.9	47.6	39.6
Selling expenses	53.9	15.7	–	15.8	53.9	31.5
Distribution expenses	563.2	519.0	–	194.2	563.2	713.2
Research and development expenditure	7.5	(0.8)	–	5.3	7.5	4.5
Gain on Nampak Zimbabwe restructure	–	(124.2)	–	–	–	(124.2)
Restructuring costs	4.4	31.1	–	112.3	4.4	143.4

21.5 Directors and prescribed officers' remuneration

Full details of remuneration are included in note 37.

No contributions were made in respect of past directors and prescribed officers.

22. Share-based payments

All share schemes are classified as equity-settled schemes.

	2016 R million	2015 R million
Share-based payment expenses recognised		
On share plans:		
Performance Share Plan	11.9	10.3
Share Appreciation Plan	5.0	(15.5)
Deferred Bonus Plan	2.4	1.6
Total	19.3	(3.6)

BEE transaction

Black Management Trust (BMT)

Overview

During 2005, the group issued 27 369 195 ordinary shares to the BMT as part of its black economic empowerment (BEE) transaction at a market value of R15.13 per share. Nampak provided a founding grant to the trust that provided for shares to be allocated to black managers over a period of five years. One-third of the shares vested three years after the operative date, a further one-third vested after four years and the final one-third vested on 30 September 2010 provided the services were not terminated for disciplinary reasons. The shares were to be held in trust until 31 December 2015, at which time the founding grant would be settled and the balance of the benefit would be released to the beneficiaries. The company had the discretion to extend the lock-in period by a further two years should the value of the trust shares be less than the outstanding grant – as all the shares had vested as at 30 September 2010, no further expenses were recognised in the current year.

At 31 December 2015 the lock-in period of the BMT came to an end as per the trust deed. At this date, the shares necessary to repay the grant made by Nampak Ltd were sold and the proceeds repaid to Nampak. Current Nampak employees were given an option to roll their share rights to 15 February 2017 at which date they may choose to receive the shares. A further extension to 31 December 2017 will automatically apply if the shares are "under water" at the extension date of 15 February 2017. Of the total shares held, 23 655 988 shares were either sold or transferred to the beneficiaries of the trust.

Other share plans

Performance Share Plan and Share Appreciation Plan

Overview

During July 2006, the group adopted two share-based payment plans, the Performance Share Plan (PSP) and the Share Appreciation Plan (SAP).

Participation to the PSP is restricted to senior executives and executive directors, while participation in the SAP is restricted to senior management and executive directors. Participation in both plans is subject to approval by the remuneration committee.

Both the PSP and SAP allocations are allocated on condition that certain performance criteria will be satisfied during the specific performance period for the allocation concerned. If a participant ceases to be employed by Nampak due to death, retirement or disability the number of shares/share appreciation rights capable of vesting will not be forfeited; however, they will be adjusted according to the lesser of the date of termination and 36 months. Participants then have six months under the SAP to exercise these share appreciation rights before they lapse. Termination of employment due to resignation or dismissal prior to the expiry of three years from the allocation date will forfeit their allocated shares/share appreciation rights. Termination of employment due to resignation or dismissal after the expiry of the three years from allocation date under the PSP will result in shares/share appreciation rights being forfeited. Where an employee is retrenched the shares/share appreciation rights will vest, be released and may be exercised in full to the extent that the performance condition is achieved.

Deferred Bonus Plan

Overview

During February 2010, the group adopted the Deferred Bonus Plan.

Participation in the plan is limited to executive directors and senior executives of the group and its divisions. Participants were entitled to use a maximum of 50% of their annual bonus after tax to purchase shares (bonus shares) in Nampak Ltd.

A matching award, which is based on the number of bonus shares acquired and still held at the vesting date, is made to all participants. For example, if 100 bonus shares were acquired and are still held at the vesting date, the matching award will consist of 100 matching shares.

The participants are the owners of the bonus shares from date of acquisition and have all shareholder rights in respect of the bonus shares from this date. Participants are entitled to withdraw from the plan and dispose of their shares at any time, but this will impact their ability to receive matching shares.

The matching award will vest at the end of the Deferred Bonus Plan period (DBP period) on the vesting date, provided that the bonus shares are still held and the participant is still employed by the group.

Participants have no rights in respect of matching shares until after the vesting date.

An amount of 74 672 bonus shares were purchased during the current financial year.

22. Share-based payments continued
Other share plans continued

Allocation date	Performance period	TSR criteria[1]		HEPS condition[2]	
		Ranking compared to ALSI 40 constituent companies		Non-market condition	
		Threshold	Target	Threshold	Target
Performance Share Plan[4]					
14 December 2010	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
17 March 2011	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
5 December 2011	01/10/2011 – 30/09/2014	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
3 December 2012	01/10/2012 – 30/09/2015	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
3 December 2013	01/10/2013 – 30/09/2016	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
2 January 2014	01/10/2013 – 30/09/2016	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
15 December 2014	01/10/2014 – 30/09/2017	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%
17 December 2015	01/10/2015 – 30/09/2018	CPI + 9%	CPI + 24%	CPI + 9%	CPI + 24%

[1] The total shareholder return (TSR) criteria are based on Nampak's TSR compared to the TSR of constituent companies of the ALSI 40, excluding mining and resource companies (for the first four allocations) and improvement in TSR relative to the cumulative CPI within the performance period (for the last seven allocations).

[2] The non-market condition is based on an improvement in Nampak's annual headline earnings per share adjusted for financial fair value gains and losses relative to the cumulative CPI within the performance period.

[3] The non-market condition is based on an improvement in Nampak's annual return on equity.

[4] Shares vesting will be released proportionately between the third and fifth year from the original grant date so that after five years the participants will be entitled to receive full rights under the scheme.

Details of the share options outstanding during the year are as follows:

	Performance Share Plan – Share grants		
	17 December 2015	15 December 2014	2 January 2014
	Number of awards	Number of awards	Number of awards
2016			
Outstanding at beginning of year	–	622 314	128 300
Granted during the year	1 208 391	–	–
Retirements during the year	(21 377)	(9 339)	–
Exercised during the year	–	–	–
Forfeited during the year as a result of non-market condition	–	–	(89 810)
Outstanding at end of year	1 187 014	612 975	38 490
2015			
Outstanding at beginning of year	–	–	128 300
Granted during the year	–	669 432	–
Forfeited during the year	–	(21 801)	–
Retirements during the year	–	(25 317)	–
Exercised during the year	–	–	–
Forfeited during the year as a result of non-market condition	–	–	–
Outstanding at end of year	–	622 314	128 300

For the 17 December 2015 PSP grant, the fair value is calculated as the share price at grant date, reduced for expected dividends over the vesting period. The fair value is then adjusted for non-market vesting conditions and expected attrition rates.

22. Share-based payments continued

ROE condition[3]		Vesting			
Non-market condition					
Threshold	Target	Performance below threshold criteria	Performance below target criteria above threshold	Performance at or above target criteria	Note
–	–	No vesting	Proportional vesting	100%	50% of shares subject to TSR condition and 50% subject to HEPS condition
–	–	No vesting	Proportional vesting	100%	
–	–	No vesting	Proportional vesting	100%	
15.5%	17.5%	No vesting	Proportional vesting	100%	40% of shares subject to TSR condition, 40% subject to HEPS condition and 20% subject to ROE condition
15.5%	17.5%	No vesting	Proportional vesting	100%	30% of shares subject to TSR condition, 40% subject to HEPS condition and 30% subject to ROE condition
15.5%	17.5%	No vesting	Proportional vesting	100%	
15.5%	17.5%	No vesting	Proportional vesting	100%	
15.5%	17.5%	No vesting	Proportional vesting	100%	

Performance Share Plan – Share grants				
3 December 2013	3 December 2012	5 December 2011	17 March 2011	14 December 2010
Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
666 289	309 144	841 249	18 334	290 546
–	–	–	–	–
(8 106)	–	–	–	–
–	(103 049)	(419 390)	(18 334)	(290 546)
(350 159)	–	–	–	–
308 024	206 095	421 859	–	–
758 903	872 660	1 250 746	36 667	572 468
–	–	–	–	–
(30 273)	(6 341)	–	–	–
(62 341)	(23 334)	–	–	–
–	–	(409 497)	(18 333)	(281 922)
–	(533 841)	–	–	–
666 289	309 144	841 249	18 334	290 546

22. Share-based payments continued

Allocation date	Performance period	HEPS condition Non-market condition[1] Threshold	Target
Share Appreciation Plan[2]			
1 July 2006	01/04/2006 – 31/03/2009	CPI + 2%	CPI + 6%
14 December 2010	01/10/2010 – 30/09/2013	–	CPI + 6%
3 December 2012	01/10/2012 – 30/09/2015	–	CPI + 6%
3 December 2013	01/10/2013 – 30/09/2016	–	CPI + 6%
2 January 2014	01/10/2013 – 30/09/2016	–	CPI + 6%
15 December 2014	01/10/2014 – 30/09/2017	–	CPI + 6%
17 December 2015	01/10/2015 – 30/09/2018	–	CPI + 6%

[1] *The non-market condition is based on an improvement in Nampak's annual headline earnings per share adjusted for financial fair value gains and losses relative to the cumulative CPI within the performance period.*

[2] *Upon vesting of rights, rights are released immediately after the third year. Rights must be exercised within seven years from grant date. For the allocations before 2010, 100% of the share appreciation rights vest and the shares are released proportionately between the third and fifth year from the original grant date so that after five years, participants will be entitled to receive full rights under the scheme. Participants have 10 years from grant date to exercise rights for these allocations.*

