Nampak
packaging excellence

2015 FINANCIAL STATEMENTS

Contents

Directors' responsibility for annual financial statements
for the year ended 30 September 2015

The directors of the company are responsible for the preparation and integrity of the consolidated financial statements and related financial information included in this report. The consolidated 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 consolidated 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 control 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 consolidated financial statements and the safeguarding of the company's assets.

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

The consolidated financial statements for the year ended 30 September 2015, set out pages 5 to 115, were approved by the board of directors at its meeting on 26 November 2015 and are signed on its behalf by:

TT Mboweni
Chairman

A de Ruyter
Chief executive officer

Preparer of financial statements

The consolidated 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 (as amended), 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 set out on pages 10 to 115, which comprise the statements of financial position as at 30 September 2015, and the statements of 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 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 the 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 financial statements that are free from material misstatement, 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 the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 2015, 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

As part of our audit of the consolidated and separate financial statements for the year ended 30 September 2015, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited 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.

Deloitte & Touche

Deloitte & Touche
Per T Kalan
Partner

26 November 2015

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

River Walk Office Park,
41 Matroosberg Road,
Ashley Gardens,
Pretoria

National executive: *LL Bam Chief Executive, *AE Swiegers Chief Operating Officer, *GM Pinnock Audit, *N Sing Risk Advisory ,*NB Kader Tax, TP Pillay Consulting, S Gwala BPaaS, *K Black Clients & Industries, *JK Mazzocco Talent & Transformation, *MJ Jarvis Finance, *M Jordan Strategy, *MJ Comber Reputation & Risk, *TJ Brown Chairman of the Board

A full list of partners and directors is available on request. *Partner and Registered Auditor

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Ltd

Audit committee report

Introduction

The audit committee presents its report for the financial year ended 30 September 2015. The committee has discharged all of 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 2015 financial year at the annual general meeting on 4 February 2015, following the retirement of Mr RV Smither as a non-executive director and a member of the committee on 4 February 2015. 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

Shareholders will be requested to approve the appointment of committee members for the 2016 financial year at the annual general meeting to be held on 3 February 2016.

The CVs of the committee members and their attendance at committee meetings can be found on pages 12 to 14 and 70 of the integrated report (IR).

Meetings

The committee meets at least twice per year and during the year under review the committee met three times. 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 www.nampak.com. 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 of 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 annual report for 2015 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 affective;
- 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;
- reviewed the independence of the external auditors, Deloitte & Touche, and recommended them for appointment at the annual general meeting as auditors for the 2015 financial year, with Mr Trushar Kalan as the designated auditor;
- 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;

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Audit committee report continued
for the year ended 30 September 2015

- 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 risk as it relates to financial reporting and IT risk as it relates to financial reporting; and
- conducted an evaluation exercise into the effectiveness of the committee.

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

26 November 2015

Directors' report
for the year ended 30 September 2015

Business of the company

Nampak, which has been listed on the JSE Ltd since 1969, is Africa's largest and most diversified packaging manufacturer with operations in Angola, Botswana, Ethiopia, Kenya, Malawi, Mozambique, Nigeria, South Africa, Tanzania, Zambia and Zimbabwe. Packaging products are produced from metal, plastics and glass, outside South Africa packaging products are also produced from paper.

Nampak is the leading supplier of plastic bottles to the dairy industry in the United Kingdom.

The group's world-class Research and Development facility based in Cape Town provides technical expertise and support to Nampak's businesses as well as to its customers.

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 2015 amount to R8 331.1 million (2014: R7 081.3 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

Overall group performance for the year benefited from a solid performance from the rest of Africa beverage can operations as well as modest growth from DivFood, Closures and Megapak in South Africa. This resulted in a 13% increase in group revenue and 10% increase in trading profit. General macroeconomic challenges, the loss made by the Glass division, as well as cost increases associated with the ramp-up of recently commissioned projects put pressure on trading margins. The group recorded a trading margin of 10.5% (2014:10.8%).

The group operating profit for the year was down 9% and headline earnings per share from continuing operations declined by 6.2% to 208.2 cents from 221.9 cents in 2014.

Corporate activity

In March 2015 Nampak gave an update on a series of transactions, these included the completion of the sale of the Corrugated and Tissue divisions for R1.6 billion; an agreement on the sale of Nampak Recycling for R82.6 million; and an agreement to sell Nampak Flexibles for R300.0 million. These divisions are accounted for as discontinued in the financial reports.

All transactions were subject to a number of conditions precedent, including approval by the competition commission. Subsequent to the fulfilment of all conditions precedent, the Corrugated and Tissue divisions transaction became effective on 1 April 2015, while the sale of Nampak Flexibles as well as the sale of Nampak Recycling became effective on 1 July 2015.

Nampak also concluded the sale of the Nampak Sacks division on 29 September 2015, in line with Nampak's strategy of exiting all its paper business interests in South Africa.

The following companies were deregistered during the year under review:

- Malbak Group Services (Pty) Ltd; and
- Nampak Metal Packaging 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	702 496 655	35.1
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		36.1

The issued ordinary share capital includes 72 440 050 treasury shares of which 27 369 195 are held by The Nampak Black Management Share Trust.

Share premium as at 30 September 2015: R221.9 million.

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

Directors' report continued
for the year ended 30 September 2015

During the year the issued ordinary share capital was increased as follows:

	Ordinary shares of 5 cents each
Issued at 30 September 2014	700 707 537
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	107 597
Ordinary shares allotted to directors in terms of the DBP	122 000
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	489 630
Ordinary shares allotted to directors in terms of the PSP	567 179
Ordinary shares allotted to employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	287 346
Ordinary shares allotted to directors in terms of the SAP	215 366
Issued at 30 September 2015	702 496 655

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

Share plans

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

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.

The tables below 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 Performance Share Plan (PSP)

	2015	2014
Balance at the commencement of the financial year	189 720	537 680
Forfeitures/cancellations	–	(14 936)
Retirements	–	–
PSP rights forfeited due to under-achievement of performance criteria	–	–
PSP rights exercised	(189 720)	(333 024)
Balance at the end of the financial year	0	189 720
Number of participants	0	7

The Nampak Ltd Share Appreciation Plan (SAP)

	2015	2014
Balance at the commencement of the financial year	305 681	851 281
Forfeitures/cancellations	(4 000)	(20 380)
Retirements	–	–
SAP rights forfeited due to under-achievement of performance criteria	–	–
Exercised	(186 181)	(525 220)
Balance at the end of the financial year	115 500	305 681
Number of participants	12	23

Directors' report continued
for the year ended 30 September 2015

The Nampak Ltd Performance Share Plan 2009 (PSP 2009)

	2015	2014
Balance at the commencement of the financial year	3 668 994	3 665 281
Number of conditional shares awarded during the year:	669 432	944 660
Executive directors	260 003	371 558
Senior executives	409 429	573 102
Forfeitures/cancellations	(58 415)	(294 534)
Retirements	(110 992)	(265 931)
PSP rights forfeited due to under-achievement of performance criteria	(533 841)	-
PSP rights exercised	(759 002)	(380 482)
Balance at the end of the financial year	2 876 176	3 668 994
Number of participants	25	22

The Nampak Ltd Share Appreciation Plan 2009 (SAP 2009)

	2015	2014
Balance at the commencement of the financial year	5 105 940	8 298 033
Number of conditional shares awarded during the year:	3 098 325	518 784
Executive directors	130 320	219 258
Senior executives	2 968 005	299 526
Forfeitures/cancellations	(885 360)	(519 642)
Retirements	(49 384)	(97 935)
SAP rights forfeited due to under-achievement of performance criteria	(2 991 643)	
Rights exercised	(851 867)	(3 093 300)
Balance at the end of the financial year	3 426 011	5 105 940
Number of participants	156	191

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:

	2015	2014
Balance at the commencement of the financial year	423 331	703 428
Number of bonus shares purchased by employees during the year:	126 109	42 423
Executive directors	53 625	6 734
Senior executives	72 484	35 689
Number of bonus shares transferred/sold to/by employees during the year:	(229 597)	(232 769)
Executive directors	(122 000)	(120 668)
Senior executives	(107 597)	(112 101)
Forfeitures	(3 301)	(35 786)
Retirements	(8 982)	(53 965)
Balance at the end of the financial year	307 560	423 331
Number of participants	15	16

Directors' report continued
for the year ended 30 September 2015

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 2015 is summarised below:

Balance at the commencement of the financial year	17 996 539
Less: Awards granted in terms of the PSP 2009 during the current financial year	(669 432)
Less: Awards granted in terms of the SAP 2009 during the current financial year	(3 098 325)
Less: Number of conditional shares awarded during the year and prior financial years in terms of DBP	(307 560)
Less: Shares allotted in respect of dividends declared and paid during the current and prior financial years	(78 814)
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	703 248
Add: Awards forfeited in terms of the SAP 2009 during the current financial year	3 926 387
Maximum available for future allocations	18 476 043

The calculation in the first column illustrates the maximum potential dilution impact of all the share plans and it is unlikely that this dilution 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 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
Ordinary	86	42.0	26/05/2015	26/06/2015	06/07/2015
	87	92.0	26/11/2015	8/01/2016	18/01/2016
6% cumulative preference	92	6.00	20/11/2014	16/01/2015	26/01/2015
	93	6.00	19/06/2015	17/07/2015	27/07/2015
6.5% cumulative preference	92	6.50	20/11/2014	16/01/2015	26/01/2015
	93	6.50	19/06/2015	17/07/2015	27/07/2015

The important dates pertaining to the payment of ordinary dividend number 87 are as follows:

Last day to trade ordinary shares "cum" dividend	Friday, 8 January 2016
Ordinary shares trade "ex" dividend	Monday, 11 January 2016
Record date	Friday, 15 January 2016
Payment date	Monday, 18 January 2016

Ordinary share certificates may not be dematerialised or rematerialised between Monday, 11 January 2016 and Friday, 15 January 2016, both days inclusive.

In accordance with the JSE Ltd Listings Requirements, the following additional information is disclosed:

- The dividend has been declared from income reserves.
- The dividend withholding tax rate is 15%.
- The net local dividend amount is 78.2 cents per share for shareholders liable to pay the dividends tax and 92.0 cents per share for shareholders exempt from paying the dividends tax.
- The issued number of ordinary shares at the declaration date is 702 496 655.
- Nampak Ltd's tax number is 9875081714.

Directors and secretary

The names of the directors and secretary in office at 30 September 2015 are set out on pages 12 to 17 of the integrated annual report.

Mr RV Smither retired as a non-executive director on 4 February 2015 and Mr G Griffiths retired as chief financial officer and executive director of the company on 15 June 2015. Mr GR Fullerton was appointed as chief financial officer and executive director of the company on 1 September 2015 and shareholders will be requested to confirm his appointment at the forthcoming annual general meeting.

Ms I Mkhari, Dr RJ Khoza and Messrs E Ikazoboh and TT Mboweni 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 I Mkhari, Dr RJ Khoza and Messrs E Ikazoboh and TT Mboweni 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 2015 are shown below:

	Ordinary shares 2015	2014
Beneficial interests		
Executive directors		
GR Fullerton	97	–
A de Ruyter	68 959	–
FV Tshiqi	141 241	142 372
Non-executive directors		
RC Andersen	31 000	31 000
Non-beneficial interests of directors	8	12
Beneficial interests		
Prescribed officers		
C Burmeister	57 136	26 516
RG Morris	286 461	213 227
NP O'Brien	74 123	63 010
EE Smuts	68 236	41 795

The following independent non-executive directors had an indirect, beneficial shareholding through Red Coral Investments 23 (Pty) Ltd in the ordinary share capital of the company as at 30 September 2015:

Name of director	2015	2014
RJ Khoza	3 780 214	3 780 214
CWN Molope	318 891	318 891

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 2015:

Name of director	2015	2014
RJ Khoza	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.

Subsequent events

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

Special resolution

A special resolution was passed by the sole shareholder of Elopak South Africa (Pty) Ltd to effect a name change to Nampak Liquid Cartons (Pty) Ltd.

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 112 and 113.

Accounting policies
for the year ended 30 September 2015

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 consolidated and separate financial statements have been prepared under the historical cost convention, except for certain financial instruments which are stated at fair value.

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. Actual results may differ from these estimates.

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

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

- Estimates of asset useful lives, residual values and depreciation methods
  Property, plant and equipment are depreciated over their useful life taking into account residual values. Useful lives and residual values are assessed annually. Useful lives are affected by technology innovations, maintenance programmes and future productivity. Future market conditions determine the residual values. Depreciation is calculated on a straight-line basis which may not represent the actual usage of the asset.
- Post-employment benefit valuations
  Actuarial valuations of employee benefit obligations under defined benefit funds are based on assumptions which include employee turnover, mortality rates, discount rates, inflation rates, medical inflation, the expected long-term return on plan assets and the rate of compensation increases.
- Impairment tests of assets and intangibles
  Impairment tests on property, plant, equipment and intangible assets 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 cash flows are then discounted and compared to the current carrying value and, if lower, the assets are impaired to the present value of the cash flows. Impairment tests are based on information available at the time of testing. These conditions may change after year-end.
- Valuation of share-based payments
  The group has various share schemes, including the schemes established as part of the broad-based black economic empowerment transaction. The fair value of these schemes is determined at inception based on assumptions on estimated forfeitures, market conditions, discount rates and share price volatility. The market conditions at inception may differ significantly from the eventual outcome.
- Valuation of financial instruments
  Financial instruments are valued at the reporting date. The value of financial instruments can have material fluctuations and therefore disclosed amounts may differ from the realised value.
- 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 where the group demonstrates it controls the entities. Control is achieved where the group has the power to direct the relevant activities of an investee in order to obtain variable returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The results of subsidiaries, associate companies and joint ventures acquired or disposed of during the year are included in the consolidated financial statements from the effective dates of acquisition or up to the effective date of disposal, as appropriate.

All inter-group transactions, balances and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation.

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.

Accounting policies continued
for the year ended 30 September 2015

4. Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values at the date of the exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at their proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

5. Investments in associates

Associates are those companies in which the group holds a long-term equity interest and is in a position to exercise significant influence, but not control, and that is neither a subsidiary nor an interest in a joint venture. 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost and adjusted for post-acquisition changes in the group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate) are not recognised.

Any excess of the cost of the acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

6. Investments in joint ventures

A joint venture is an arrangement in which the parties with joint control have rights/exposures to the net assets of the arrangement. The group's interests in joint ventures are accounted for by using the equity method of accounting, and the investments are accounted for at cost less accumulated impairment in the separate financial statements of the venturer companies.

Under the equity method, an investment is carried in the statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the joint venture. The statement of comprehensive income reflects the share of the results of the operations of the company. Where there has been a change recognised directly in the other comprehensive income or equity of the joint venture, the group recognises its share of any changes and discloses this, where applicable, in the statement of comprehensive income or the statement of changes in equity.

The share of the profit of a joint venture is shown on the face of the statement of comprehensive income. This is the profit attributable to the equity holding and therefore is profit after tax and non-controlling interests of the joint venture. Any dividend received by the group is credited against the investment in the joint venture.

Financial results of the joint venture 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.

Accounting policies continued
for the year ended 30 September 2015

6. Investments in joint ventures continued

After application of the equity method, the group determines whether it is necessary to recognise an additional impairment loss on the group's investment in a joint venture. The group determines at each statement of financial position date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the group calculates the amount of impairment as being the difference between the recoverable amount of the joint venture and the carrying value and recognises the amount in profit or loss.

7. Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of the acquisition. 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 of 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.

On disposal of a subsidiary or a jointly controlled entity, the attributable goodwill is included in the determination of the profit or loss on disposal.

8. 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. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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.

Discontinued operations are classified as held for sale and are either a separate major line of business or geographical area of operations that has been sold or is part of a single co-ordinated plan to be disposed of.

9. 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 recognised when goods are delivered and title has passed. Revenue on services is recognised when the service has been performed.

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.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

10. 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.

11. 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.

Amounts due from lessees under finance leases are recorded as receivables at the present value of all minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned income. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the group's net investment outstanding in respect of the lease.

Rental income from operating leases is recognised on the straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets held under finance leases are recognised as assets of the group at their fair value at the date of acquisition or, if lower, the present value of minimum lease payments at inception of the lease less accumulated depreciation. The discount rate to be used in calculating the present value is the interest rate implicit to the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of interest on the remaining balance for each accounting period.

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

12. Foreign currencies

The separate financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in South African rand, which is the functional currency of the group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement and retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period. However, where fair value adjustments of non-monetary items are recognised directly in equity, exchange differences arising on the retranslation of these non-monetary items are also recognised in equity.

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.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are expressed in South African rand using exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Equity is translated at the rate ruling on the date of acquisition. Exchange differences arising are classified as equity and transferred to the foreign currency translation reserve. Exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity on consolidation. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of.

The income and expenses of foreign operations in hyper-inflationary economies are translated into US dollar at the exchange rate relevant at the reporting date. Prior to translating their financial statements, the financial statements are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

Accounting policies continued
for the year ended 30 September 2015

12. Foreign currencies continued

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at the reporting date.

13. 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, sick leave and bonuses, and non-monetary benefits such as medical care and housing), are recognised in the period in which the service is rendered and are not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur.

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.

Actuarial gains or losses recognised outside profit or loss are presented in the statement of comprehensive income. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in profit or loss when the group is demonstrably committed to the curtailment or settlement.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

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. Any asset or surplus is limited to the present value of available refunds and reductions in future contributions to the plan. To the extent that there is uncertainty regarding entitlement to the surplus, no asset is recorded.

Termination benefits

Termination benefits are recognised as a liability and an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before normal retirement date. Termination benefits for voluntary redundancies are recognised if the group has made an offer encouraging voluntary redundancies, it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

13. Employee benefits continued

Share-based payments

The group issues equity-settled share-based payments to certain employees. The Black Management Trust (BMT) issues equity-settled shares to certain employees; however, in the event of death or disability of an employee the settlement will be done in cash rather than equity. This component is therefore treated as cash settled. The Share Appreciation Plan (SAP), Performance Share Plan (PSP) and Nampak 1985 Share Option Scheme (the option scheme) 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 SAP and PSP plans 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.

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.

14. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's and company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of the other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Accounting policies continued
for the year ended 30 September 2015

15. Property, plant and equipment

Property, plant and equipment 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).

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

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. Depreciation is not provided in respect of land.

Assets held under finance leases 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 rates of depreciation used are:

Freehold buildings	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.

16. 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.

17. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment losses. The average rate of depreciation used is 30 to 50 years.

18. Internally generated intangible assets – research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes).
- It is probable that the asset created will generate future economic benefits.
- The development cost of the asset can be measured reliably.
- The product or process is technically feasible.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Accounting policies continued
for the year ended 30 September 2015

19. Intangible assets excluding goodwill

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

Patents and trademarks are measured at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

Acquired computer software licences are capitalised on the basis of the costs incurred to bring to use the specific software.

Costs associated with development or maintaining computer software programmes 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.

Intangible assets are stated at cost less accumulated amortisation and impairment losses and are amortised over their expected useful lives (three to nine years) on a straight-line basis.

20. Impairment of assets excluding goodwill

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 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.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate applied to post-tax cash flows that reflects current market assessments of the time value of money and the risks specific to the asset.

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. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

21. 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.

22. Financial instruments

Financial assets and financial liabilities are recognised on the group's and company's statement of financial position when the group or company become 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.

Accounting policies continued
for the year ended 30 September 2015

22. Financial instruments continued

Non-current financial assets

Non-current financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned. They 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 or losses arising from the revaluation of available-for-sale financial assets are recognised directly in equity.

On disposal or impairment, cumulative unrealised gains or losses previously recognised are included in determining the profit or loss on disposal of, or impairment charge relating to, that financial asset, which is charged to the statement of comprehensive income. An impairment loss is measured as the difference between the investment's carrying value and the present value of future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the recoverable amount can be related objectively to an event occurring after the impairment was recognised.

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.

The group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

22. Financial instruments continued

Fair value hedges

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedges

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.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

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

Embedded derivatives

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses in profit or loss.

23. 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.

24. 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.

The basis of segmental allocation is determined as follows:

Revenue

Revenue that can be directly attributed to a segment and the relevant portion of revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments of the group.

Trading profit

Trading profit that can be directly attributed to a segment and a relevant portion of the profit that can be allocated on a reasonable basis to a segment, including profit relating to external customers and expenses relating to transactions with other segments in the group. Segment profits exclude profits that arise at a group level and relate to the group as a whole.

Segment assets

Segment assets are those assets that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude tax assets, deferred tax assets, bank balances, deposits and cash.

Segment liabilities

Segment liabilities are those liabilities that result from the operating activities of a segment and that are either directly attributed to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude loans, borrowings and overdrafts, tax liabilities, deferred tax liabilities and the retirement benefit obligation.

Accounting policies continued
for the year ended 30 September 2015

24. Segment reporting continued

Geographical information

Geographical information for revenues to external customers and non-current assets are disclosed for the top five and top four countries, respectively, with other countries grouped into rest of the world.

25. 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.

26. Offset

Financial assets and liabilities are offset and disclosed on a net basis in the consolidated statement of financial position when there is a legal right to set off and there is either an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

27.1 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.

27.2 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.

  Receivables whose contractual cash flows are solely payments of principal and interest are generally measured at amortised cost, while all other receivables and equity investments are measured at their fair value. In addition, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

  For financial liabilities designated at fair value through profit or loss, IFRS 9 requires that the change in the fair value that is attributable to changes in the credit risk of that liability, be presented in other comprehensive income, unless it creates a mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

  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.

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

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

- 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.

  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.

  IFRS 15 was issued in January 2014 and replaces the following standards and interpretations when it becomes effective:
  - IAS 11: *Construction contracts*;
  - IAS 18: *Revenue*;
  - IFRIC 1: *Customer Loyalty Programmes*;
  - IFRIC 15: *Agreements for the Construction of Real Estate*;
  - IFRIC 18: *Transfers of Assets from Customers*; and
  - SIC-31 Revenue: *Barter Transactions Involving Advertising Services*.

  The group is in the process of assessing the impact of IFRS 15 on its consolidated financial statements.

  Effective date: annual periods beginning on or after 1 January 2017.

- 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 2015.

  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.

28. Restatement of comparative information

The comparative information for the statement of comprehensive income has been restated for the impact of the additional discontinued operations recognised during the year ended September 2015 (see note 27 to the consolidated financial statements), whereby the results of these operations have been presented separately.

The main impact of these restatements on the comparative information is as follows:

	Rm
Revenue – decrease	(4 664.9)
Operating profit – increase	228.3
Profit for the period from continuing operations – increase	190.3
Basic earnings per share (continuing operations) – increase (cents)	30.3
Headline earnings per share (continuing operations) – decrease (cents)	(15.2)

Consolidated statement of financial position

at 30 September 2015

	Notes	2015 R million	2014 R million
ASSETS			
Non-current assets			
Property, plant and equipment	3	11 016.9	9 847.8
Investment property	3	8.8	16.5
Goodwill	4	3 769.0	3 166.1
Other intangible assets	5	349.6	253.4
Investments in associates	6	22.0	181.9
Investments in joint ventures	7	9.4	6.8
Non-current financial assets	8	45.7	89.6
Deferred tax assets	9	145.3	135.7
		15 366.7	13 697.8
Current assets			
Inventories	10	3 890.6	3 518.4
Trade receivables and other current assets	11	3 404.4	3 538.9
Tax assets		12.0	8.5
Bank balances, deposits and cash	12	1 587.4	1 127.5
		8 894.4	8 193.3
Assets classified as held for sale	13	146.4	–
Total assets		24 407.5	21 891.1
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	36.1	36.1
Capital reserves	14	(405.0)	(402.3)
Other reserves	14	1 061.7	315.2
Retained earnings	14	8 109.6	7 985.1
Shareholders' equity		8 802.4	7 934.1
Non-controlling interest	14	370.0	(51.0)
Total equity		9 172.4	7 883.1
Non-current liabilities			
Loans and borrowings	15	4 212.0	4 753.3
Other non-current liabilities	16	61.6	58.6
Retirement benefit obligation	17	2 008.4	2 173.0
Deferred tax liabilities	9	329.2	444.9
		6 611.2	7 429.8
Current liabilities			
Trade payables and other current liabilities	18	4 183.3	4 011.0
Bank overdrafts and loans	15	4 119.1	2 328.0
Provisions	19	235.3	43.9
Tax liabilities		86.2	195.3
		8 623.9	6 578.2
Total equity and liabilities		24 407.5	21 891.1

Consolidated statement of comprehensive income

for the year ended 30 September 2015

	Notes	2015 R million	Restated 2014 R million
CONTINUING OPERATIONS			
Revenue	20	17 291.3	15 305.6
Raw materials and consumables used		9 304.5	8 028.9
Employee benefit expense		2 804.9	2 512.1
Depreciation and amortisation expense		802.3	695.2
Other operating expenses		2 877.3	2 380.9
Other operating income		179.1	154.3
Operating profit	21	1 681.4	1 842.8
Finance costs	23	316.6	353.1
Finance income	24	37.6	44.6
Income from investments	25	–	0.1
Share of net (losses)/profits in associates	6	(2.6)	27.3
Share of net (losses)/profits in joint ventures	7	(1.2)	6.2
Profit before tax		1 398.6	1 567.9
Income tax (benefit)/expense	26	(57.5)	141.9
Profit after tax from continuing operations		1 456.1	1 426.0
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	27	(394.8)	(222.4)
Profit for the year		1 061.3	1 203.6
Other comprehensive (expense)/income for the year, net of tax			
Items that will not be reclassified to profit or loss			
Net actuarial (loss)/gains from retirement benefit obligations		(9.6)	10.2
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		774.6	381.9
Gains on cash flow hedges		56.8	1.1
Other comprehensive income for the year, net of tax		821.8	393.2
Total comprehensive income for the year		1 883.1	1 596.8
Profit attributable to:			
Owners of Nampak Ltd		1 043.2	1 169.4
Non-controlling interest in subsidiaries		18.1	34.2
		1 061.3	1 203.6
Total comprehensive income attributable to:			
Owners of Nampak Ltd		1 794.0	1 567.7
Non-controlling interest in subsidiaries		89.1	29.1
		1 883.1	1 596.8
Earnings per share			
Basic (cents per share)	30		
Continuing operations		228.3	221.7
Discontinued operations		(62.7)	(35.4)
Total		165.6	186.3
Diluted (cents per share)	30		
Continuing operations		225.6	214.2
Discontinued operations		(61.9)	(34.3)
Total		163.7	179.9