Details of the share rights outstanding during the year are as follows:

	Share Appreciation Plan – Share rights					
	17 December 2015		15 December 2014		2 January 2014	
	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price
2016						
Outstanding at beginning of year	–	–	2 727 515	42.00	121 132	41.00
Granted during the year	3 297 395	24.29	–	–	–	–
Forfeited during the year	(75 000)	24.29	(133 333)	42.00	–	–
Retirements during the year	(89 240)	24.29	(57 678)	42.00	–	–
Exercised during the year	–	–	–	–	–	–
Forfeited during the year as a result of non-market condition	–	–	–	–	(121 132)	41.00
Outstanding at end of year	3 133 155	24.29	2 536 504	42.00	–	–
Exercisable at end of year	–		118 005	–	–	–
2015						
Outstanding at beginning of year	–	–	–	–	121 132	–
Granted during the year	–	–	3 098 325	42.00	–	41.00
Forfeited during the year	–	–	(370 810)	42.00	–	–
Retirements during the year	–	–	–	–	–	–
Exercised during the year	–	–	–	–	–	–
Forfeited during the year as a result of non-market condition	–	–	–	–	–	–
Outstanding at end of year	–	–	2 727 515	42.00	121 132	41.00
Exercisable at end of year	–	–	118 005	–	–	–

For the 17 December 2015 SAP grant, the fair value of the share rights were calculated using a binomial tree model. The fair value is then adjusted for non-market vesting conditions and expected attrition rates.

22. Share-based payments continued

Vesting		
Performance below threshold criteria	Performance below target criteria above threshold	Performance at or above target criteria
No vesting	Proportional vesting	100%
No vesting	–	100%
No vesting	–	100%
No vesting	–	100%
No vesting	–	100%
No vesting	–	100%
No vesting	–	100%

Share Appreciation Plan – Share rights							
3 December 2013		3 December 2012		14 December 2010		1 July 2006	
Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price
348 923	37.81	117 274	30.67	111 167	23.00	115 500	17.00
–	–	–	–	–	–	–	–
–	–	–	–	(13 800)	23.00	(4 000)	17.00
(3 037)	37.81	–	–	–	–	–	–
–	–	–	–	(6 900)	23.00	(111 500)	17.00
(271 036)	37.81	–	–	–	–	–	–
74 850	37.81	117 274	30.67	90 467	23.00	–	–
74 850		117 274		90 467		–	
384 194	–	3 642 790	30.67	200 867	23.00	139 500	17.00
–	–	–	–	–	–	–	–
(17 210)	37.81	(490 440)	30.67	(6 900)	23.00	(4 000)	17.00
(18 061)	37.81	(17 871)	30.67	–	23.00	–	–
–		(25 562)	30.67	(82 800)	–	(20 000)	17.00
–		(2 991 643)	–	–	–	–	–
348 923	37.81	117 274	30.67	111 167	23.00	115 500	17.00
74 850	–	117 274	–	111 167	–	115 500	–

22. Share-based payments continued

The calculated fair values and significant inputs into the valuation models were as follows:

	PSP allocations			
	17 December 2015	15 December 2014	2 January 2014	3 December 2013
Weighted average fair value	21.2	12.8	25.0	21.7
Expected volatility[2]	–[1]	–	23.4%	23.6%
Expected life	5 years	5 years	5 years	5 years
Remaining life	4.2 years	3.2 years	2.3 years	2.2 years
Risk-free rate	8.5%	7.1%	8.0%	8.0%
Expected dividend yield	3.5%	4.0%	6.0%	6.0%

	SAP allocations			
	15 December 2015	15 December 2014	2 January 2014	3 December 2013
Weighted average exercise price	24.3	42.2	41.1	37.8
Weighted average fair value	8.2	8.1	11.2	8.6
Expected volatility[2]	30.0%	25.0%	25.6%	25.5%
Expected life	3 years	3 years	3 years	3 years
Remaining life	2.2 years	1.2 years	0.3 years	0.2 years
Risk-free rate	8.5%	7.2%	8.0%	8.0%
Expected dividend yield	3.5%	4.0%	6.0%	6.0%

	Deferred Bonus Plan			
	15 December 2015	17 December 2014	3 December 2013	14 December 2012
Weighted average fair value	21.2	29.2	34.8	27.8
Expected life	3 years	3 years	3 years	3 years
Remaining life	2.2 years	1.2 years	0.2 years	0 years
Risk-free rate	–	–	–	–
Expected dividend yield	3.5%	4.0%	4.2%	4.8%

[1] *An explicit volatility assumption was not used in the valuation, as an equity risk-premium approach was used for incorporating a probability weighted average of TSR scenarios and the vesting structure for the TSR performance condition.*

[2] *Expected volatility was determined with reference to historical volatility. The expected useful life used in the model has been adjusted, based on management's best estimate, for the effects of forfeitures, exercise restrictions and behavioural considerations.*

23. Finance costs

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
Interest paid – short-term facilities	565.1	403.8	–	35.1	565.1	438.9
Interest paid – long-term facilities	0.2	0.6	–	–	0.2	0.6
Interest paid – other	0.1	12.2	–	–	0.1	12.2
Less: Interest capitalised	(37.9)	(100.0)	–	–	(37.9)	(100.0)
	527.5	316.6	–	35.1	527.5	351.7

Borrowing costs included in the cost of qualifying assets are calculated by applying a capitalisation rate of 7.7% (2015: 6.9% to 8.0%) to expenditure on those assets.

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
24. Finance income						
Interest received – short-term facilities	37.4	20.5	–	–	37.4	20.5
Interest received – other	4.6	17.1	–	9.3	4.6	26.4
	42.0	37.6	–	9.3	42.0	46.9
25. Income from investments						
Normal dividends	–	–	–	7.4	–	7.4
26. Income tax						
Current tax						
– current year	132.7	61.5	–	(2.4)	132.7	59.1
– prior year	(6.8)	(59.0)	–	(1.4)	(6.8)	(60.4)
– capital gains tax	–	(41.2)	–	41.2	–	–
Deferred tax						
– current year	160.9	62.7	–	(174.8)	160.9	(112.1)
– prior year	(130.9)	(119.6)	–	5.1	(130.9)	(114.5)
– change in tax rate	(7.7)	(0.2)	–	–	(7.7)	(0.2)
Withholding and foreign tax	50.9	38.3	–	1.9	50.9	40.2
Total	199.1	(57.5)	–	(130.4)	199.1	(187.9)

The company tax rate in South Africa is 28% (2015: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those relevant jurisdictions.

26. Income tax continued

	Continuing operations		Discontinued operations		Total	
	2016 %	2015 %	2016 %	2015 %	2016 %	2015 %
Reconciliation of rate of tax						
Effective group rate of tax	11.9	(4.1)	–	24.8	11.9	(21.5)
Reduction in tax rate due to:						
– exempt income (including capital profits)	22.3	2.5	–	(24.1)	22.3	18.6
– associate profit/(loss)	0.1	(0.1)	–	–	0.1	(0.2)
– government incentives	6.4	9.7	–	(0.1)	6.4	15.5
– adjustment for prior year	8.2	12.8	–	0.7	8.2	20.0
– tax rate reduction	0.5	–	–	–	0.5	–
– tax rate differential	10.3	9.9	–	–	10.3	15.9
– capital gains tax	–	2.9	–	7.8	–	–
Increase in tax rate due to:						
– deferred taxation not recognised	(0.4)	(0.7)	–	0.4	(0.4)	(1.3)
– exchange losses not protected	(21.2)	–	–	–	(21.2)	–
– disallowable expenses	(7.1)	(2.2)	–	18.1	(7.1)	(14.4)
– withholding and foreign taxes	(3.0)	(2.7)	–	0.4	(3.0)	(4.6)
Normal tax rate	28.0	28.0	-	28.0	28.0	28.0

In addition to the income tax charge/(benefit) to profit or loss, a deferred tax credit of R58.9 million (2015: R33.3 million charge) has been recognised in equity during the year.

27. Sale and leaseback transaction

The group entered into a sale and leaseback transaction for the sale and leaseback of 15 of its industrial properties in South Africa effective 1 September 2016.

The selling prices of the properties were determined by an independent valuer and confirmed through a comprehensive market review.

Fourteen of the properties were leased for a period of 15 years with an option to renew the lease agreements for one additional period of 10 years, and an option to repurchase the properties at market-related prices on termination of the lease agreements. One property was leased for a period of three years. Escalation of rentals is provided for in the agreements at inflation-related rates.

The lease has been classified and recognised as an operating lease in terms of the criteria set out in IAS 17 *Leases*.

In terms of the lease agreements, the group remains responsible for all maintenance, insurance, rates and taxes ("triple net" lease).