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Consolidated statement of changes in equity
for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
Opening balance		7 883.1	7 190.6
Net shares issued during the year		74.9	101.5
Share-based payment expense		(2.6)	17.0
Share grants exercised		(75.0)	(97.1)
Share of movement in associates' and joint ventures' non-distributable reserve		0.6	1.3
Non-controlling interest realised on disposal of subsidiary		2.6	–
Transfer from hedging reserve to related assets		(4.9)	(4.3)
Increase in non-controlling shareholders' interest on consolidation of Zimbabwe associates		356.8	–
Reclassification of available-for-sale financial asset		–	(18.3)
Total comprehensive income for the year		1 883.1	1 596.8
Dividends paid		(946.2)	(904.4)
Closing balance		9 172.4	7 883.1
Comprising:			
Share capital	14	36.1	36.1
Capital reserves	14	(405.0)	(402.3)
Share premium		221.9	147.0
Treasury shares		(827.6)	(827.6)
Share-based payments reserve		200.7	278.3
Other reserves	14	1 061.7	315.2
Foreign currency translation reserve		2 017.8	1 314.2
Financial instruments hedging reserve		53.1	1.2
Recognised actuarial losses		(975.6)	(966.0)
Share of non-distributable reserves in associates and joint ventures		4.5	3.9
Available-for-sale financial assets revaluation reserve		(38.3)	(38.3)
Other		0.2	0.2
Retained earnings	14	8 109.6	7 985.1
Shareholders' equity		8 802.4	7 934.1
Non-controlling interest	14	370.0	(51.0)
Total equity		9 172.4	7 883.1

Consolidated statement of cash flows

for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
Cash flows from operating activities			
Cash receipts from customers		16 916.6	19 794.3
Cash paid to suppliers and employees		(15 190.1)	(17 054.2)
Cash generated from operations	35.1	1 726.5	2 740.1
Income from investments		7.4	7.2
Interest received		40.9	57.7
Interest paid		(417.3)	(419.6)
Retirement benefits, contributions and settlements		(364.9)	(132.7)
Income tax paid		(151.6)	(95.3)
Replacement capital expenditure		(1 352.6)	(833.5)
Cash flows from operations		(511.6)	1 323.9
Dividends paid		(946.2)	(904.4)
Cash (utilised in)/generated from operating activities		(1 457.8)	419.5
Cash flows from investing activities			
Expansion capital expenditure		(771.0)	(1 771.7)
Capitalised expenditure on group ERP systems and other intangible assets		(71.6)	(14.9)
Disposal of property, plant, equipment and intangible assets		145.3	63.1
Acquisition of businesses	28	–	(3 491.1)
Disposal of businesses	35.2	1 982.7	308.3
Decrease/(increase) in non-current financial assets and investments		51.0	(63.6)
Cash generated from/(utilised in) investing activities		1 336.4	(4 969.9)
Cash flows from financing activities			
Non-current borrowings raised		558.3	1 334.4
Non-current borrowings repaid		(1 887.0)	(2.4)
Net current borrowings repaid		(160.0)	(536.2)
Capital raised from issue of shares		74.9	101.5
Cash (repaid in)/raised from financing activities		(1 413.8)	897.3
Net decrease in cash and cash equivalents		(1 535.2)	(3 653.1)
(Net overdraft)/cash and cash equivalents at beginning of year		(681.0)	2 613.2
Cash acquired on acquisition of Zimbabwe associates		44.1	–
Translation of cash in foreign subsidiaries		87.2	358.9
Net overdraft at end of year	35.3	(2 084.9)	(681.0)

Notes to the consolidated financial statements

for the year ended 30 September 2015

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.

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 capital 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 out in the treasury policy manual and approved by the Risk 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	Fixed rate assets R million	Net liability/ (asset) R million
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
South African rand	3 140.4	160.0	(308.1)	(42.0)	2 950.3
UK pound	–	–	(555.5)	–	(555.5)
US dollar	169.6	3610.4	–	–	3 780.0
Other currencies	0.9	–	(454.2)	–	(453.3)
Total at 30 September 2014	3 310.9	3 770.4	(1 317.8)	(42.0)	5 721.5

	2015		2014	
Weighted average interest rates are as follows:	Bank balances %	Borrowings* %	Bank balances %	Borrowings* %
South African rand	5.3	6.9	5.0	6.5
UK pound	0.1	–	–	–
US dollar	0.2	3.3	0.4	4.5

* *Borrowings include overnight call facilities.*

Sensitivity analysis

If the market interest rates had been 100 basis points higher/lower at 30 September 2015, profit or loss would have been R59.2 million lower/higher (2014: R33.1 million).

The amount of R59.2 million (2014: R33.1 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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

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 liquidity risk, banking facilities are entered into only with leading financial institutions.

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	United Kingdom R million	Total R million
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
Expiry period at 30 September 2014				
One year	5 610.0	28.1	1 353.4	6 991.5
Total	5 610.0	28.1	1 353.4	6 991.5

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 2015							
Financial assets							
Non-current financial assets	8	45.7	–	9.8	3.9	3.6	28.4
Trade receivables and other current assets[1]	11	3 166.2	3 166.2	–	–	–	–
Bank balances, deposits and cash	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] *Current portion of loan to Sancella SA (Pty) Ltd.*
[3] *Shareholders for dividends are excluded from trade payables and other current liabilities.*

1. Financial risk management continued

Maturity profile of financial instruments continued

	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 2014							
Financial assets							
Non-current financial assets	8	89.6	–	11.2	3.8	2.1	72.5
Trade receivables and other current assets[1]	11	3 242.0	3 242.0	–	–	–	–
Bank balances, deposits and cash	12	1 127.5	1 127.5	–	–	–	–
Total		4 459.1	4 369.5	11.2	3.8	2.1	72.5
Financial liabilities							
Non-current loans and borrowings	15	4 753.3	–	363.6	1 370.7	878.2	2 140.8
Trade payables and other current liabilities[2]	18	4 011.0	4 011.0	–	–	–	–
Bank overdrafts and loans	15	2 328.0	2 328.0	–	–	–	–
Total		11 092.3	6 339.0	363.6	1 370.7	878.2	2 140.8

[1] *Prepayments are excluded from trade receivables and other current assets.*
[2] *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.

The South African divisions have the greatest exposure to foreign currency risk and it is group policy that all foreign exchange exposures of the South African divisions are economically 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 United Kingdom operations is centrally controlled and managed by the operations themselves. Speculative positions are not permitted.

The group uses forward contracts 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 gain on the fair value of FECs amounting to R56.8 million (2014: R1.1 million gain) was taken to equity. When risks and rewards of ownership transfer to the group, a basis adjustment will be made against the assets. During the year R4.9 million (2014: R4.3 million) was adjusted against the cost of assets.

Currency conversion guide at 30 September	2015	2014
Statement of comprehensive income (average)		
UK pound	18.56	17.54
Euro	13.77	14.36
US dollar	12.02	10.58
Statement of financial position (spot)		
UK pound	20.97	18.33
Euro	15.50	14.27
US dollar	13.86	11.30

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 2015, with all other variables held constant, the impact on profit and loss for the year would have been an increase of R51.4 million (2014: R7.5 million). Conversely, if the exchange rates with these currencies strengthened by 5%, profit and loss would decrease by R51.4 million (2014: R7.5 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

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 contracts entered into at 30 September and their expected maturity profiles are:

	Average contract rate		Notional amount net imports		Fair value asset/(liability)	
	2015 R	2014 R	2015 R million	2014 R million	2015 R million	2014 R million
Fair value hedges and FECs						
US dollar						
Less than 3 months	13.22	11.05	391.8	(96.6)	53.5	7.2
3 to 6 months	12.87	11.15	(92.7)	(68.9)	10.9	4.2
6 to 9 months	13.61	11.41	(77.6)	(35.2)	4.4	1.3
Greater than 9 months	14.13	–	(17.7)	–	0.6	–
Euro						
Less than 3 months	14.70	14.43	(111.3)	(505.3)	14.9	(1.7)
3 to 6 months	15.06	14.69	(34.4)	(109.0)	4.5	(0.5)
6 to 9 months	14.94	14.87	(11.5)	(38.2)	1.0	–
Greater than 9 months	–	15.17	–	(18.2)	–	(0.1)
UK pound						
Less than 3 months	20.32	18.09	(130.4)	(12.4)	0.7	0.4
Other						
Less than 3 months	13.15	9.49	48.4	(11.4)	12.8	(0.1)
3 to 6 months	–	12.13	–	(0.6)	–	–
					103.3	10.7

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	
	2015 R	2014 R	2015 R million	2014 R million	2015 R million	2014 R million
Less than 3 months	22 450	20 120	(12.3)	(18.8)	(0.4)	0.5
3 to 6 months	–	20 295	–	(15.3)	–	0.7
6 to 9 months	–	20 470	–	(3.6)	–	0.2
					(0.4)	1.4

Sensitivity analysis

If commodity prices relevant to the group had been 5% higher and all other variables remained constant, profit for the year would have been R0.04 million higher (2014: R1.9 million higher). Conversely, if commodity prices relevant to the group had been 5% lower and all other variables remained constant, profit for the year would have been R0.04 million lower (2014: R1.9 million lower).

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

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

1. Financial risk management continued

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 the year-end.

Carrying amount of financial instruments

The group's financial instruments consist mainly of investments, bank balances, deposits and cash, 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, cash and deposits: 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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

1. Financial risk management continued

Carrying amount of financial instruments continued

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 on page 30) 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 following table sets out the measurement bases of the various financial instruments carried on the statement of financial position, ie fair value, amortised cost and cost. Financial instruments carried at fair value are further categorised into the appropriate category of the fair value hierarchy.

At 30 September 2015	Notes	Carrying amount R million	At fair value – level 2 R million	At amortised cost R million	At cost R million
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	12	1 587.4	–	1 587.4	–
Assets classified as held for sale[2]	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[3]	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] *Current portion of loan to Sancella SA (Pty) Ltd.*
[3] *Shareholders for dividends are excluded from trade payables and other current liabilities.*

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

1. Financial risk management continued

Carrying amount of financial instruments continued

At 30 September 2014	Notes	Carrying amount R million	At fair value – level 2 R million	At amortised cost R million	At cost R million
Financial assets					
Non-current financial assets	8	89.6	–	65.0	24.6
Trade receivables and other current assets[1]	11	3 242.0	30.4	3 211.6	–
Trade receivables		2 754.1	–	2 754.1	–
Derivative financial assets		30.4	30.4	–	–
Other receivables		457.5	–	457.5	–
Bank balances, deposits and cash	12	1 127.5	–	1127.5	–
Total		4 459.1	30.4	4 404.1	24.6
Financial liabilities					
Non-current loans and borrowings	15	4 753.3	–	4 753.3	–
Trade payables and other current liabilities[2]	18	4 011.0	18.3	3 992.7	–
Trade payables		2 182.5	–	2 182.5	–
Derivative financial liabilities		18.3	18.3	–	–
Other payables		1 810.2	–	1 810.2	–
Bank overdrafts and loans	15	2 328.0		2 328.0	
Total		11 092.3	18.3	11 074.0	–

[1] *Prepayments are excluded from trade receivables and other current assets.*

[2] *Shareholders for dividends are excluded from trade payables and other current liabilities.*

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

2. Segmental report

Segment analysis	External revenue 2015 R million	External revenue 2014 R million	Internal revenue 2015 R million	Internal revenue 2014 R million	Trading profit[1] 2015 R million	Trading profit[1] 2014 R million
Metals	9 933.2	8 428.9	52.4	46.5	1 254.1	1 050.2
Glass[3]	876.7	984.0	–	–	(76.4)	(48.3)
Plastics	5 011.4	4 848.7	7.5	4.2	375.9	325.5
Paper	1 470.0	1 044.0	6.2	–	183.9	203.9
Corporate	–	–	2 992.5	2 663.5	83.0	125.9
Eliminations	–	–	(3 058.6)	(2 714.2)	–	–
Continuing operations	17 291.3	15 305.6	–	–	1 820.5	1 657.2
Discontinued operations	3 324.9	5 595.3	60.8	99.5	56.9	159.8
Eliminations	–	–	(60.8)	(99.5)	–	–
Total	20 616.2	20 900.9	–	–	1 877.4	1 817.0
Geographical analysis (continuing operations)						
South Africa	10 599.5	9 797.3	259.6	229.3	736.3	768.2
Rest of Africa	4 723.9	3 294.2	66.5	0.1	883.4	617.4
United Kingdom	1 967.9	2 214.1	–	–	117.8	145.7
Corporate	–	–	2 992.5	2 663.5	83.0	125.9
Eliminations	–	–	(3 318.6)	(2 892.9)	–	–
Continuing operations	17 291.3	15 305.6	–	–	1 820.5	1 657.2

[1] Operating profit before abnormal items.
[2] EBITDA calculation is before net impairments/(reversals).
[3] Operating losses of R27.1 million and finance costs of R70.8 million relating to the third furnace incurred to July 2015 were capitalised to the cost of the furnace due to the revised timing of the commissioning of the furnace in accordance with International Financial Reporting Standards (IFRS). Revenue for the year achieved up to the revised commissioning date amounts to R250.7 million and is not included in the segment's revenue disclosed.

Reconciliation of operating profit and trading profit

	Continuing operations 2015 R million	Continuing operations 2014 R million	Discontinued operations 2015 R million	Discontinued operations 2014 R million	Total 2015 R million	Total 2014 R million
Operating profit/(loss)	1 681.4	1 842.8	(503.8)	(278.8)	1 177.6	1 564.0
Abnormal losses/(gains)*						
Retrenchment and restructuring costs	77.3	14.0	119.1	17.7	196.4	31.7
Net impairment losses on property, plant, equipment, intangible assets and assets classified as held for sale	121.4	37.3	77.7	394.2	199.1	431.5
Cash flow hedge ineffectiveness	–	(0.1)	–	–	–	(0.1)
Net profit on disposal of property	(102.5)	(23.7)	–	–	(102.5)	(23.7)
Net loss on disposal of businesses	–	–	350.2	33.7	350.2	33.7
Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–	–	–	(124.2)	–
Net loss/(gain) on financial instruments	141.4	(210.5)	13.7	(7.0)	155.1	(217.5)
Gain on revaluation of original interest in joint venture acquired	–	(9.4)	–	–	–	(9.4)
Business acquisition-related costs	25.7	6.8	–	–	25.7	6.8
Trading profit	1 820.5	1 657.2	56.9	159.8	1 877.4	1 817.0

** 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.*

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

Trading margin		EBITDA[2]		Operating assets		Operating liabilities		Capital expenditure	
2015 %	2014 %	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
12.6	12.5	1 371.2	1 328.4	10 296.8	7 475.5	3 141.7	2 056.8	1 609.3	1 124.0
(8.7)	(4.9)	55.5	88.4	2 331.1	2 044.9	245.3	187.4	191.7	923.3
7.5	6.7	521.9	515.7	3 010.5	2 520.1	909.7	715.0	242.4	252.1
12.5	19.5	249.7	244.7	1 368.3	705.6	319.5	156.7	72.0	80.9
–	–	406.8	398.0	6 825.0	5 069.8	1 151.9	534.6	36.3	34.3
–	–	–	–	(1 347.1)	(451.0)	(1 287.9)	(511.6)	–	–
10.5	10.8	2 605.1	2 575.2	22 484.6	17 364.9	4 480.2	3 138.9	2 151.7	2 414.6
1.7	2.9	(416.6)	234.5	16.6	3 051.0	–	974.6	43.5	205.5
–	–	–	–	–	(28.8)	–	–	–	–
9.1	8.7	2 188.5	2 809.7	22 501.2	20 387.1	4 480.2	4 113.5	2 195.2	2 620.1
6.9	7.8	1 067.1	1 131.7	8 918.0	7 255.5	2 409.9	1 579.5	1 405.1	1 649.6
18.7	18.7	969.6	805.6	7 254.4	4 616.8	1 978.2	1 222.2	678.7	702.4
6.0	6.6	161.6	239.9	1 015.6	921.1	380.1	286.0	31.6	28.3
–	–	406.8	398.0	6 825.0	5 069.8	1 223.1	534.6	36.3	34.3
–	–	–	–	(1 528.4)	(498.3)	(1 511.1)	(483.4)	–	–
10.5	10.8	2 605.1	2 575.2	22 484.6	17 364.9	4 480.2	3 138.9	2 151.7	2 414.6

	Revenue to external customers*	
	2015 R million	2014 R million
Geographical information		
South Africa	11 379.8	13 462.4
United Kingdom	2 209.0	2 234.4
Angola	1 635.4	1 431.0
Nigeria	1 494.9	1006.5
Rest of the world	3 897.1	2 766.6
	20 616.2	20 900.9

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

	Non-current assets*	
	2015 R million	2014 R million
Geographical information		
South Africa	5 863.4	6 538.8
Angola	2 442.7	1 621.4
Nigeria	1 340.9	1 204.7
United Kingdom	603.2	576.4
Rest of the world	4 949.7	3 531.1
	15 199.9	13 472.4

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

2. Segmental report continued

Operating segments are identified on the same basis as 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, 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 13).
- 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 22).

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.

Inter-segmental transactions are at market related rates.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

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 2013	1 169.0	291.7	11 007.7	28.1	12 496.5	4.3
Additions	231.6	0.5	2 364.5	0.4	2 597.0	–
Transfer from equity on cash flow hedges	–	–	(4.3)	–	(4.3)	–
Interest capitalised	–	–	46.2	–	46.2	–
Business combinations	–	291.8	638.0	–	929.8	–
Disposals	–	–	(177.7)	(2.7)	(180.4)	–
Impairment loss	(62.2)	(0.2)	(364.7)	–	(427.1)	–
Translation differences	53.2	56.2	449.3	–	558.7	–
Other movements	36.9	7.8	(19.8)	(2.2)	22.7	21.5
At 30 September 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
Accumulated depreciation						
At 1 October 2013	351.3	39.2	4 801.4	21.8	5 213.7	3.4
Depreciation charge for the year	35.8	19.6	716.0	1.4	772.8	0.1
Business combinations	–	16.5	98.8	–	115.3	–
Disposals	–	–	(134.4)	(1.7)	(136.1)	–
Translation differences	11.6	6.1	234.5	–	252.2	–
Other movements	(2.6)	–	(22.6)	(1.4)	(26.6)	5.8
At 30 September 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
Net book value at 30 September 2015	1 052.2	906.7	9 055.8	2.2	11 016.9	8.8
Net book value at 30 September 2014	1 032.4	566.4	8 245.5	3.5	9 847.8	16.5

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

3. Property, plant and equipment continued

	2015 R million	2014 R million
The open market value of the group's properties was determined by The Property Partnership (independent valuators not connected to the group) in September 2015. These properties were valued by reference to market evidence of recent transactions for similar properties. These values are as follows:		
– freehold land and buildings	1 067.1	1 782.9
– investment properties	35.2	150.6
A schedule of the group's properties is available to users of the financial statements on receipt of a written request.		
Insured value of the plant, equipment and vehicles at 30 September	36 834.5	28 029.0
South Africa	27 895.7	22 812.3
Rest of Africa	6 658.2	3 486.8
United Kingdom	2 280.6	1 729.9
Property rental income earned by the group from its investment property under operating leases	7.3	2.0

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.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

4. Goodwill

	R million
Carrying amount	
At 1 October 2013	535.6
Business combinations	2 506.7
Translation differences	123.8
At 30 September 2014	3 166.1
Disposal of business	(34.0)
Translation differences	597.7
Other	39.2
At 30 September 2015	3 769.0

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 2014			
Metals	2 744.8	(18.4)	2 726.4
Glass	321.1	–	321.1
Plastics	114.0	(60.1)	53.9
Paper	105.6	(40.9)	64.7
	3 285.5	(119.4)	3 166.1
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

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

4. Goodwill continued

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

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 %	United Kingdom %
2014			
Growth rate*	5.5	2.0	2.0
Discount rate (post-tax)	10.8	8.8	8.8
2015			
Growth rate*	5.5	2.0	2.0
Discount rate (post-tax)	10.8	8.8	6.3

** This is the growth rate used in the calculation of the termination value after the five-year management estimate of cash flows.*

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.

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.

In the current year, goodwill of R34.0 million was released on the disposal of the Nampak Flexibles business.

In the prior year, goodwill of R2 476.9 million was recognised on the acquisition of Nampak Bevcon Nigeria Ltd (previously Alucan Investments Ltd) and R29.8 million on the acquisition of the remaining 51% in Bullpak Ltd.

5. Other intangible assets

	ERP systems and software R million	Other* R million	Total R million
Cost			
At 1 October 2013	450.0	331.9	781.9
Additions	14.9	–	14.9
Disposals	(29.5)	–	(29.5)
Impairment loss	(0.9)	(3.5)	(4.4)
Translation differences	0.3	0.2	0.5
Other movements	4.7	1.1	5.8
At 30 September 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
Amortisation			
At 1 October 2013	425.0	78.0	503.0
Charge for the year	8.6	32.7	41.3
Disposals	(28.8)	–	(28.8)
Translation differences	–	0.1	0.1
Other movements	1.4	(1.2)	0.2
At 30 September 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
Net carrying value at 30 September 2015	31.6	318.0	349.6
Net carrying value at 30 September 2014	33.3	220.1	253.4

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

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

6. Investments in associates

	2015 R million	2014 R million
(Refer to Annexure B for details)		
Cost of investments in associates	4.9	79.5
Share of other post-acquisition reserves	3.9	3.0
Share of post-acquisition profit, net of dividend received	13.2	69.2
Opening balance	69.2	41.9
Consolidation of Zimbabwe associates	(53.4)	–
Share of current year (loss)/profit	(2.6)	27.3
Translation differences	–	30.2
	22.0	181.9

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

During the year the group acquired controlling interests in the associates located in Zimbabwe, Megapak Zimbabwe (Pvt) Ltd (previously 49.0% interest) and Hunyani Holdings Ltd (previously 38.9% interest) (see note 28). The financial year-ends of Megapak Zimbabwe (Pvt) Ltd and Hunyani Holdings Ltd are 31 March and 31 October respectively.

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

	2015 R million	2014 R million
Revenue	451.2	1 199.4
Net (loss)/profit for the year	(10.6)	60.3
Group's share of associates' net (loss)/profit for the year	(2.6)	27.3
Total assets	403.1	1 558.8
Total liabilities	341.8	922.6
Net assets	61.3	636.2
Group's share of associates' net assets	22.0	181.9

7. Investments in joint ventures

	2015 R million	2014 R million
(Refer to Annexure B for details)		
Cost of investments in joint ventures	36.8	30.9
Share of other post-acquisition reserves	0.6	0.9
Share of post-acquisition net loss, net of dividend received	(29.2)	(25.0)
Opening balance	(25.0)	(6.3)
Share of current year net (loss)/profit		
– continuing operations	(1.2)	6.2
– discontinued operation	(3.0)	(18.0)
Acquisition of remaining interest in joint ventures	–	(6.9)
Translation differences	1.2	–
	9.4	6.8

7. Investments in joint ventures continued

	2015 R million	2014 R million
The financial year-ends of Sancella SA (Pty) Ltd and Crown Cork Company (Mozambique) LDA are both 31 December. The share of loss from Sancella SA (Pty) Ltd has been included with the loss from discontinued operations and the comparatives have been restated.		
On acquiring a controlling interest in Hunyani Holdings Ltd (previously an associate) during the current year, the group effectively acquired Softex Tissue Products (Pvt) Ltd, a joint venture which is 50% held by Hunyani Holdings Ltd. The financial year-end of Softex Tissue Products (Pvt) Ltd is 30 September.		
During the prior year the group acquired, with effect from 1 August 2014, the remaining 51% interest in Bullpak Ltd (see note 28).		
Summarised financial information in respect of the group's joint ventures is set out below:		
Revenue	583.2	572.8
Net loss for the year	(55.0)	(23.4)
Group's share of joint ventures' net loss for the year	(4.2)	(11.8)
Total assets	448.2	367.5
Total liabilities	477.9	354.8
Net assets	(29.7)	12.7
Group's share of joint ventures' net assets	9.4	6.8

8. Non-current financial assets

	2015 R million	2014 R million
Available-for-sale financial assets		
(Refer to Annexure B for details)		
Unlisted investments	12.7	31.2
Impairment loss	–	(6.6)
	12.7	24.6
Loans and receivables		
Loans to joint-venture partner[1]	–	195.6
Equipment sales receivables[2]	34.3	26.5
Other loans and receivables	5.1	10.2
	39.4	232.3
Less: Amounts receivable within one year, reflected in trade receivables and other current assets (note 11)	6.4	167.3
Net non-current loans and receivables	33.0	65.0
Total non-current financial assets	45.7	89.6

[1] *During the year, the loan to Sancella SA (Pty) Ltd was reclassified to assets held for sale (refer to note 13).*
[2] *Equipment sales receivables are repayable from 2016 to 2021. Interest rates charged are from 9.5% to 12.8%.*

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

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 2013	879.4	(163.8)	3.0	(579.9)	(68.2)	349.9	420.4
Charge to other comprehensive income for the year	–	–	–	13.6	–	0.8	14.4
Charge/(credit) to profit for the year	151.8	(85.0)	6.5	(8.0)	(1.3)	(155.1)	(91.1)
Business combinations	(29.5)	–	–	–	–	1.3	(28.2)
Translation differences	7.5	(2.0)	(0.1)	(5.7)	(8.2)	2.2	(6.3)
At 30 September 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

	2015 R million	2014 R million
Analysed between:		
Deferred tax assets	145.3	135.7
Deferred tax liabilities	329.2	444.9
	183.9	309.2

At the year-end, the group had unused tax losses of R520.4 million (2014: R161.8 million) available for offset against future taxable profits. Deferred tax assets have been recognised in respect of R436.7 million (2014: R23.5 million) of such losses. No deferred tax asset has been recognised on the remaining R83.7 million (2014: R138.3 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 648.2 million (2014: R3 323.7 million). During the year R181.4 million (2014: R0.5 million) of the capital losses were utilised. Deferred tax has been raised on R342.3 million (2014: R343.4 million) of the losses.