	2016 R million	2015 R million
Disposal of the properties subject to the transaction		
Net proceeds on disposal of properties	1 701.1	–
Net carrying value of properties disposed	(382.2)	–
Property, plant and equipment (note 3)	(374.6)	–
Non-current assets held for sale (note 13)	(7.6)	–
Profit on disposal of properties (note 21)	1 318.9	–
Future minimum lease payments		
2017	145.9	–
2018 – 2021	681.1	–
2022 onwards	2 709.5	–
Total	3 536.5	–

28. Operating lease commitments

	2016 R million	2015 R million
Other than the sale and leaseback arrangement (note 27), the group has other lease commitments in respect of land and buildings, plant, equipment and vehicles, which are payable as follows:		
Year ending 30 September		
2016	9.4	45.1
2017	47.8	31.7
2018	42.7	19.4
2019	28.3	11.7
2020	23.1	67.7
2021 and beyond	71.7	–
Total	223.0	175.6
Comprising:		
Land and buildings	195.7	150.6
Vehicles	3.3	15.1
Other	24.0	9.9
	223.0	175.6

29. Discontinued operations

An agreement for the sale of Nampak's 50% shareholding in, and loans to, Sancella SA (Pty) Ltd was entered into on 21 July 2015, with the transaction being effective 1 December 2015. The proceeds from the sale were applied to settle the outstanding loan balances.

The loans had been impaired to the amount expected to be recovered in terms of the transaction as at 30 September 2015 and no further loss was recognised on the recovery of the net carrying values of these loans on the effective date of the transaction.

During the previous year, the group disposed of the following businesses:
- Nampak Corrugated and Nampak Tissue businesses effective 1 April 2015;
- Nampak Flexibles and Nampak Recycling businesses effective 1 July 2015; and
- Nampak Sacks business effective 29 September 2015.

The above disposals are consistent with the group's strategy of exiting its non-core and underperforming businesses.

The results of the discontinued operations included in the group consolidated statement of comprehensive income are set out below.

	2016 R million	2015 R million
Results of the discontinued operations for the year		
Revenue*	–	3 385.7
Expenses	–	(3 560.7)
Loss before tax	–	(175.0)
Attributable income tax benefit	–	8.1
	–	(166.9)
Loss on disposal of operations	–	(350.2)
Attributable income tax benefit	–	122.3
	–	(227.9)
Loss for the period from discontinued operations	–	(394.8)

* *Includes internal revenue (sales to other divisions within the group).*

30. Business combinations

In the previous financial year, the group consolidated Hunyani Holdings Ltd (Hunyani) and Megapak Zimbabwe (Pvt) Ltd (Megapak) with effect from 1 December 2014. These entities, situated in Zimbabwe, were previously recognised as associates and equity accounted as such. The revaluation of the group's original interest in Hunyani and Megapak resulted in gains of R14.2 million and R9.3 million respectively.

As part of this process, the group restructured its subsidiary, CarnaudMetalbox Zimbabwe Ltd, and Megapak under Hunyani, and Hunyani was renamed Nampak Zimbabwe Ltd. The transaction also involved the group increasing its effective interest in the Nampak Zimbabwe Ltd group to 51.43%.

	2016 R million	2015 R million
Fair value of previously held interests	–	184.9
Plus: Outside shareholders' interests recognised	–	356.8
Less: Fair value of identifiable net assets acquired	–	(642.4)
Gain arising on consolidation	–	(100.7)

31. Dividends and cash distributions

	2016 R million	2015 R million
Dividends paid		
Final dividend number 87 paid on 18 January 2016: gross amount of 92.0 cents per share (2015: number 85 – 107.0 cents per share)	633.6	751.5
No interim dividend paid (2015: number 86 – 42.0 cents per share)	–	295.0
Dividend attributable to treasury shares	(66.7)	(107.9)
	566.9	938.6
Other dividends	2.9	7.6
Total dividends	569.8	946.2

No dividend was declared for the year ending 30 September 2016.

	2016 Cents	2015 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	–	42.0
Final	–	92.0
	–	134.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2015: R0.1 million) were declared on 26 November 2015 and 12 July 2016, and paid on 25 January 2016 and 1 August 2016 respectively.

32. Basic, diluted and headline earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year, excluding those held as treasury shares.

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the year, increased by shares issued during the year, weighted on a time basis for the period during which they have participated in the profit of the group.

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
Basic earnings						
Profit attributable to equity holders of the company for the period	1 610.4	1 438.0	–	(394.8)	1 610.4	1 043.2
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Total	1 610.3	1 437.9	–	(394.8)	1 610.3	1 043.1
Weighted average number of shares in issue ('000)	632 667	629 726	632 667	629 726	632 667	629 726
Basic earnings per share	254.5	228.3	–	(62.7)	254.5	165.6

Diluted earnings per share

The diluted basic earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
Diluted earnings*	1 610.3	1 437.9	–	(394.8)	1 610.3	1 043.1
Weighted average number of ordinary shares for the purpose of diluted basic earnings per share ('000)	634 335	637 369	634 335	637 369	634 335	637 369
Weighted average number of ordinary shares for the purpose of basic earnings per share	632 667	629 726	632 667	629 726	632 667	629 726
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Black Management Trust ('000)	–	4 847	–	4 847	–	4 847
Other share incentive plans ('000)	1 668	2 796	1 668	2 796	1 668	2 796
Diluted earnings per share	253.9	225.6	–	(61.9)	253.9	163.7

* *No dilution of basic earnings.*

32. Basic, diluted and headline earnings per share continued

	Continuing operations		Discontinued operations		Total	
	2016 R million	2015 R million	2016 R million	2015 R million	2016 R million	2015 R million
Headline earnings per share						
Headline earnings						
Basic earnings	1 610.3	1 437.9	–	(394.8)	1 610.3	1 043.1
Adjusted for:						
Net impairment losses on goodwill, plant and equipment	360.8	121.4	–	–	360.8	121.4
Net (loss)/gain on disposal of businesses and other investments	(3.5)	–	–	350.2	(3.5)	350.2
Gain on revaluation and consolidation of Zimbabwe associates	–	(124.2)	–	–	–	(124.2)
Profit on disposal of property subject to sale and leaseback	(1 318.9)	–	–	–	(1 318.9)	–
Net loss/(profit) on disposal of other property, plant, equipment and intangible assets	6.8	(102.8)	–	3.6	6.8	(99.2)
Tax effects and outside shareholders' interest	25.4	(21.2)	–	(123.2)	25.4	(144.4)
Total	680.9	1 311.1	–	(164.2)	680.9	1 146.9
Weighted average number of shares in issue ('000)	632 667	629 726	632 667	629 726	632 667	629 726
Headline earnings per share (cents)	107.6	208.2	–	(26.1)	107.6	182.1
Diluted headline earnings per share						
Diluted headline earnings*	680.9	1 311.1	–	(164.2)	680.9	1 146.9
Weighted average number of ordinary shares for the purpose of diluted headline earnings per share ('000)**	634 335	637 369	634 335	637 369	634 335	637 369
Diluted headline earnings per share (cents)	107.3	205.7	–	(25.8)	107.3	179.9

* *No dilution of headline earnings.*
** *Per diluted earnings per share calculation.*

33. Contingent liabilities

	2016	2015
Guarantees in respect of property leases	5.0	3.3
Customer claims and other	1.7	11.5
Tax contingent liability	76.9	49.4
Total	83.6	64.2

34. Capital commitments

	2016	2015
Capital commitments for acquisition of property, plant and equipment		
– contracted	276.3	727.2
– approved	178.1	772.9
Total	454.4	1 500.1

35. Related-party transactions

	2016 R million	2015 R million
Disclosure in respect of associates and joint ventures is provided in notes 6 and 7. Details of joint ventures and associates can be found in Annexure B.		
Material related-party transactions were as follows:		
Sales and services rendered (from)/to related parties:		
Associates	(30.0)	64.7
Joint ventures	6.6	11.4
	(23.4)	76.1
Interest received from related parties:		
Joint ventures	–	11.1
	–	11.1
Amounts owing (after eliminating inter-company balances) by related parties are disclosed in the respective notes to the financial statements for those balance sheet items.		
Amounts receivable from related parties:		
Loans to joint ventures	–	122.2
	–	122.2

Key members

Key members are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly (executive or otherwise). Key members have been defined as the board of directors of the holding company and the group executive committee.

A number of key members hold positions in related entities where they may have significant influence over the financial and operating policies of those entities. These relationships have been listed below:

Key member	Entity	Position in entity
RC Andersen	Nampak 1979 Share Purchase Trust	Trustee
	Nampak Ltd Performance Share Trust	Trustee
	Nampak Ltd Share Appreciation Trust	Trustee
RJ Khoza	Aka Capital (Pty) Ltd	Executive chairman
CWN Molope	Red Coral Investments 23 (Pty) Ltd	Shareholder (Red Coral repurchase took place in December 2015. Refer to note 14)
PM Surgey	Nampak 1979 Share Purchase Trust	Trustee
	Nampak Ltd Performance Share Trust	Trustee
	Nampak Ltd Share Appreciation Trust	Trustee
FV Tshiqi	Nampak Group Pension Fund	Employer trustee
NP O'Brien	Nampak Group Pension Fund	Employer trustee

Transactions between the group and these entities have occurred under terms and conditions that are no more favourable than those entered into with third parties in arm's length transactions.

Related-party transactions include:

Certain non-executive directors of the group are also non-executive directors of other public companies which may transact with the group. Executive directors or the chairpersons of such companies are assumed to have significant influence. Except as disclosed above, the relevant individuals do not believe that they have significant influence over the financial and operating policies of those companies.

35. Related-party transactions continued

Compensation relating to key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2016 R million	2015 R million
Short-term employee benefits	37.9	34.9
Post-employment benefits	–	1.4
Termination benefits	–	8.8
Share-based payments	11.4	7.1
	49.3	52.2

The remuneration of directors and key executives is determined by the remuneration committee, having regard to the performance of individuals and market trends.

Shareholders

An analysis of major shareholders is provided on page 91.

36. Notes to the cash flow statements

	2016 R million	2015 R million
36.1 Reconciliation of profit before taxation to cash generated from operations		
Profit before taxation	1 677.4	873.4
Continuing operations	1 677.4	1 398.6
Discontinued operations	–	(525.2)
Adjustment for:		
Depreciation and amortisation	911.7	811.8
Net (profit)/loss on disposal of businesses, property, plant, equipment and intangible assets	(1 315.6)	251.0
Financial instruments fair value adjustment	108.9	(38.6)
Income from investments	–	(7.4)
Gain on revaluation and consolidation of Zimbabwe associates	–	(124.2)
Net defined benefit plan expense/(income)	16.5	122.0
Impairment losses	360.8	199.4
Reversal of impairment losses	(0.4)	(0.3)
Share of loss in associates	1.3	2.6
Share of (profit)/loss in joint ventures	(1.4)	4.2
Share-based payments expense/(income)	19.3	(3.6)
Net finance costs	485.5	304.8
Operating profit before working capital changes	2 264.0	2 395.1
Decrease/(increase) in inventories	487.8	(766.2)
Decrease/(increase) in trade receivables and other current assets	119.1	(425.1)
(Decrease)/increase in trade payables and other current liabilities	(45.6)	522.7
Cash generated from operations	2 825.3	1 726.5

36. Notes to the cash flow statements continued

	2016 R million	2015 R million
36.2 Disposal of businesses		
During the prior year, the group disposed of the remaining South African-based businesses of the Paper segment, as set out in the note on discontinued operations (note 29).		
Net assets disposed	–	2 331.3
Outside shareholders' interest	–	2.6
Goodwill disposed	–	34.0
Loss on disposal of businesses	–	(350.2)
Total disposal consideration	–	2 017.7
Less: Deferred sales proceeds	–	(35.0)
Net inflow on disposal	–	1 982.7
36.3 Cash and cash equivalents/(overdrafts)		
Cash and cash equivalents included in the statement of cash flows consist of the following amounts on the statement of financial position:		
Bank balances, deposits and cash equivalents (note 12)	2 835.4	1 587.4
Bank overdraft (note 15)	(993.4)	(3 672.3)
	1 842.0	(2 084.9)

37. Remuneration of directors and prescribed officers

In terms of total guaranteed packages, plus other benefits for 2016, this detail is set out in the table below.

Table 1(a)

Executive directors' and group executive committee members' total remuneration 2016

Name	Basic salary (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits[1] (rand)	STI[2] (rand)	Total remuneration (rand)	SAP and PSP[3] (rand)
Columns	1	2	3 = 1+2	4	5	6 = 3+4+5	7
Executive directors							
AM de Ruyter	6 369 501	431 589	6 801 090	20 273	2 442 045	9 263 408	754 789
GR Fullerton	3 831 392	31 941	3 863 333	11 516	1 436 400	5 311 249	–
FV Tshiqi	2 642 421	249 346	2 891 767	8 620	766 463	3 666 850	367 433
Total	12 843 314	712 876	13 556 190	40 409	4 644 908	18 241 507	1 122 222
Group executive committee							
C Burmeister	2 475 833	246 307	2 722 140	8 114	1 664 371	4 394 625	236 477
M Khutama	1 992 114	207 886	2 200 000	6 558	721 050	2 927 608	–
RG Morris	3 067 042	273 958	3 341 000	9 959	1 823 117	5 174 076	393 318
NP O'Brien	2 375 665	241 519	2 617 184	7 801	599 087	3 224 072	291 836
EE Smuts	2 730 966	252 738	2 983 704	8 894	988 680	3 981 278	302 131
Total	12 641 620	1 222 408	13 864 028	41 326	5 796 305	19 701 659	1 223 762

[1] *Other benefits refers to group personal accident cover.*

[2] *STI disclosed is based on performance during the 2016 financial year, but actual STI payments will only be made in December 2016.*

[3] *SAPs and PSPs disclosed were awarded in December 2013 (January 2014 for AM de Ruyter), with the applicable performance period ending 30 September 2016. Values represented are calculated using the VWAP as at 30 September 2016.*

37. Remuneration of directors and prescribed officers continued

Table 1(b)

Executive directors' and group executive committee members' total remuneration 2015

Name	Basic salary (rand)	Payments by offshore companies (rand)[1]	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits[10] (rand)	STI[11] (rand)	Total remuneration (rand)	SAP and PSP[12] (rand)
Columns	1	2	3	4 = 1+2+3	5	6	7 = 4+5+6	8
Executive directors								
AM de Ruyter[2]	6 078 024	–	524 976	6 603 000	4 251 527	2 057 495	12 912 022	–
GR Fullerton[3]	316 667	–	–	316 667	882	90 250	407 799	–
G Griffiths[4]	2 161 399	645 408	161 366	2 968 173	283 144	576 488	3 827 804	500 918
AH Howie[5]	444 234	–	39 109	483 342	1 347	–	484 689	–
FV Tshiqi	2 528 725	–	214 886	2 743 612	7 482	557 125	3 308 218	330 695
Total	11 529 049	645 408	940 336	13 114 793	4 544 381	3 281 358	20 940 533	831 613
Group executive committee								
C Burmeister	2 356 294	–	199 706	2 556 000	6 970	1 537 658	4 100 628	187 816
PA de Weerdt[6]	2 893 355	–	246 987	3 140 342	5 089 458	807 735	9 037 535	1 772 918
M Khutama[7]	338 335	–	28 332	366 667	1 022	79 420	447 108	–
RG Morris[8]	2 921 912	–	247 916	3 169 829	496 901	600 762	4 267 492	354 584
SE Msane[9]	1 402 882	–	119 094	1 521 976	6 144 271	317 208	7 983 455	1 420 490
NP O'Brien	2 265 718	–	191 732	2 457 450	7 071	488 160	2 952 681	260 831
EE Smuts	2 671 703	–	225 097	2 896 800	8 269	596 487	3 501 556	213 726
Total	14 850 199	–	1 258 865	16 109 063	11 753 961	4 427 430	32 290 454	4 210 365

[1] *For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of GBP1: R18.5583.*
[2] *Received a sign on cash award of R4 233 152, paid on 5 January 2015.*
[3] *Appointed with effect from 1 September 2015.*
[4] *Retired with effect from 19 June 2015. Received leave pay to the value of R277 318 on termination.*
[5] *Appointed in the role of acting chief financial officer for the period 19 June 2015 to 31 August 2015.*
[6] *Early retirement with effect from 30 September 2015. Received a loss of office payment of R4 192 735.*
Received a cash settlement in respect of post-retirement medical aid of R886 232.
Received a long service award to the value of R7 500 for 35 years' service.
[7] *Appointed with effect from 1 August 2015.*
[8] *Received a settlement in respect of post retirement medical aid of R487 887 in the form of a pension fund contribution.*
[9] *Retrenched with effect from 31 March 2015. Received a loss of office payment of R4 305 427.*
Received a special incentive in respect of the sale of the paper businesses of R1 834 793.
[10] *Unless specifically noted above, other refers to group personal accident cover.*
[11] *STI disclosed is based on performance during the 2015 financial year, but actual STI payments will only be made in December 2015.*
[12] *SAPs and PSPs disclosed were awarded in December 2012, with the applicable performance period ending 30 September 2015 and the employment period ending in December 2015.*
Values represented are calculated using the VWAP as at 30 September 2015.

37. Remuneration of directors and prescribed officers continued

The table below illustrates, on an individual executive director and group executive committee member level, the value of long-term incentives allocated, settled, forfeited and the current value of units not settled under each share plan.

Table 2

Share Appreciation Plan

Name	Award date	Market value at award date (rand)	Number of share appre-ciation rights awarded	Movements (forfeited or withdrawn as a result of achieve-ment against perfor-mance condition)	Number of rights capable of being exercised	Number of rights exercised	Exercise date	Market value on exercise date (rand)	Gains on rights exercised (rand)	Balance of rights not exercised (rand)	Lapse date
Executive directors											
AM de Ruyter	17.12.2015	24.29	140 080	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	100 229	–	–	–	–	–	–	–	15.12.2021
	02.01.2014	41.07	121 132	(121 132)	–	–	–	–	–	–	02.01.2021
GR Fullerton	17.12.2015	24.29	78 268		–	–	–	–	–	–	17.12.2022
FV Tshiqi	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	30 091	–	–	–	–	–	–	–	15.12.2021
	03.12.2013	37.81	38 406	(38 406)	–	–	–	–	–	–	03.12.2020
	03.12.2012	30.67	42 570	(42 570)	–	–	–	–	–	–	03.12.2019
Group executive committee											
C Burmeister	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	26 683	–	–	–	–	–	–	–	15.12.2021
	03.12.2013	37.81	24 296	(24 296)	–	–	–	–	–	–	03.12.2020
	03.12.2012	30.67	14 538	(14 538)	–	–	–	–	–	–	03.12.2019
M Khutama	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
RG Morris	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	30 091	–	–	–	–	–	–	–	15.12.2021
	03.12.2013	37.81	38 406	(38 406)	–	–	–	–	–	–	03.12.2020
	03.12.2012	30.67	42 570	(42 570)	–	–	–	–	–	–	03.12.2019
NP O'Brien	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	26 683	–	–	–	–	–	–	–	15.12.2021
	03.12.2013	37.81	32 395	(32 395)	–	–	–	–	–	–	03.12.2020
	03.12.2012	30.67	35 166	(35 166)	–	–	–	–	–	–	03.12.2019
EE Smuts	17.12.2015	24.29	38 346	–	–	–	–	–	–	–	17.12.2022
	15.12.2014	42.20	26 683	–	–	–	–	–	–	–	15.12.2021
	03.12.2013	37.81	32 395	(32 395)	–	–	–	–	–	–	03.12.2020
	03.12.2012	30.67	14 538	(14 538)	–	–	–	–	–	–	03.12.2019