10. Inventories

	2015 R million	2014 R million
Raw materials	1 914.1	1 769.5
Work in progress	52.8	113.6
Finished goods	1 169.8	1 085.6
Consumables	753.9	549.7
Total	3 890.6	3 518.4
Carrying amount of inventories included at net realisable value	157.2	17.9
Amount of write-down of inventory to net realisable value included in raw materials and consumables used	2.5	0.3
Amount of reversals of previous inventory write-downs included in raw materials and consumables used	11.2	5.4

11. Trade receivables and other current assets

	2015 R million	2014 R million
Trade receivables	2 726.9	2 754.1
Prepayments	238.2	296.9
Derivative financial instruments (note 1)	178.2	30.4
Current portion of loans and receivables (note 8)	6.4	167.3
Other	254.7	290.2
Total	3 404.4	3 538.9

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 R589.5 million (2014: R574.0 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

	2015 R million	2014 R million
30 days and less	283.6	342.3
30 – 60 days	154.5	110.8
60 – 90 days	57.7	47.0
90 – 180+ days	93.7	73.9
Total	589.5	574.0

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

11. Trade receivables and other current assets continued

An allowance of R57.3 million (2014: R94.3 million) has been made for estimated irrecoverable amounts from the sale of goods. This allowance has been determined by reference to past default.

	2015 R million	2014 R million
Analysis of the allowance for doubtful debts		
Balance at beginning of year	94.3	75.0
Impairment losses recognised on receivables	21.4	51.3
Amounts written off during the year	(3.5)	(8.4)
Disposal of businesses	(48.8)	–
Impairment losses reversed	(17.9)	(25.8)
Translation differences	11.8	2.2
Balance at end of year	57.3	94.3

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

	2015 R million	2014 R million
Cash at bank and on hand	997.6	766.8
Short-term bank deposits	589.8	360.7
Total	1 587.4	1 127.5
Analysed between:		
South African rand	56.0	117.8
Foreign currencies	1 531.4	1 009.7
	1 587.4	1 127.5

13. Assets classified as 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.

As described in note 27, the Nampak Corrugated, Nampak Sacks, Nampak Tissue, Nampak Flexibles, Nampak Recycling and Sancella SA (Pty) Ltd businesses were treated as discontinued operations during the course of the year. Property pertaining to Nampak Flexibles which has not yet been formally transferred, as well as the loan to Sancella SA (Pty) Ltd have been classified and accounted as held for sale at the year-end. These assets were previously included in the Corporate segment for segmental reporting purposes. An impairment loss of R77.7 million was recognised in respect of the loan to Sancella SA (Pty) Ltd during the year.

In addition to the assets of the discontinued operations classified as held for sale, a property relating to the Liquid Packaging business was classified as held for sale at the end of year as it was assessed as being surplus to the group's requirements. This asset is included in the Corporate segment for segmental reporting purposes.

	2015 R million	2014 R million
Assets classified as held for sale		
Property	7.6	–
Assets relating to discontinued operations	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	–

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

14. Capital and reserves

	Notes	Share capital R million	Share premium R million	Treasury shares R million	Share-based payments reserve R million
		Capital reserves			
Reconciliation of movement in capital and reserves					
At 1 October 2013		36.0	45.6	(827.6)	358.4
Employee share option scheme:					
– value of employee services		–	–	–	17.0
– share grants exercised		–	–	–	(97.1)
– proceeds from shares issued		0.1	101.4	–	–
Share of associates' and joint ventures' non-distributable reserves		–	–	–	–
Currency translation differences		–	–	–	–
Gain on cash flow hedges		–	–	–	–
Transfer from cash flow hedging reserve to assets		–	–	–	–
Net actuarial gain		–	–	–	–
Transfer on consolidation of joint venture		–	–	–	–
Reclassification of available-for-sale financial assets		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	29	–	–	–	–
At 30 September 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 on disposal of subsidiary		–	–	–	–
Profit for the year		–	–	–	–
Dividends paid	29	–	–	–	–
At 30 September 2015		36.1	221.9	(827.6)	200.7

** Less than R100 000*

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

Other reserves: Foreign currency translation reserve R million	Financial instruments hedging reserve R million	Recognised actuarial (losses)/gains R million	Share of non-distributable reserves of 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
927.6	4.4	(976.2)	2.2	(20.0)	0.2	7 720.1	7 270.7	(80.1)	7 190.6
–	–	–	–	–	–	–	17.0	–	17.0
–	–	–	–	–	–	–	(97.1)	–	(97.1)
–	–	–	–	–	–	–	101.5	–	101.5
–	–	–	1.3	–	–	–	1.3	–	1.3
387.0	–	–	–	–	–	–	387.0	(5.1)	381.9
–	1.1	–	–	–	–	–	1.1	–	1.1
–	(4.3)	–	–	–	–	–	(4.3)	–	(4.3)
–	–	10.2	–	–	–	–	10.2	–	10.2
(0.4)	–	–	0.4	–	–	–	–	–	–
–	–	–	–	(18.3)	–	–	(18.3)	–	(18.3)
–	–	–	–	–	–	1 169.4	1 169.4	34.2	1 203.6
–	–	–	–	–	–	(904.4)	(904.4)	–	(904.4)
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

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

14. Capital and reserves continued

	2015 R million	2014 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:		
702 496 655 (2014: 700 707 537) ordinary shares of 5 cents each	35.1	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	36.1	36.1
18 476 043 (2014: 17 996 539) ordinary shares have been set aside for employees' share schemes.		
Capital reserves		
Share premium	221.9	147.0
Treasury shares	(827.6)	(827.6)
27 369 195 ordinary shares held by the Nampak Black Management Share Trust	(312.0)	(312.0)
45 070 855 ordinary shares held by Nampak Products Ltd	(515.6)	(515.6)
Share-based payments reserve	200.7	278.3
Total	(405.0)	(402.3)
Reconciliation of number of ordinary shares issued		
Number of ordinary shares issued at beginning of year	700 707 537	697 897 394
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak 1985 Share Option Scheme (Option Scheme)	–	240 000
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	489 630	381 087
Ordinary shares allotted to directors in terms of the PSP	567 179	400 483
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	287 346	1 358 440
Ordinary shares allotted to directors in terms of the SAP	215 366	197 364
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	107 597	112 101
Ordinary shares allotted to directors in terms of the DBP	122 000	120 668
Number of ordinary shares issued at end of year	702 496 655	700 707 537
Treasury shares	(72 440 050)	(72 440 050)
Net number of ordinary shares	630 056 605	628 267 487

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.

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)/gains

Actuarial (losses)/gains 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 (losses)/gains in the period in which they occur in equity.

Share of non-distributable reserves of 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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

15. Loans and borrowings

	Redeemable/ repayable	Year-end interest rates	2015 R million	2014 R million
Secured loans[1]				
– Local	–	–	–	1 500.0
– Foreign	2016 – 2023	2.0% to 5.3%	4 658.2	3 610.4
Unsecured loans				
– Foreign	–	–	–	0.9
Capitalised finance leases[2]				
– Local	2016 – 2018	7.5% to 8.5%	0.3	1.4
– Foreign	2016	11%	0.3	0.1
			4 658.8	5 112.8
Less: instalments due for repayment within one year, reflected as current loans			446.8	359.5
Net non-current loans and borrowings			4 212.0	4 753.3

[1] *Loans and borrowings are secured as follows: R4 658.2 million (2014: R5 110.4 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.*

	2015 R million	2014 R million
Current loans		
Current portion of loans	446.2	358.0
Current portion of finance leases	0.6	1.5
Commercial paper – unsecured	–	160.0
Bank overdrafts and other current loans – unsecured	3 672.3	1 808.5
Total current loans and borrowings	4 119.1	2 328.0
Total borrowings	8 331.1	7 081.3

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 2015		4 658.8	0.3	4 658.5
Repayable during the year ending 30 September	2016	446.8	0.3	446.5
	2017	455.1	–	455.1
	2018	464.2	–	464.2
	2019	869.9	–	869.9
	2020 onwards	2 422.8	–	2 422.8

Included above are minimum lease payments due on capitalised finance leases which are all repayable during the year ending 30 September 2016:

	Total R million	Local R million	Foreign R million
Total owing at 30 September 2015	0.6	0.3	0.3

The directors estimate the fair value of the group's borrowings, by discounting their future cash flows at the market rate.

	2015 R million	2014 R million
16. Other non-current liabilities		
Operating lease liabilities	40.4	33.1
Deferred income	20.1	22.2
	60.5	55.3
Less: current portion	1.5	4.1
	59.0	51.2
Add: non-current provisions (note 19)	2.6	7.4
Total	61.6	58.6

The operating leases relate to land and buildings, motor vehicles and other commitments with remaining terms from 2016 onwards. The deferred income mainly relates to government grants which are recognised over the useful lives of the assets to which they pertain.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

17. Retirement benefit information

17.1 Defined contribution funds

Membership and costs for each fund are as follows:

	Country	Members 2015	Members 2014	Contribution costs 2015 R million	Contribution costs 2014 R million
Nampak Group Pension Fund*	RSA	1 860	2 241	123.1	87.6
Nampak Provident Fund*	RSA	5 581	6 280	168.3	112.7
Nampak Kenya Ltd Provident Fund	Kenya	138	159	0.5	0.5
Nampak Kenya Ltd Staff Pension and Life Assurance Scheme	Kenya	36	37	1.2	1.1
Nampak Nigeria plc Retirement Gratuity	Nigeria	174	139	1.0	0.8
CMB Group Pension Fund	Zimbabwe	166	166	2.3	1.3
Megapak Pension Fund	Zimbabwe	142	–	2.4	–
Nampak Zambia Pension Fund	Zambia	148	164	1.0	0.9
PIM Pension Fund	Malawi	124	127	1.0	0.8
Norwich Union	UK	10	10	0.4	0.6
		8 379	9 323	301.2	206.3
External funds					
External funds	UK and Africa	2 545	744	37.3	3.6
Industry funds	RSA	391	283	7.1	5.8
		2 936	1 027	44.4	9.4
Totals		11 315	10 350	345.6	215.7

* *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 plans South Africa %	Pension plans United Kingdom %	Post-retirement medical South Africa %
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 (number)	23	1 290	2 494
2014			
Assumptions			
Discount rate	8.5	4.0	9.0
Consumer price inflation (long term)	5.8	3.2	6.7
Expected return on funds' assets	–	–	9.0
Rate of compensation increase	–	2.7	–
Pension increase	4.6	2.4/3.1	–
Rate of medical inflation	–	–	8.2
Membership data			
Total membership (number)	19	1 923	3 405

17. Retirement benefit information continued

17.2 Defined benefit funds continued

The major categories of plan assets as a percentage of total plan assets are as follows:

	Pension plans		Post-retirement medical
	South Africa %	United Kingdom %	South Africa %
2015			
Emerging market equity	–	6.2	–
Emerging market debt		3.6	
Diversified growth funds	–	51.9	–
Cash	–	1.2	–
Insured pensions	–	37.1	–
2014			
Emerging market equity	–	5.4	–
Emerging market debt	–	2.9	–
Diversified growth funds	–	51.7	–
Cash	–	2.4	–
Insured pensions	–	37.6	–

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
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
2014				
Valuation results				
Fair value of plan assets	–	(1 687.0)	–	(1 687.0)
Present value of benefit obligations	1.3	2 161.0	1 697.7	3 860.0
Net liability	1.3	474.0	1 697.7	2 173.0