37. Remuneration of directors and prescribed officers continued

Table 3

Performance Share Plan

Name	Award date	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Release date	Market value on release date (rand)	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares
Executive directors											
AM de Ruyter	17.12.2015	325 850	–	–	–	–	–	–	–	–	–
	15.12.2014	187 272	–	–	–	–	–	–	–	–	–
	02.01.2014	128 300	(89 810)	–	–	–	–	–	–	–	–
GR Fullerton	17.12.2015	153 823	–	–	–	–	–	–	–	–	–
FV Tshiqi	17.12.2015	93 353	–	–	–	–	–	–	–	–	–
	15.12.2014	43 331	–	–	–	–	–	–	–	–	–
	03.12.2013	62 458	(43 721)	–	–	–	–	–	–	–	–
	03.12.2012	63 816	(51 053)	12 763	4 254	03.12.2015	27.16	115 539	18 034	133 573	8 509
	05.12.2011	168 775	–	168 775	56 258	05.12.2014	41.35	2 326 268	219 114	2 545 382	
					56 258	07.12.2015	26.88	1 512 215	302 938	1 815 153	56 259
	14.12.2010	76 200	–	76 200	25 400	17.12.2013	39.19	995 426	85 709	1 081 135	
					25 400	15.12.2014	42.20	1 071 880	122 296	1 194 176	
					25 400	14.12.2015	23.56	598 424	160 137	758 561	–
Group executive committee											
C Burmeister	17.12.2015	91 533	–	–	–	–	–	–	–	–	–
	15.12.2014	36 112	–	–	–	–	–	–	–	–	–
	03.12.2013	40 196	(28 137)	–	–	–	–	–	–	–	–
	03.12.2012	36 224	(28 979)	7 245	2 415	03.12.2015	27.16	65 591	10 239	75 831	4 830
	05.12.2011	20 180	–	20 180	6 727	05.12.2014	41.35	278 161	26 175	304 336	
					6 727	07.12.2015	26.88	180 822	36 207	217 029	6 726
	14.12.2010	19 000	–	19 000	6 333	17.12.2013	39.19	248 190	21 358	269 548	
					6 333	15.12.2014	42.20	267 253	30 468	297 721	
					6 334	14.12.2015	23.56	149 229	39 934	189 163	–
M Khutama	17.12.2015	85 923	–	–	–	–	–	–	–	–	–
RG Morris	17.12.2015	98 183	–	–	–	–	–	–	–	–	–
	15.12.2014	46 631	–	–	–	–	–	–	–	–	–
	03.12.2013	66 858	(46 801)	–	–	–	–	–	–	–	–
	03.12.2012	68 426	(54 741)	13 685	4 562	03.12.2015	27.16	123 904	19 338	143 242	9 123
	05.12.2011	172 775	–	172 775	57 592	05.12.2014	41.35	2 381 429	224 282	2 605 712	
					57 592	07.12.2015	26.88	1 548 073	310 115	1 858 188	57 591
	14.12.2010	80 000	–	80 000	26 667	17.12.2013	39.19	1 045 080	89 980	1 135 060	
					26 667	15.12.2014	42.20	1 125 347	128 372	1 253 720	
					26 666	14.12.2015	23.56	628 251	168 124	796 375	–

37. Remuneration of directors and prescribed officers continued

Table 3 continued

Performance Share Plan continued

Name	Award date	Number of conditional shares awarded	Movements (forfeited or withdrawn as a result of achievement against performance condition)	Number of shares capable of being released	Number of shares released	Release date	Market value on release date (rand)	Gain on vested shares (rand)	Gain on additional dividend shares (rand)	Total gain on vesting and dividend shares (rand)	Vested shares still to be released excluding dividend shares
Group executive committee											
NP O'Brien	17.12.2015	90 403	–	–	–	–	–	–	–	–	–
	15.12.2014	35 352	–	–	–	–	–	–	–	–	–
	03.12.2013	49 608	(34 726)	–	–	–	–	–	–	–	–
	03.12.2012	50 334	(40 267)	10 067	3 356	03.12.2015	27.16	91 149	14 205	105 354	6 711
	05.12.2011	76 314	–	76 314	25 438	05.12.2014	41.35	1 051 861	99 075	1 150 936	
					25 438	07.12.2015	26.88	683 773	136 980	820 754	25 438
	14.12.2010	64 500	–	64 500	21 500	17.12.2013	39.19	842 585	72 541	915 126	
					21 500	15.12.2014	42.20	907 300	103 517	1 010 817	
					21 500	14.12.2015	23.56	506 540	135 541	642 081	–
EE Smuts	17.12.2015	94 343	–	–	–	–	–	–	–	–	–
	15.12.2014	38 762	–	–	–	–	–	–	–	–	–
	03.12.2013	51 358	(35 951)	–	–	–	–	–	–	–	–
	03.12.2012	41 244	(32 995)	8 249	2 750	03.12.2015	27.16	74 690	11 652	86 342	5 499
	05.12.2011	23 960	–	23 960	7 987	05.12.2014	41.35	330 262	31 095	361 358	
					7 987	07.12.2015	26.88	214 691	43 008	257 699	7 986
	14.12.2010	22 500	–	22 500	7 500	17.12.2013	39,19	293 925	25 278	319 203	
					7 500	15.12.2014	42,20	316 500	36 081	352 581	
					7 500	14.12.2015	23,56	176 700	47 285	223 985	–

37. Remuneration of directors and prescribed officers continued

Table 4

Deferred Bonus Plan

Name	Grant date	Number of shares purchased	Movements (forfeited or withdrawn as a result of termination of employment)	Market value at grant date (rand)	Matching award release date	Matching award – number of shares released	Market value at award date (rand)	Gain on matching award (rand)	Value invested in Nampak shares at 30 September 2016 at R19.61 per share (rand)
Executive directors									
AM de Ruyter	15.12.2015	25 617	–	23.57	17.12.2018	–	–	–	1 276 140
	17.12.2014	39 459	–	42.14	18.12.2017	–	–	–	–
GR Fullerton	15.12.2015	1 011	–	23.57	17.12.2018	–	–	–	19 826
FV Tshiqi	15.12.2015	6 243	–	23.57	17.12.2018	–	–	–	400 220
	17.12.2014	14 166	–	42.14	18.12.2017	–	–	–	–
	14.12.2012	18 104	–	32.38	14.12.2015	18 104	23.56	426 530	–
Group executive committee									
C Burmeister	15.12.2015	15 316	–	23.57	17.12.2018	–	–	–	464 796
	17.12.2014	6 761	–	42.14	18.12.2017	–	–	–	–
	18.12.2013	1 625	–	39.49	19.12.2016	–	–	–	–
	14.12.2012	6 070	–	32.38	14.12.2015	6 070	23.56	143 009	–
M Khutama	15.12.2015	791	–	23.57	17.12.2018	–	–	–	15 512
RG Morris	15.12.2015	5 985	–	23.57	17.12.2018	–	–	–	456 658
	17.12.2014	13 036	–	42.14	18.12.2017	–	–	–	–
	18.12.2013	4 266	–	39.49	19.12.2016	–	–	–	–
	14.12.2012	12 908	–	32.38	14.12.2015	12 908	23.56	304 112	–
NP O'Brien	15.12.2015	4 255	–	23.57	17.12.2018	–	–	–	362 373
	17.12.2014	11 113	–	42.14	18.12.2017	–	–	–	–
	18.12.2013	3 111	–	39.49	19.12.2016	–	–	–	–
	14.12.2012	12 982	–	32.38	14.12.2015	12 982	23.56	305 856	–
EE Smuts	15.12.2015	5 942	–	23.57	17.12.2018	–	–	–	476 150
	17.12.2014	10 465	–	42.14	18.12.2017	–	–	–	–
	18.12.2013	7 874	–	39.49	19.12.2016	–	–	–	–
	14.12.2012	9 087	–	32.38	14.12.2015	9 087	23.56	214 090	–

Black Management Trust

Mr Tshiqi remains a beneficiary in the BMT with the following awards granted:

Name	Number of awards granted	Founding grant price (rand)
FV Tshiqi	982 579	15.13

37. Remuneration of directors and prescribed officers continued

Table 5

Non-executive directors' remuneration

The non-executive remuneration paid during the year under review (as approved by shareholders) and the total comparative figure for 2015 are disclosed below.

Name	Directors' fees (rand) Base fee	Directors' fees (rand) Meeting fees	Audit committee total fees (rand)	Remuneration committee total fees (rand)	Nomination committee total fees (rand)	Investment committee total fees (rand)	Risk and sustainability committee total fees (rand)	Social, ethics and transformation committee total fees (rand)	Total 2016 (rand)	Total 2015 (rand)
RC Andersen	164 200	103 800	185 000	98 500	71 450	176 800	–	–	799 750	777 980
E Ikazoboh	164 200	69 200	–	–	–	81 900	–	–	315 300	347 970
RJ Khoza	164 200	103 800	–	–	71 450	–	–	–	339 450	321 745
NV Lila[3]	164 200	103 800	185 000	–	–	–	170 101	–	623 101	416 540
PM Madi	164 200	69 200	–	–	–	90 200	90 200	176 800	590 600	546 410
TT Mboweni[1]	1 667 400	–	–	–	–	–	–	–	1 667 400	1 580 500
IN Mkhari	164 200	86 500	185 000	–	–	90 200	–	90 200	616 100	548 590
DC Moephuli[2]	164 200	69 200	–	–	–	81 900	81 900	–	397 200	416 530
CWN Molope[3]	164 200	103 800	362 700	–	–	–	97 102	–	727 802	658 755
RV Smither[4]	–	–	–	–	–	–	–	–	–	255 875
PM Surgey	164 200	103 800	–	191 050	71 450	–	90 200	90 200	710 900	704 380
	3 145 200	813 100	917 700	289 550	214 350	521 000	529 503	357 200	6 787 603	6 575 275

[1] *Fee includes participation in board sub-committee meetings.*
[2] *Fee donated to Transnet Foundation.*
[3] *NV Lila took over chairman role of the risk and sustainability committee from CWN Molope with effect from 3 November 2015.*
[4] *Resigned from the board and all committees with effect 4 February 2015.*

38. Subsequent events

There have been no subsequent events from the reporting date up to the date of the financial statements.

Company statement of financial position

at 30 September 2016

	Notes	2016 R million	2015 R million
ASSETS			
Non-current assets			
Investment in associate	1	2.5	3.3
Investment in subsidiaries	2	2 330.6	2 311.3
		2 333.1	2 314.6
Current assets			
Other receivables	4	33.6	417.8
Subsidiary companies	11	886.3	533.2
Bank balances and deposits	5	2.1	1.7
		922.0	952.7
Total assets		3 255.1	3 267.3
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	35.4	36.1
Capital reserves	6	455.1	435.8
Retained earnings	6	2 740.1	2 785.9
		3 230.6	3 257.8
Current liabilities			
Other payables	7	13.9	7.5
Subsidiary companies	11	1.5	1.9
Tax liabilities		9.1	0.1
		24.5	9.5
Total equity and liabilities		3 255.1	3 267.3

Company statement of comprehensive income

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
Employee benefit expense		6.7	6.6
Other operating expenses		0.9	1.7
Other operating income		15.1	11.5
Operating profit		7.5	3.2
Income from investments	8	600.9	1 052.5
Profit before tax		608.4	1 055.7
Income tax expense	9	20.5	3.0
Total comprehensive income for the year		587.9	1 052.7

Company statement of changes in equity

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
Opening balance		3 257.8	3 255.4
Net shares issued during the year		28.9	74.9
Share-based payment expense/(income)		19.3	(3.6)
Share grants exercised		(28.8)	(75.0)
Shares repurchased and cancelled		(0.8)	–
Total comprehensive income for the period		587.9	1 052.7
Dividends paid	10	(633.7)	(1 046.6)
Closing balance		3 230.6	3 257.8
Comprising:			
Share capital	6	35.4	36.1
Capital reserves	6	455.1	435.8
Share premium		250.7	221.9
Share option reserve		204.4	213.9
Retained earnings	6	2 740.1	2 785.9
Total equity		3 230.6	3 257.8

Company statement of cash flows

for the year ended 30 September 2016

	Notes	2016 R million	2015 R million
Cash flows from operating activities			
Cash generated from/(utilised in) operations	12.1	15.8	(72.9)
Income from investments		600.9	1 052.5
Income tax paid		(11.5)	(7.0)
Cash flows from operations		605.2	972.6
Dividends paid		(633.7)	(1 046.6)
Cash utilised in operating activities		(28.5)	(74.0)
Cash flows from investing activities			
Decrease/(increase) in non-current financial assets and investments		0.8	(0.3)
Cash generated from/(utilised in) investing activities		0.8	(0.3)
Cash flows from financing activities			
Capital raised from issue of shares		28.9	74.9
Shares repurchased and cancelled		(0.8)	–
Cash raised from financing activities		28.1	74.9
Net increase in cash and cash equivalents		0.4	0.6
Cash and cash equivalents at beginning of year		1.7	1.1
Cash and cash equivalents at end of year	12.2	2.1	1.7

Notes to the company financial statements

for the year ended 30 September 2016

		2016 R million	2015 R million
1.	**Investment in associate**		
	(Refer to Annexure B for details)		
	Cost of investment in associate	2.5	3.3
		2.5	3.3
2.	**Investments in subsidiaries**		
	(Refer to Annexure B for details)		
	Interest in subsidiaries	3 518.4	3 518.4
	Share-based payments contribution	215.4	196.1
	Net amount due by subsidiaries[1]	79.8	79.8
	Less: Impairment losses	(1 483.0)	(1 483.0)
	Shares at cost less impairments	2 330.6	2 311.3
	Directors' valuation	2 330.6	2 311.3
	[1] *The loans do not bear interest and have no fixed repayment terms.*		
3.	**Other non-current financial assets**		
	Residual right in Nampak Black Management Trust (BMT)	29.9	414.1
	Less: Amounts receivable within one year, reflected in other receivables (note 4)	(29.9)	(414.1)
	Total	–	–
	In September 2005, Nampak Ltd made a founding grant to the BMT on behalf of the employer companies. Following the final allocations to participants in the BMT, the founding grant was recovered from the employer companies. However, Nampak still has the right as a residual beneficiary of the BMT. During the year the founding grant was largely settled in the winding up of the BMT. Refer notes 14 and 22 of the consolidated financial statements.		
4.	**Other receivables**		
	Current portion of receivables (note 3)	29.9	414.1
	Other	3.7	3.7
	Total	33.6	417.8
5.	**Bank balances and deposits**		
	Bank balances	2.1	1.7
	Total	2.1	1.7

6. Capital and reserves

	Notes	Share capital R million	Share premium R million	Share option reserve R million	Retained earnings R million	Total equity R million
		Attributable to equity holders of the company				
Reconciliation of movement in capital and reserves						
At 1 October 2014		36.1	147.0	292.5	2 779.8	3 255.4
Employee share option scheme:						–
– value of employee services		–	–	(3.6)	–	(3.6)
– share grants exercised		–	–	(75.0)	–	(75.0)
– proceeds from shares issued		–*	74.9	–	–	74.9
Profit for the year		–	–	–	1 052.7	1 052.7
Dividends paid	10	–	–	–	(1 046.6)	(1 046.6)
At 30 September 2015		36.1	221.9	213.9	2 785.9	3 257.8
Employee share option scheme:						
– value of employee services		–	–	19.3	–	19.3
– share grants exercised		–	–	(28.8)	–	(28.8)
– proceeds from shares issued		0.1	28.8	–	–	28.9
Shares repurchased and cancelled		(0.8)	–	–	–	(0.8)
Profit for the year		–	–	–	587.9	587.9
Dividends paid	10	–	–	–	(633.7)	(633.7)
At 30 September 2016		35.4	250.7	204.4	2 740.1	3 230.6

** Less than R100 000.*

6. Capital and reserves continued

	2016 R million	2015 R million
Share capital		
Authorised:		
776 857 200 ordinary shares of 5 cents each	38.9	38.9
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
Total	39.9	39.9
Issued:		
688 668 338 (2015: 702 496 655) ordinary shares of 5 cents each	34.4	35.1
100 000 6.5% cumulative preference shares of R2 each	0.2	0.2
400 000 6% cumulative preference shares of R2 each	0.8	0.8
Total	35.4	36.1
14 909 744 (2015: 18 476 043) ordinary shares have been set aside for employees' share schemes.		
Capital reserves		
Share premium	250.7	221.9
Share option reserve	204.4	213.9
Total	455.1	435.8
Reconciliation of number of ordinary shares issued		
Number of ordinary shares issued at beginning of year	702 496 655	700 707 537
Repurchase and cancellation of ordinary shares*	(14 969 114)	–
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	844 188	489 630
Ordinary shares allotted to directors in terms of the PSP	111 440	567 179
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	13 831	287 346
Ordinary shares allotted to directors in terms of the SAP	–	215 366
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	153 234	107 597
Ordinary shares allotted to directors in terms of the DBP	18 104	122 000
Number of ordinary shares issued at end of year	688 668 338	702 496 655

** In November 2015, Nampak Ltd exercised its option in terms of the preferred ordinary share subscription agreement between Nampak and Red Coral Investments 23 (Pty) Ltd (Red Coral) to repurchase 14 969 114 of its ordinary shares from Red Coral as calculated in terms of the formula provided in the agreement.*

Preference shares

There were no changes to the issued 6.5% and 6% preference shares.

7. Other payables

	2016 R million	2015 R million
Accruals	10.8	7.4
Other	3.1	0.1
Total	13.9	7.5

Accruals principally comprise amounts outstanding for ongoing costs.

The directors consider that the carrying amount of other payables approximates their fair value.

8. Income from investments

		2016 R million	2015 R million
Normal dividends – South Africa		579.5	1048.5
Interest received from subsidiaries		21.4	4.0
		600.9	1052.5

9. Income tax

		2016 R million	2015 R million
Current tax			
– current year		22.7	6.6
– prior year		(2.2)	(3.6)
Total		20.5	3.0

The company tax rate in South Africa is 28% (2015: 28%) of the estimated assessable profit for the year.