Notes to the consolidated financial statements continued

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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 South Africa R million	Pension funds United Kingdom R million	Post-retirement medical South Africa R million	Total R million
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 on defined benefit cost 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 experiences adjustments	–	(25.2)	(2.5)	(27.7)
Components of defined benefit costs/(income) recognised in other comprehensive income	0.7	(9.1)	22.7	14.3
2014				
Service cost:				
Current service cost	–	–	22.1	22.1
Past service cost (adjustment)	–	–	(124.4)	(124.4)
Net interest cost	0.1	20.3	157.8	178.2
Components of defined benefit expense recognised in profit or loss	0.1	20.3	55.5	75.9
Remeasurement of the net defined benefit liability:				
Return on plan assets (excluding amounts included in net interest expense) – loss	–	12.3	–	12.3
Actuarial gains arising from changes in demographic assumptions	–	(49.8)	(3.9)	(53.7)
Actuarial gains arising from changes in financial assumptions	(0.3)	(31.3)	(49.4)	(81.0)
Actuarial (gains)/losses arising from experiences adjustments	(0.3)	87.6	4.5	91.8
Other	–	–	6.8	6.8
Components of defined benefit (income)/expense recognised in other comprehensive income	(0.6)	18.8	(42.0)	(23.8)

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

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 2013	–	1 438.5	–	1 438.5
Interest income	–	71.4	–	71.4
Remeasurement loss:				
Return on plan assets (excluding amounts included in net interest expense)	–	(12.3)	–	(12.3)
Contributions by employers	–	52.0	–	52.0
Translation difference on foreign plans	–	185.0	–	185.0
Benefits paid	–	(47.6)	–	(47.6)
At 30 September 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
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

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

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 2013	1.8	1 869.1	1 760.7	3 631.6
Current service cost	–	–	22.1	22.1
Interest cost	0.1	91.7	157.8	249.6
Remeasurement (gains)/losses:				
Actuarial gains arising from changes in demographic assumptions	–	(49.8)	(3.9)	(53.7)
Actuarial gains arising from changes in financial assumptions	(0.3)	(31.3)	(49.4)	(81.0)
Actuarial (gains)/losses arising from experience adjustments	(0.3)	87.6	4.5	91.8
Other	–	–	6.8	6.8
Past service cost (adjustment)	–	–	(124.4)	(124.4)
Translation difference on foreign plans	–	241.3	–	241.3
Reclassifications*	–	–	4.2	4.2
Benefits paid	–	(47.6)	(80.7)	(128.3)
At 30 September 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 (adjustment)	–	(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
Expected contributions to defined benefit plans in 2016	–	60.8	–	60.8

* *In the previous year, the Malbak post-retirement medical aid liability was in the process of being closed. No residual amounts were due to Nampak. The funds were transferred from the available-for-sale financial asset to the defined benefit obligation.*

The total unfunded pension liability is R2.1 million (2014: R1.3 million) and the unfunded post-retirement medical liability is R1 533.1 million (2014:R1 697.7 million).

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

17. Retirement benefit information continued

17.2 Defined benefit funds continued

The history of the plans for the current and prior years is as follows:

	Defined benefit pension plans				
	2015 R million	2014 R million	2013 R million	2012 R million	2011 R million
Fair value of plan assets	1 759.9	1 687.0	1 438.5	1 091.9	962.9
Present value of benefit obligations	(2 235.2)	(2 162.3)	(1 870.9)	(1 370.2)	(1 160.5)
Deficit	(475.3)	(475.3)	(432.4)	(278.3)	(197.6)
Experience adjustments on plan liabilities (%)	(1.3)	2.4	(0.2)	(2.9)	0.1
Experience adjustments on plan assets (%)	(1.4)	–	4.0	3.6	3.5

	Post-retirement medical				
	2015 R million	2014 R million	2013 R million	2012 R million	2011 R million
Fair value of plan assets	–	–	–		34.1
Present value of benefit obligations	(1 533.1)	(1 697.7)	(1 760.7)	(1 340.0)	(1 197.0)
Deficit	(1 533.1)	(1 697.7)	(1 760.7)	(1 340.0)	(1 162.9)
Experience adjustments on plan liabilities (%)	14.7	2.3	29.4	7.2	0.4
Experience adjustments on plan assets (%)	–	–	–	–	2.3

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

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 statement of comprehensive income. 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	154.8	122.6
Effect on defined benefit obligation	1 723.7	1 380.9

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	30/09/2015	–	1 533.1	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 the 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

	2015 R million	2014 R million
Trade payables	2 520.1	2 182.5
Accruals	1 273.7	1 624.6
Derivative financial instruments (note 1)	75.3	18.3
Cash-settled share-based payments	1.0	1.0
Shareholders for dividends	5.7	–
Other	307.5	184.6
Total	4 183.3	4 011.0

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.

	Restructuring R million	Customer claims R million	Other R million	Total R million
19. Provisions				
At 1 October 2013	12.1	5.5	15.7	33.3
Additions	2.5	24.1	14.9	41.5
Usage	(3.1)	(8.0)	(2.3)	(13.4)
Reversals	(8.1)	(6.0)	–	(14.1)
Translation differences	0.8	0.1	0.4	1.3
Other	2.8	–	(0.1)	2.7
At 30 September 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

	2015 R million	2014 R million
Analysed as:		
Current	235.3	43.9
Non-current (note 16)	2.6	7.4
	237.9	51.3

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.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

20. Revenue

	Continuing operations 2015 R million	Continuing operations 2014 R million	Discontinued operations 2015 R million	Discontinued operations 2014 R million	Total 2015 R million	Total 2014 R million
Sale of goods	16 982.0	15 070.6	3 301.8	5 590.1	20 283.8	20 660.7
Rendering of services	2.7	2.9	50.2	5.2	52.9	8.1
Other	306.6	232.1	(27.1)	–	279.5	232.1
	17 291.3	15 305.6	3 324.9	5 595.3	20 616.2	20 900.9
21. Operating profit						
Operating profit is stated after taking into account the following items:						
21.1 Cost of goods sold	11 945.6	10 508.9	2 052.7	3 655.1	13 998.3	14 164.0
21.2 Included in employee benefit expense						
Retrenchment costs	46.2	14.0	6.8	15.2	53.0	29.2
Defined benefit plan expense	182.9	72.3	0.3	3.6	183.2	75.9
Pension fund curtailment gain on restructure	(61.2)	–	–	–	(61.2)	–
Other share-based payment expenses	(3.6)	23.8	–	–	(3.6)	23.8
21.3 Depreciation and amortisation consists of						
Investment properties	1.6	0.1	–	–	1.6	0.1
Freehold and leasehold buildings	61.6	51.2	–	4.2	61.6	55.4
Plant, equipment and vehicles	695.5	607.3	9.5	110.1	705.0	717.4
Intangible assets	43.6	36.6	–	4.7	43.6	41.3
Total	802.3	695.2	9.5	119.0	811.8	814.2

21. Operating profit continued

	Continuing operations 2015 R million	Continuing operations 2014 R million	Discontinued operations 2015 R million	Discontinued operations 2014 R million	Total 2015 R million	Total 2014 R million
21.4 Included in other operating expenses and income						
Auditors' remuneration						
Audit fees	19.5	16.7	(0.7)	3.0	18.8	19.7
Tax services	1.1	0.5	–	0.1	1.1	0.6
Other services	2.2	1.1	0.1	0.1	2.3	1.2
Total	22.8	18.3	(0.6)	3.2	22.2	21.5
Impairments						
Freehold and leasehold buildings	4.6	–	–	62.4	4.6	62.4
Plant and equipment	117.1	37.3	–	327.4	117.1	364.7
Intangible assets	–	–	–	4.4	–	4.4
Loans to non-controlling shareholders	–	–	77.7	–	77.7	–
Total	121.7	37.3	77.7	394.2	199.4	431.5
Reversal of impairments						
Plant and equipment	(0.3)	–	–	–	(0.3)	–
Total	(0.3)	–	–	–	(0.3)	–
Rentals in respect of operating leases						
Property	75.4	69.3	16.9	45.6	92.3	114.9
Plant, equipment and vehicles	5.4	2.3	1.2	1.7	6.6	4.0
Total	80.8	71.6	18.1	47.3	98.9	118.9
Net loss/(gain) on financial instruments						
Derivatives	(43.8)	13.6	5.2	–	(38.6)	13.6
Other financial instruments	185.2	(224.2)	8.5	(7.1)	193.7	(231.3)
Total	141.4	(210.6)	13.7	(7.1)	155.1	(217.7)
Administration and technical fees	38.7	21.4	0.9	1.2	39.6	22.6
Selling expenses	15.7	30.6	15.8	29.9	31.5	60.5
Distribution expenses	519.0	530.6	194.2	362.0	713.2	892.6
Research and development expenditure	(0.8)	2.5	5.3	7.8	4.5	10.3
Gain on revaluation of original interest in business acquired	–	(9.4)	–	–	–	(9.4)
Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–	–	–	(124.2)	–
Loss on disposal of businesses	–	–	350.2	33.7	350.2	33.7
Restructuring costs	31.1	–	112.3	2.5	143.4	2.5
Net profit on disposal of property	(102.5)	(23.7)	–	–	(102.5)	(23.7)
Net (profit)/loss on disposal of plant, equipment and intangible assets	(0.3)	3.5	3.6	2.1	3.3	5.6

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

21. Operating profit continued

21.5 Directors' and prescribed officers' remuneration

	2015 R million	2014 R million
Non-executive directors		
RC Andersen	0.8	0.7
E Ikazoboh	0.3	0.3
RJ Khoza	0.3	0.3
NV Lila	0.4	0.2
PM Madi	0.5	0.6
VN Magwentshu	–	0.1
TT Mboweni	1.6	1.5
IN Mkhari	0.5	0.3
DC Moephuli	0.4	0.4
CWN Molope	0.7	0.5
RV Smither	0.3	0.6
PM Surgey	0.7	0.6
	6.5	6.1
Executive directors		
A de Ruyter	12.9	11.2
GR Fullerton	0.4	–
G Griffiths	3.8	7.4
AB Marshall	–	3.7
AH Howie	0.5	–
FV Tshiqi	3.3	4.9
	20.9	27.2
Prescribed officers		
CH Bromley	–	1.0
C Burmeister	4.1	2.2
PA de Weerdt	9.0	4.9
M Khutama	0.4	–
RG Morris	4.3	5.3
SE Msane	8.0	4.5
NP O'Brien	3.0	4.2
EE Smuts	3.5	2.4
	32.3	24.5
	59.7	57.8
Included in the above:		
Company contributions to retirement funds	2.2	2.1
Paid by the company	26.3	31.5
Paid by the subsidiary companies	33.4	26.3

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

Full details of total remuneration are disclosed in note 36.

22. Share-based payments

All share schemes are classified as equity-settled schemes.

	2015 R million	2014 R million
Share-based payment expenses recognised		
On share plans:		
Performance Share Plan	10.3	8.8
Share Appreciation Plan	(15.5)	10.7
Deferred Bonus Plan	1.6	4.3
Total	(3.6)	23.8

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 are not terminated for disciplinary reasons. The shares will be held in trust until 31 December 2015, at which time the founding grant will be settled and the balance of the benefit will be released to the beneficiaries. As all the shares vested as at 30 September 2010, no further expenses are recognised in the current year.

Vesting conditions

The beneficiary right held by participants on 30 September 2010 vested. Permitted and non-permitted employee events no longer have an impact on the allocated rights.

In the event of death or disability of a beneficiary, the total number of shares vested will be calculated by means of a predetermined formula. The beneficiaries will be settled in shares or cash.

Beneficiaries may not dispose of their rights until the end of the 10-year lock-in period on 31 December 2015. The company has 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 loan.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

22. Share-based payments continued

BEE transaction continued

Black Management Trust ("BMT") continued

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

Allocation date	30 September 2010	1 April 2010	1 October 2009	1 April 2009
Outstanding at 30 September 2015	1 830 309	4 256 666	1 728 330	2 028 327
Outstanding at 30 September 2014	1 830 309	4 256 666	1 728 330	2 028 327

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

Weighted average exercise price[1]	19.7	19.1	18.5	17.8
Weighted average fair value	3.7	3.4	2.1	1.3
Expected volatility[2]	30.29%	29.42%	28.41%	28.23%

[1] *These numbers were the starting points for the calculation of the exercise prices used in the model. The exercise prices will fluctuate depending on deemed interest accrued at 85% of the prime interest rate and dividends paid to the trust.*

[2] *Volatility was calculated using the EWMA methodology. This approach estimates the volatility by applying more weight to recent data.*

The risk-free rate used in the model was sourced from the Bond Exchange of South Africa. The ZAR zero coupon swap curve as at each valuation was used. A dividend yield of 4.5% was used in the model. The scheme has an expected life of 10 years.

The fair value of rights allocated was calculated using a Monte Carlo simulation, and this expense is being amortised over the vesting period of the shares.