Reconciliation of rate of tax

		2016	2015
Effective company rate of tax	%	3.4	0.3
Reduction in tax charge due to:			
– Dividend income	%	26.6	27.8
– Adjustment for prior year normal tax	%	0.4	0.3
Increase in tax charge due to:			
– Disallowable expenses	%	(0.4)	(0.2)
– Imputed income – section 9D	%	(2.0)	(0.2)
Normal tax rate	%	28.0	28.0

10. Dividends and cash distributions

Dividends paid

	2016 R million	2015 R million
Final dividend number 87 paid on 18 January 2016: gross amount of 92.0 cents per share (2015: number 85 – 107.0 cents per share)	633.6	751.5
No interim dividend paid (2015: number 86 – 42.0 cents per share)	–	295.0
	633.6	1 046.5
Other dividends	0.1	0.1
Total dividends paid	633.7	1 046.6

No dividend was declared for the year ending 30 September 2016.

	2016 Cents	2015 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	–	42.0
Final	–	92.0
	–	134.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2015: R0.1 million) were declared on 26 November 2015 and 12 July 2016, and paid on 25 January 2016 and 1 August 2016 respectively.

11. Related-party transactions

	2016 R million	2015 R million
The company entered into various transactions with subsidiaries and special purpose entities which are deemed to be controlled by the group during the year. Interest, dividends and fees received from these entities are listed in note 8.		
Non-current amounts payable by such entities are included in note 2.		
Current amounts due by subsidiary companies are as follows:		
Nampak Products Ltd[1]	885.6	533.2
Black Management Trust[2]	0.7	–
	886.3	533.2
Current amounts outstanding to subsidiary companies are as follows:		
Nampak Share Purchase Trust[2]	1.0	1.0
Nampak Employee Share Trust[2]	0.5	0.5
Black Management Trust[2]	–	0.4
	1.5	1.9

[1]These loans bear interest at the average deposit rate and have no fixed repayment terms.
[2]These loans do not bear interest and have no fixed repayment terms.

Guarantees

	2016 R million	2015 R million
Guarantee for an amount not exceeding (US$100 million, 2015: US$63 million) on behalf of Nampak International Ltd in favour of the Bank of Merrill Lynch International and Export Development Bank of Canada for a term loan facility	1 372.3	873.4
Guarantee for an amount not exceeding US$55 million on behalf of Nampak International Ltd in favour of Standard Bank SA for a revolving credit facility	754.7	762.5
Guarantee for an amount not exceeding US$40 million on behalf of Nampak International Ltd in favour of Standard Bank SA for a revolving credit facility	548.9	554.5
Guarantee for an amount not exceeding US$132 million on behalf of Nampak International Ltd in favour of Standard Bank SA for a revolving credit facility	1 811.4	1 829.9
Guarantee for an amount not exceeding US$175 million in favour of noteholders for the Note Purchase Agreement issued by Nampak International Ltd	2 401.0	–
Guarantee for an amount not exceeding R2 billion in favour of noteholders for the DMTN Programme issued by Nampak Products Ltd	2 000.0	–
Guarantee for an amount not exceeding US$35 million in favour of Standard Bank for an amortising credit facility	480.2	–
Guarantee for an amount not exceeding US$1.2 million on behalf of Nampak International Ltd in favour of U.S. Steel relating to purchases by African operations	–	16.6
Guarantee for an amount not exceeding US$0.8 million on behalf of Nampak International Ltd in favour of U.S. Steel relating to goods and services delivered by Košice	–	11.1
Guarantee for an amount not exceeding US$2 million on behalf of Nampak International Ltd in favour of ArcelorMittal	–	27.7
Guarantee for an amount not exceeding US$0.5 million on behalf of Nampak International Ltd in favour of Sappi Deutschland	–	6.9
Guarantee for an amount not exceeding US$0.3 million on behalf of Nampak International Ltd in favour of U.S. Steel Serbia	–	4.2
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for general banking facilities	1 000.0	1 000.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a revolving term loan	1 000.0	1 000.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a five-year term loan	–	1 000.0
Guarantee for an amount not exceeding R747.5 million on behalf of Nampak Products Ltd in favour of Rand Merchant Bank for debt facilities	747.5	747.5
Guarantee for an amount not exceeding R200 million on behalf of Nampak Products Ltd in favour of Bank of China Ltd for a 12-month bank facility	200.0	200.0

11. Related-party transactions continued

	2016 R million	2015 R million
Guarantee for an amount not exceeding R115 million on behalf of Nampak Products Ltd in favour of Nedbank for an indirect facility	115.0	115.0
Guarantee for an amount not exceeding R1.2 million on behalf of Nampak Products Ltd in favour of Unilever SA Home & Personal Care (Pty) Ltd for the supply and installation of case erectors and case sealers	–	1.18
Guarantee for an amount not exceeding R650 million on behalf of Nampak Products Ltd in favour of Citibank for banking facilities	650.0	650.0
Guarantee for an amount not exceeding R400 million on behalf of Nampak Products Ltd in favour of Investec Bank Ltd for general banking facilities	400.0	400.0
Guarantee on behalf of Nampak Products Limited in favour of Imbali Props 21 (Pty) Ltd in respect of the annual rental of R145.2 million payable under the 15-year lease agreement for factory premises in South Africa	145.2	–
Guarantee on behalf of Nampak Products Limited in favour of Imbali Props 21 (Pty) Ltd in respect of the annual rental of R4.6 million payable under the three-year lease agreement for factory premises in South Africa	4.6	–

Key management personnel

Details of significant positions held by key management personnel and transactions with these entities are provided in note 37 of the group financial statements.

	2016 R million	2015 R million
The remuneration of directors and other members of key management during the year was as follows:		
Short-term employee benefits	37.9	34.9
Termination benefits	–	8.8
Share-based payments	11.4	7.1
	49.3	50.8

The remuneration of directors and key executives is determined by the remuneration committee, having regard to the performance of individuals and market trends.

12. Notes to the cash flow statements

12.1 Reconciliation of profit before taxation to cash retained from operations

	2016 R million	2015 R million
Profit before taxation	608.4	1 055.7
Adjustment for:		
Income from investments	(600.9)	(1 052.5)
Operating profit before working capital changes	7.5	3.2
Decrease in other receivables	384.2	–
Decrease in other payables	(22.4)	(74.0)
Movement in subsidiary company loans	(353.5)	(2.1)
Cash generated from/(utilised in) operations	15.8	(72.9)

12.2 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts on the statement of financial position:

	2016 R million	2015 R million
Bank balances and deposit (note 5)	2.1	1.7

Composition of the group and corporate activity

for the year ended 30 September 2016

Annexure A

The consolidated financial statements include the accounts of Nampak Ltd (the company) and all of its subsidiaries at 30 September 2016.

1. Interests in subsidiaries, associates, joint ventures and unconsolidated investments

The subsidiaries, associates, joint ventures and unconsolidated investments of Nampak Ltd fall under two main holding companies, namely Nampak Products Ltd and Nampak International Ltd. During the year, the Nampak Southern Africa Holdings Ltd group was transferred from Nampak Ltd to Nampak International Ltd.

Nampak Products Ltd is registered in South Africa and operates primarily in South Africa, Angola, Namibia and Swaziland. Nampak International Ltd is registered in the Isle of Man and operates in the United Kingdom, as well as Botswana, Ethiopia, Kenya, Malawi, Nigeria, Tanzania, Zambia and Zimbabwe.

The group holds majority voting rights in all of its subsidiaries. Non-controlling shareholders have significant interests in two of the group's subsidiaries.

The group also holds interests in two associates and one joint venture. These are not material to the group.

Refer to Annexure B for more details.

2. Entities acquired during the year

No entities were acquired during the year.

3. Entities disposed of during the year

An agreement for the sale of Nampak's 50% shareholding in, and loans to, Sancella SA (Pty) Ltd was entered into on 21 July 2015, with the transaction being effective 1 December 2015. The proceeds from the sale were applied to settle the outstanding loan balances. The loans had been impaired to the amount expected to be recovered in terms of the transaction at 30 September 2015 and therefore no further loss has been recognised.

In addition, an agreement of sale for Nampak's 50% shareholding in the joint venture Crown Cork Company (Mozambique) LDA was entered into with the effective date of sale being 15 March 2016.

Refer to note 7 for more details on the disposals.

4. Non-controlling interests in the group's activities

The following subsidiaries have non-controlling interests that are material to the group:

Subsidiary	Principal place of business	Operating segment	Ownership interest held by NCI (%) 2016	2015
Nampak Bevcan Angola LDA (previously Angolata LDA)	Angola	Metals	30.00	30.00
Nampak Zimbabwe Ltd	Zimbabwe	Plastics/Paper	48.57	48.57

The financial information for Nampak Bevcan Angola LDA and Nampak Zimbabwe Ltd is set out below:

	Bevcan Angola 2016 R million	Bevcan Angola 2015 R million	Nampak Zimbabwe 2016 R million	Nampak Zimbabwe 2015 R million
Revenue	1 664.3	1 347.7	1 398.8	948.7
Net profit for the year	(535.5)	(7.8)	58.8	43.5
Attributable to:				
Owners of Nampak Ltd	(374.8)	(5.5)	30.2	22.4
Non-controlling interests in subsidiaries	(160.7)	(2.3)	28.6	21.1
Other comprehensive income	33.9	1.4	(14.5)	145.3
Total comprehensive income	(501.6)	(6.4)	44.3	188.8
Attributable to:				
Owners of Nampak Ltd	(351.1)	(4.5)	22.8	97.1
Non-controlling interests in subsidiaries	(150.5)	(1.9)	21.5	91.7
Total assets	3 609.2	3 579.6	1 540.1	1 367.3
Total liabilities	4 280.3	3 749.1	629.4	500.6
Total equity	(671.1)	(169.5)	910.7	866.7
Attributable to:				
Owners of Nampak Ltd	(469.8)	(118.6)	468.4	445.8
Non-controlling interests in subsidiaries	(201.3)	(50.9)	442.3	420.9

5. Interests in associates and joint ventures

The associates of the group are Group Risk Holdings (Pty) Ltd and Collect-a-Can (Pty) Ltd, and the group's joint venture is Softex Tissue Products (Pvt) Ltd. During the current year, the group disposed of its 50% shareholding in each of the joint ventures Sancella SA (Pty) Ltd and Crown Cork (Mozambique) LDA. The results of these entities are not material. Refer to notes 6 and 7 for more detail.