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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

1 October 2008	31 March 2008	30 September 2007[1]	30 June 2007	31 March 2007	30 September 2006[1]	31 March 2006	15 December 2005
896 483	3 047 640	640 000	1 685 000	1 210 477	510 000	643 400	8 892 563
896 483	3 047 640	640 000	1 685 000	1 210 477	510 000	643 400	8 892 563
17.5	16.6	16.4	16.3	15.9	15.7	15.3	15.4
2.1	4.3	7.7	6.7	7.2	4.5	3.7	2.6
26.74%	33.43%	31.40%	25.50%	26.20%	25.00%	24.70%	23.50%

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

22. Share-based payments continued

Other share plans continued

Performance Share Plan and Share Appreciation Plan continued

Vesting conditions

A summary of the PSP and SAP is tabled below, detailing the various allocations as well as the performance criteria to be met during the performance period:

		TSR criteria[1]	
		Ranking compared to ALSI 40 constituent companies	
Allocation date	Performance period	Threshold	Target
Performance Share Plan			
1 July 2006	01/04/2006 – 31/03/2009	25	1
10 December 2007	01/10/2007 – 30/09/2010	25	1
10 December 2008	01/10/2008 – 30/09/2011	25	1
4 December 2009	01/10/2009 – 30/09/2012	25	1
3 February 2010	03/02/2010 – 03/02/2013	n/a	n/a
14 December 2010	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%
17 March 2011	01/10/2010 – 30/09/2013	CPI + 9%	CPI + 24%
5 December 2011	01/10/2011 – 30/09/2014	CPI + 9%	CPI + 24%
3 December 2012	01/10/2012 – 30/09/2015	CPI + 9%	CPI + 24%
3 December 2013	01/10/2013 – 30/09/2016	CPI + 9%	CPI + 24%
2 January 2014	01/10/2013 – 30/09/2016	CPI + 9%	CPI + 24%
15 December 2014	01/10/2014 – 30/09/2017	CPI + 9%	CPI + 24%
Share Appreciation Plan			
1 July 2006	01/04/2006 – 31/03/2009	–	–
10 December 2007	01/10/2007 – 30/09/2010	–	–
10 December 2008	01/10/2008 – 30/09/2011	–	–
4 December 2009	01/10/2009 – 30/09/2012	–	–
14 December 2010	01/10/2010 – 30/09/2013	–	–
5 December 2011	01/10/2011 – 30/09/2014	–	–
3 December 2012	01/10/2012 – 30/09/2015	–	–
3 December 2013	01/10/2013 – 30/09/2016	–	–
2 January 2014	01/10/2013 – 30/09/2016	–	–
15 December 2014	01/10/2014 – 30/09/2017	–	–

[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.*

For the 3 February 2010 allocation of the PSP, 70% of the shares will be subject to the headline earnings per share condition and 30% to other various performance objectives.

For all allocations prior to 2012 and after 2010 of the PSP, 50% of shares was subject to the TSR condition and 50% was subject to the headline earnings per share condition, while for the 2012 allocation of the PSP, 40% of shares will be subject to the TSR condition, 40% will be subject to the headline earnings per share condition and 20% will be subject to the return on equity condition. From the 2013 allocation and allocations made thereafter, 30% will be subject to the TSR condition, 40% will be subject to the headline earnings per share condition, and 30% will be subject to the return on equity condition.

Under the PSP, performance below the threshold performance criteria will result in no shares vesting. If the target performance criteria is met, 100% of the shares will vest and then 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.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

HEPS condition[2]		ROE condition[3]		Vesting		
Non-market condition		Non-market condition				
Threshold	Target	Threshold	Target	Performance below threshold criteria	Performance below target criteria above threshold	Performance at or above target criteria
–	CPI + 2%	–	–	No vesting	No vesting	100%
CPI + 15%	CPI + 45%	–	–	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	–	–	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	–	–	No vesting	Proportional vesting	100%
CPI + 6%	CPI + 6%	–	–	No vesting	n/a	100%
CPI + 9%	CPI + 24%	–	–	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	–	–	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	–	–	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	15.50%	17.50%	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	15.50%	17.50%	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	15.50%	17.50%	No vesting	Proportional vesting	100%
CPI + 9%	CPI + 24%	15.50%	17.50%	No vesting	Proportional vesting	100%
CPI + 2%	CPI + 6%	–	–	No vesting	Proportional vesting	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%
–	CPI + 6%	–	–	No vesting	–	100%

Performance below the threshold performance criteria will result in no share appreciation rights vesting under the SAP with the exception of the 1 July 2006 grant, which entitled participants to proportional vesting. If the target performance criteria is met for the allocations from 2010 onwards, 100% of the share appreciation rights vest and 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.

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 voluntarily 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. Where an employee is involuntarily retrenched, the shares/share appreciation rights will vest, be released and may be exercised in full regardless of the performance condition being met.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

22. Share-based payments continued

Other share plans continued

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

	Performance Share Plan Share grants			
	15 December 2014	2 January 2014	3 December 2013	3 December 2012
	Number of awards	Number of awards	Number of awards	Number of awards
2015				
Outstanding at beginning of year	–	128 300	758 903	872 660
Granted during the year	669 432	–	–	–
Forfeited during the year	(21 801)	–	(30 273)	(6 341)
Retirements during the year	(25 317)	–	(62 341)	(23 334)
Exercised during the year	–	–	–	–
Lapsed during the year as a result of non-market condition	–	–	–	(533 841)
Outstanding at end of year	622 314	128 300	666 289	309 144
Exercisable at end of year	–	–	–	–
2014				
Outstanding at beginning of year	–	–	–	1 085 071
Granted during the year	–	128 300	816 360	–
Forfeited during the year	–	–	–	(68 426)
Retirements during the year	–	–	(57 457)	(143 985)
Exercised during the year	–	–	–	–
Outstanding at end of year	–	128 300	758 903	872 660

For the 15 December 2014 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.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

			Performance Share Plan Share grants				
5 December 2011	17 March 2011	14 December 2010	3 February 2010	15 December 2009	10 December 2008	10 December 2007	10 December 2006
Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards	Number of awards
1 250 746	36 667	572 468	49 250	189 720	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
(409 497)	(18 333)	(281 922)	(49 250)	(189 720)	–	–	–
–	–	–	–	–	–	–	–
841 249	18 334	290 546	–	–	–	–	–
–	–	–	–	–	–	–	–
1 488 010	55 000	938 700	98 500	409 309	128 371	–	–
–	–	–	–	–	–	–	–
(172 775)	–	(53 333)	–	(14 936)	–	–	–
(64 489)	–	–	–	–	–	–	–
–	(18 333)	(312 899)	(49 250)	(204 653)	(128 371)	–	–
1 250 746	36 667	572 468	49 250	189 720	–	–	–

Notes to the consolidated financial statements continued

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22. Share-based payments continued

Other share plans continued

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

	Share Appreciation Plan Share rights							
	15 December 2014		2 January 2014		3 December 2013		3 December 2012	
	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
2015								
Outstanding at beginning of year	–	–	121 132	–	384 194	–	3 642 790	30.67
Granted during the year	3 098 325	42.00	–	41.00	–	–	–	–
Forfeited during the year	(370 810)	42.00	–	–	(17 210)	37.81	(490 440)	30.67
Retirements during the year	–	–	–	–	(18 061)	37.81	(17 871)	30.67
Exercised during the year	–	–	–	–	–	–	(25 562)	30.67
Lapsed during the year as a result of non-market condition	–	–	–	–	–	–	(2 991 643)	–
Outstanding at end of year	2 727 515	42 .00	121 132	41.00	348 923	37.81	117 274	30.67
Exercisable at end of year	118 005	–	–	–	74 850	–	117 274	–
2014								
Outstanding at beginning of year	–	–	–	–	–	–	4 044 807	30.67
Granted during the year	–	–	121 132	41.00	397 652	37.81	–	30.67
Forfeited during the year	–	–	–	–	–	–	(330 764)	30.67
Retirements during the year	–	–	–	–	(13 458)	37.81	(71 253)	30.67
Exercised during the year	–	–	–	–	–	–	–	–
Outstanding at end of year	–	–	121 132	41.00	384 194	37.81	3 642 790	30.67

For the 15 December 2014 SAP grant, the fair value of the share rights were calculated using a binominal tree model. The fair value is then adjusted for non-market vesting conditions and expected attrition rates.

Notes to the consolidated financial statements continued

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Share Appreciation Plan Share rights												1985 Share Option Scheme Share options	
5 December 2011		14 December 2010		4 December 2009		10 December 2008		10 December 2007		1 July 2006		Allocations after 7 November 2002	
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	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price	Number of allocations	Weighted average exercise price
743 505	22.95	200 867	23.00	166 181	16.16	–	–	–	–	139 500	17.00	–	15.00
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	22.95	(6 900)	23.00	–	16.16	–	–	–	–	(4 000)	17.00	–	–
–	–	–	23.00	–	–	–	–	–	–	–	–	–	–
(743 505)	–	(82 800)	–	(166 181)	16.16	–	–	–	–	(20 000)	17.00	–	15.00
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	22.95	111 167	23.00	–	16.16	–	–	–	–	115 500	17.00	–	15.00
–	–	111 167	–	–	–	–	–	–	–	115 500	–	–	–
910 759	22.95	3 342 467	23.00	365 116	16.16	–	–	–	–	486 165	17.00	240 000	15.00
–	–	–	–	–	–	–	–	–	–	–	–	–	–
(140 578)	22.95	(48 300)	23.00	(16 380)	16.16	–	–	–	–	(4 000)	17.00	–	–
(26 676)	22.95	–	23.00	–	–	–	–	–	–	–	–	–	–
–	–	(3 093 300)	–	(182 555)	16.16	–	–	–	–	(342 665)	17.00	(240 000)	15.00
743 505	22.95	200 867	23.00	166 181	16.16	–	–	–	–	139 500	17.00	–	15.00

Notes to the consolidated financial statements continued
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22. Share-based payments continued

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 predetermined percentage 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 calculated fair values and significant inputs into the valuation models at grant date were as follows:

	PSP allocations			
	15 December 2014	2 January 2014	3 December 2013	3 December 2012
Weighted average exercise price	–	–	–	–
Weighted average fair value	12.78	25.03	21.7	7.89
Expected volatility[4]	–[3]	23.40%	23.60%	20.66%
Expected life	5 years	5 years	5 years	5 years
Remaining life	4.2 years	3.3 years	3.2 years	2.2 years
Risk-free rate	7.06%	8.0%	8.0%	6.5%
Expected dividend yield	4%	6.0%	6.0%	4.8%

	SAP allocations		
	15 December 2014	2 January 2014	3 December 2013
Weighted average exercise price	42.2	41.1	37.81
Weighted average fair value	8.13	11.15	8.64
Expected volatility[4]	25.0%	25.6%	25.50%
Expected life	3 years	3 years	3 years
Remaining life	2.2 years	1.3 years	1.2 years
Risk-free rate	7.23%	8.0%	8.0%
Expected dividend yield	4%	6.0%	6.0%

	Deferred bonus plan	
	17 December 2014	3 December 2013
Weighted average exercise price	–	–
Weighted average fair value	29.17	34.83
Expected volatility[4]	–	–
Expected life	3 years	3 years
Remaining life	2.2 years	1.2 years
Risk-free rate		
Expected dividend yield	4%	4.2%

[1] Value of the TSR condition is R10.63.
[2] The fair value was determined by calculating a weighted average of the fair values per grade
[3] 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.
[4] Expected volatility was determined with reference to historical volatility.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

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.

229 597 bonus shares were purchased during the current financial year.

PSP allocations

5 December 2011	17 March 2011	14 December 2010	3 February 2010	15 December 2009	10 December 2008	10 December 2007	1 July 2006
–	–	–	–	–	–	–	–
8.95	9.10	10.84	13.67	9.61	5.51	–[1]	6.95
21.07%	20.5%	24.0%	25.9%	25.9%	26.0%	24.4%	37.1%
5 years	5 years	5 years	3 years	5 years	5 years	5 years	5 years
1.2 years	0.4 years	0.2 years	0 years	0 years	0 years	0 years	0 years
6.4%	7.8%	6.8%	7.8%	8.3%	8.8%	8.6%	7.1%
6.0%	6.0%	6.0%	4.5%	4.5%	4.5%	4.2%	5.6%

SAP allocations

3 December 2012	5 December 2011	14 December 2010	4 December 2009	10 December 2008	10 December 2007	1 July 2006	1985 Share Option Scheme allocations after 7 November 2002
30.67	22.95	23.0	16.2	12.6	22.1	17.1	13.3
7.00[2]	5.14[2]	5.13[2]	5.41[2]	4.87[2]	5.01[2]	6.89	5.25
27.9%	28.1%	28.3%	31.0%	34.0%	26.0%	37.1%	23.4%
3 years	5 years	5 years	10 years	10 years	10 years	5 years	10 years
0.2 years	1.2 years	0.2 years	4.2 years	3.2 years	2.2 years	0 years	0 years
6.5%	7.3%	7.7%	8.3%	8.8%	7.8%	7.1%	8.3%
5.3%	6.0%	6.0%	4.5%	4.5%	7.2%	5.6%	3.2%

Deferred bonus plan

14 December 2012	15 December 2011	15 December 2010	22 February 2010
–	–	–	–
27.76	18.50	22.84	14.50
–	–	–	–
3 years	3 years	3 years	3 years
0.2 years	0 years	0 years	0 years
–	–	–	–
4.8%	6.0%	6.0%	4.5%

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

23. Finance costs

	Continuing operations		Discontinued operations		Total	
	2015 R million	2014 R million	**2015 R million**	2014 R million	**2015 R million**	2014 R million
Interest paid – short-term facilities	**403.8**	346.3	**35.1**	36.4	**438.9**	382.7
Interest paid – long-term facilities	**0.6**	51.3	**–**	–	**0.6**	51.3
Interest paid – other	**12.2**	1.7	**–**	–	**12.2**	1.7
Less: Interest capitalised	**(100.0)**	(46.2)	**–**	–	**(100.0)**	(46.2)
	316.6	353.1	**35.1**	36.4	**351.7**	389.5

Borrowing costs included in the cost of qualifying assets are calculated by applying capitalisation rates ranging from 6.9% to 8% (2014: 6.0% to 8.5%) to expenditure on those assets.