6. Financial restrictions imposed on group entities

The group has facilities with external institutions that have imposed certain covenants that may impact the group's ability to borrow additional funds.

These covenants are as follows:
- To maintain a net debt to EBITDA of not more than 3.0 times.
- To maintain an interest cover ratio of not less than 4.0 times.

At year-end, the group had sufficient headroom with respect to both its facilities and covenants

Interests in subsidiaries, associates and joint ventures

for the year ended 30 September 2016

Annexure B

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding		Interest of holding company			
						Shares at cost		Indebtedness	
				2016 %	2015 %	2016 Rm	2015 Rm	2016 Rm	2015 Rm
1. Subsidiaries (consolidated)									
Auspac Ltd	D	UK	£4 050 000	100	100				
Bullpak Ltd	O	Kenya	KES4 760 000	100	100				
CarnaudMetalbox Zimbabwe Ltd	O	Zimbabwe	US$98 994	100	100				
Crown Cork Company Zimbabwe (1958) (Pvt) Ltd	D	Zimbabwe	US$7 105	100	100				
EPS (Foston) Ltd	D	UK	£100	100	100				
Four Four Two Ltd	I	UK	£1 000	100	100				
Hunyani Forests Ltd	O	Zimbabwe	US$110 000	51.43	51.43				
Hunyani Paper and Packaging (Pvt) Ltd	O	Zimbabwe	US$24 000	51.43	51.43				
Hunyani Properties Ltd	O	Zimbabwe	US$652 700	51.43	51.43				
International Cartons & Packaging Ltd	O	Zambia	ZMK77 526 000	100	100				
Malbak Ltd	I	RSA	R100	100	100	1 482.9	1 482.9	–	–
Megapak Zimbabwe (Pty) Ltd	O	Zimbabwe	US$20 100	51.43	51.43				
Megaplastics Ltd	I	Zimbabwe	US$0	100	100				
Metal Box (Namibia) (Pty) Ltd	D	Namibia	N$1	100	100				
Metal Box South Africa Ltd	D	RSA	R100	100	100				
Nampak Bevcan Angola LDA (previously Angolata LDA)	O	Angola	K4 580 650	70	70				
Nampak Bevcan Nigeria Ltd (previously Alucan Packaging Ltd)	O	Nigeria	US$5 402 000	100	100				
Nampak Consumer Goods Ltd	O	UK	£100	100	–				
Nampak Cartons Nigeria Ltd	O	Nigeria	NGN14 000 000	100	100				
Nampak Glass (Pty) Ltd	D	RSA	R1	100	100				
Nampak Holdings (UK) Ltd	I	UK	US$184	100	100				
Nampak Holdings Ltd	I	Mauritius	US$37 094	100	100				
Nampak Insurance Company Ltd	Insurance	Isle of Man	£100 000	100	100				
Nampak International Ltd	I	Isle of Man	US$112 863	100	100	1 889.3	1 889.3	–	–
Nampak Kenya Ltd	O	Kenya	KES40 280 000	100	100				
Nampak Liquid Botswana (Pty) Ltd	O	Botswana	BWP100	100	100				
Nampak Liquid Cartons (Pty) Ltd	D	RSA	R280	100	100				
Nampak Metal Packaging Ltd	Reinstated	RSA	R1	100	–				
Nampak Nigeria Ltd	O	Nigeria	NGN107 044 183	100	100				
Nampak Packaging (Pvt) Ltd	O	Ethiopia	ETB3 848 000	100	100				
Nampak Paper Ltd	Reinstated	RSA	R2 037 533	100	–				
Nampak Petpak (Namibia) (Pty) Ltd	O	Namibia	N$100	100	100				
Nampak Plastics Europe Ltd	O	UK	£4 863 028	100	100				
Nampak Products Ltd	O	RSA	R3 758 641	100	100	93.7	93.7	79.8	79.8
Nampak Properties (Isle of Man) Ltd	P	Isle of Man	£100	100	100				
Nampak Properties Nigeria Ltd	P	Nigeria	NGN14 000 000	100	100				
Nampak Southern Africa Holdings Ltd	I	Mauritius	US$4 726 922	100	100	52.5	52.5	–	–

Interests in subsidiaries, associates and joint ventures

continued

for the year ended 30 September 2016

Annexure B continued

		Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2016 %	Effective percentage holding 2015 %	Interest of holding company: Shares at cost 2016 Rm	Shares at cost 2015 Rm	Indebtedness 2016 Rm	Indebtedness 2015 Rm
1.	**Subsidiaries (consolidated)**									
	Nampak Tanzania Ltd	O	Tanzania	TZS304 638 620	100	100				
	Nampak Technical Services Ltd	O	Isle of Man	£1	100	100				
	Nampak Tissue (Pty) Ltd	D	RSA	R100	100	100				
	Nampak Zambia Ltd	O	Zambia	ZMK5 000	100	100				
	Nampak Packaging Malawi Ltd	O	Malawi	MWK13 450 000	100	100				
	Nampak Zimbabwe Ltd (previously Hunyani Holdings Ltd)	I	Zimbabwe	US$319 711	51.43	51.43				
	Southern Paper Industries (Pty) Ltd	Reinstated	RSA	R1 000 000	100	–				
	Teknol BV	I	Netherlands	€18 151	100	100				
	Teknol NV	I	Antilles	US$6 000	100	100				
	Transmar (Isle of Man) Ltd	I	Isle of Man	US$600 000	100	100				
	Total						3 518.4	3 518.4	79.8	79.8
2.	**Joint ventures (Equity accounted)**									
	Crown Cork Company (Mozambique) LDA	O	Mozambique	MT3 800 million	–	50				
	Sancella S.A. (Pty) Ltd	O	RSA	R5 000	–	50				
	Softex Tissue Products (Pvt) Ltd	O	Zimbabwe	US$2 897	50	50				
3.	**Associates (Equity accounted)**									
	Collect-a-Can (Pty) Ltd	O	RSA	R4 000 000	40	40				
	Group Risk Holdings (Pty) Ltd	Insurance	RSA	R11 300	17	22				

4. Other investments

	Type (see note below)	Number of shares held by group 2016	Number of shares held by group 2015	Effective percentage holding 2016	Effective percentage holding 2015
Unlisted investments					
Ethiopian Crown Cork & Can Industry	O	5 750	5 750	25	25
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	1	1	<1	<1
PET RecoZim (Pvt) Ltd	D	10	10	10	10

Type
O – Operating
I – Investment holding
D – Dormant

Analysis of registered shareholders and company schemes

Registered shareholder spread

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as at 30 September 2016:

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 — 1 000 shares	4 024	57.44	1 399 250	0.20
1 001 — 10 000 shares	2 119	30.25	6 869 384	1.00
10 001 — 100 000 shares	517	7.38	17 769 103	2.58
100 001 — 1 000 000 shares	264	3.77	83 437 329	12.12
1 000 001 shares and above	81	1.16	579 193 272	84.10
Total	7 005	100	688 668 338	100

Public and non-public shareholdings

Within the shareholder base, we are able to confirm the split between public shareholdings and directors/company-related schemes as being:

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	23	0.33	50 026 106	7.26
• Directors and associates	10	0.14	343 418	0.05
• Prescribed officers and management	11	0.16	830 913	0.12
• Treasury shares	1	0.01	45 070 855	6.54
• Empowerment	1	0.01	3 780 920	0.55
Public shareholders	6 982	99.67	638 642 232	92.74
Total	7 005	100.00	688 668 338	100.00

Substantial investment management and beneficial interests

Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 30 September 2016:

Investment management shareholdings

Investment manager	Total shareholding	%
Allan Gray Investment Council	128 888 113	18.72
PIC	75 022 828	10.89
Lazard Asset Management LLC Group	57 122 575	8.29
Somerset Capital Management LLP	51 367 483	7.46
Nampak Products Ltd	45 070 854	6.54
Wellington Management Company	31 768 406	4.61
Capital Research & Management	22 249 000	3.23
Total	411 489 259	59.75

Shareholders' diary

Annual general meeting	1 February 2017
Interim statement and ordinary dividend announcement for the half year ending 31 March 2017	May 2017
Group results and ordinary dividend announcement for the year ending 30 September 2017	November 2017

Dividend

Ordinary

Final for the year ended 30 September 2016	No dividend being paid
Interim for the half-year ending 31 March 2017	To be paid in July 2017

Preference

6.5% and 6% cumulative	Payable twice per annum during February and August

Corporate information

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BASTION GRAPHICS

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