	Continuing operations		Discontinued operations		Total	
	2015 R million	2014 R million	**2015 R million**	2014 R million	**2015 R million**	2014 R million
24. Finance income						
Interest received – short-term facilities	**20.5**	25.6	**–**	0.3	**20.5**	25.9
Interest received – other	**17.1**	19.0	**9.3**	12.5	**26.4**	31.5
	37.6	44.6	**9.3**	12.8	**46.9**	57.4
25. Income from investments						
Normal dividends	**–**	0.1	**7.4**	7.1	**7.4**	7.2
26. Income tax						
Current tax						
– current year	**61.5**	102.3	**(2.4)**	51.3	**59.1**	153.6
– prior year	**(59.0)**	(41.3)	**(1.4)**	(0.8)	**(60.4)**	(42.1)
– capital gains tax	**(41.2)**	–	**41.2**	–	**–**	–
Deferred tax						
– current year	**62.7**	21.7	**(174.8)**	(141.5)	**(112.1)**	(119.8)
– prior year	**(119.6)**	30.6	**5.1**	0.1	**(114.5)**	30.7
– change in tax rate	**(0.2)**	(2.0)	**–**	–	**(0.2)**	(2.0)
Withholding and foreign tax	**38.3**	30.6	**1.9**	–	**40.2**	30.6
Total	**(57.5)**	141.9	**(130.4)**	(90.9)	**(187.9)**	51.0

The company tax rate in South Africa is 28% (2014: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those relevant jurisdictions.

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26. Income tax continued

	Continuing operations		Discontinued operations		Total	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Reconciliation of rate of tax						
Effective group rate of tax	(4.1)	9.1	24.8	29.0	(21.5)	4.1
Reduction in tax rate due to:						
– exempt income (including capital profits)	2.5	3.9	(24.1)	(2.6)	18.6	5.7
– associate (loss)/profit	(0.1)	0.6	–	1.6	(0.2)	0.3
– government incentives	9.7	12.1	(0.1)	(0.3)	15.5	15.3
– adjustment for prior year	12.8	0.7	0.7	(0.3)	20.0	0.9
– tax rate reduction	–	0.1	–	–	–	0.2
– utilisation of withholding tax credit	–	0.7	–	–	–	0.9
– tax rate differential	9.9	4.0	–	–	15.9	5.1
– capital gains tax	2.9	–	7.8	–	–	–
Increase in tax rate due to:						
– deferred taxation not recognised	(0.7)	(0.4)	0.4	(0.1)	(1.3)	(0.5)
– disallowable expenses	(2.2)	(0.9)	18.1	0.7	(14.4)	(1.6)
– withholding and foreign taxes	(2.7)	(1.9)	0.4		(4.6)	(2.4)
Normal tax rate	28.0	28.0	28.0	28.0	28.0	28.0

In addition to the income tax benefit/charge to profit or loss, a deferred tax charge of R33.3 million (2014: R14.4 million charge) has been recognised in equity during the year.

Nampak
packaging excellence

Notes to the consolidated financial statements continued
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27. Discontinued operations

During October 2014, the directors of the group approved of a plan to dispose of the Nampak Corrugated, Nampak Sacks, Nampak Tissue and Sancella SA (Pty) Ltd businesses. On 20 November 2014, the group entered into a sale agreement for the disposal of the Nampak Corrugated and Nampak Tissue businesses and completed the transaction on 1 April 2015, the effective date of the disposal of these businesses.

In addition, the directors of the group approved of a plan to dispose of the Nampak Recycling and Nampak Flexibles businesses during March 2015, and entered into sale agreements for the disposals of these businesses on 11 March 2015 and 25 March 2015 respectively. The transactions were both completed on 1 July, the effective date of these transactions.

Agreements of sale for the Sancella SA (Pty) Ltd and Nampak Sacks businesses were entered into on 21 July 2015 and 21 September 2015 respectively. The transaction for the Nampak Sacks business was completed on 29 September 2015, while it is expected that the transaction for the Sancella SA (Pty) Ltd business will be completed during the first quarter of the 2016 financial year.

During the previous year, the Nampak Cartons and Labels business was disposed with an effective date of 1 August 2014.

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 statement of comprehensive income are set out below:

	2015 R million	2014 R million
Results of the discontinued operations for the year		
Revenue*	3 385.7	5 694.8
Expenses	(3 560.7)	(5 974.4)
Loss before tax	(175.0)	(279.6)
Attributable income tax benefit	8.1	73.5
	(166.9)	(206.1)
Loss on disposal of operations	(350.2)	(33.7)
Attributable income tax benefit	122.3	17.4
	(227.9)	(16.3)
Loss for the year from discontinued operations	(394.8)	(222.4)

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

Property pertaining to Nampak Flexibles which has not yet been formally transferred, as well as the loan to Sancella SA (Pty) Ltd have been classified and accounted for as assets held for sale. See note 13.

28. Business combinations

	2015 R million	2014 R million
28.1 Nampak Zimbabwe Ltd		
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%.		
Assets and liabilities recognised at the date of consolidation		
Current assets		
Inventories	169.7	–
Trade and other receivables	192.3	–
Cash	44.1	–
Non-current assets		
Property, plant and equipment	414.1	–
Intangibles	63.3	–
Investments	7.6	
Current liabilities		
Trade and other payables	(142.8)	–
Tax liabilities	(2.9)	
Loans	(26.8)	–
Non-current liabilities		
Loans	(0.7)	–
Deferred tax	(75.5)	–
Fair value of identifiable net assets acquired	642.4	–
Gain arising on consolidation		
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)	–

Impact of the consolidation on the results of the group (current year)

Included in the group net revenue and profit after tax from continuing operations for the year is R801.8 million and R37.7 million, respectively, which are attributable to the consolidation of Hunyani and Megapak. Had Hunyani and Megapak been consolidated with effect 1 October 2014, the net revenue of the group from continuing operations would have been R17 469.2 million, while the profit after tax from continuing operations would have been R1 461.6 million.

Notes to the consolidated financial statements continued

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28. Business combinations continued

	2015 R million	2014 R million
28.2 Alucan Investments Ltd		
In the previous year, the group acquired with effect from 1 March 2014 the entire equity of Alucan Investments Ltd (AIL) for an amount of R3 508.0 million paid in cash. The sole investment of this group is Nampak Bevcan Nigeria Ltd (formerly Alucan Packaging Ltd), a beverage can manufacturing operation in Nigeria.		
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	–	130.6
Trade and other receivables	–	108.4
Cash	–	43.2
Non-current assets		
Property, plant and equipment	–	807.6
Deferred tax	–	29.5
Current liabilities		
Trade and other payables	–	(88.2)
Fair value of identifiable net assets acquired	–	1 031.1
Goodwill arising on acquisition		
Consideration transferred	–	3 508.0
Less: fair value of identifiable net assets acquired	–	(1 031.1)
Goodwill arising on acquisition	–	2 476.9
Goodwill arose on the acquisition of AIL as the cost of the combination included a control premium. The consideration paid also included the expected benefits of revenue growth and future profitability.		
Cash flow impact of the acquisitions		
Consideration paid in cash	–	3 508.0
Cash balances acquired	–	(43.2)
Net cash outflow on acquisition	–	3 464.8

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

28. Business combinations continued

	2015 R million	2014 R million
28.3 Bullpak Ltd		
In the previous year, the group acquired with effect from 1 September 2014 the remaining 51% interest in Bullpak Ltd from Unga Ltd for an amount of R42.0 million paid in cash. The revaluation of the group's original interest in Bullpak resulted in a gain of R9.4 million.		
Assets acquired and liabilities recognised at the date of acquisition		
Current assets		
Inventories	–	14.2
Trade and other receivables	–	25.8
Cash	–	15.7
Non-current assets		
Property, plant and equipment	–	6.9
Retirement benefit asset	–	0.3
Current liabilities		
Trade and other payables	–	(19.2)
Non-current liabilities		
Deferred tax	–	(1.3)
Fair value of identifiable net assets acquired	–	42.4
Goodwill arising on acquisition		
Consideration transferred	–	42.0
Plus: fair value of previously held interest	–	30.2
Less: fair value of identifiable net assets acquired	–	(42.4)
Goodwill arising on acquisition	–	29.8
Cash flow impact of the acquisitions		
Consideration paid in cash	–	42.0
Cash balances acquired	–	(15.7)
Net cash outflow on acquisition	–	26.3

Notes to the consolidated financial statements continued

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29. Dividends and cash distributions

	2015 R million	2014 R million
Dividends paid		
Final dividend number 85 paid on 19 January 2015: gross amount of 107.0 cents per share (2014: number 83 – 98.0 cents per share)	751.5	686.4
Interim dividend number 86 paid on 6 July 2015: gross amount of 42.0 cents per share (2014: number 84 – 46.0 cents per share)	295.0	322.3
Dividend attributable to treasury shares	(107.9)	(104.4)
	938.6	904.3
Other dividends	7.6	0.1
Total dividends paid	946.2	904.4

On 26 November 2015, the directors declared a gross dividend number 87 of 92.0 cents per share payable on 18 January 2016 to shareholders registered on the record date, being 15 January 2016.

	2015 Cents	2014 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	42.0	46.0
Final	92.0	107.0
	134.0	153.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2014: R0.1 million) were declared on 20 November 2014 and 19 June 2015, and paid on 26 January 2015 and 27 July 2015 respectively.

Notes to the consolidated financial statements continued
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30. Basic, fully diluted and headline earnings per ordinary 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	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Basic earnings						
Profit attributable to equity holders of the company for the period	1 438.0	1 391.8	(394.8)	(222.4)	1 043.2	1 169.4
Less: Preference dividend	(0.1)	(0.1)	–	–	(0.1)	(0.1)
Total	1 437.9	1 391.7	(394.8)	(222.4)	1 043.1	1 169.3
Weighted average number of shares in issue ('000)	629 726	627 728	629 726	627 728	629 726	627 728
Basic earnings per share	228.3	221.7	(62.7)	(35.4)	165.6	186.3

Diluted basic earnings per share

The diluted 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	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Diluted earnings[1]	1 437.9	1 391.7	(394.8)	(222.4)	1 043.1	1 169.3
Weighted average number of ordinary shares for the purpose of diluted basic earnings per share ('000)	637 369	649 808	637 369	649 808	637 369	649 808
Weighted average number of ordinary shares for the purpose of basic earnings per share	629 726	627 728	629 726	627 728	629 726	627 728
Effect of dilutive potential ordinary shares:						
Ordinary shares issued to Black Management Trust ('000)	4 847	13 372	4 847	13 372	4 847	13 372
Other share incentive plans ('000)	2 796	8 708	2 796	8 708	2 796	8 708
Diluted basic earnings per share	225.6	214.2	(61.9)	(34.3)	163.7	179.9

[1] *No dilution of basic earnings.*

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

30. Basic, fully diluted and headline earnings per ordinary share continued

	Continuing operations		Discontinued operations		Total	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Headline earnings per share						
Headline earnings						
Basic earnings	1 437.9	1 391.7	(394.8)	(222.4)	1 043.1	1 169.3
Adjusted for:						
Net impairment losses on goodwill, plant and equipment	121.4	37.3	–	394.2	121.4	431.5
Loss on disposal of businesses	–	–	350.2	33.7	350.2	33.7
Gain on revaluation of original interest in business acquired	–	(9.4)	–	–	–	(9.4)
Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–	–	–	(124.2)	–
Net (profit)/loss on disposal of property, plant, equipment and intangible assets	(102.8)	(20.2)	3.6	2.1	(99.2)	(18.1)
Tax effects and outside shareholder's interest	(21.2)	(6.8)	(123.2)	(127.2)	(144.4)	(134.0)
Total	1 311.1	1 392.6	(164.2)	80.4	1 146.9	1 473.0
Weighted average number of shares in issue ('000)	629 726	627 728	629 726	627 728	629 726	627 728
Headline earnings per share (cents)	208.2	221.9	(26.1)	12.8	182.1	234.7
Diluted headline earnings per share						
Diluted headline earnings[1]	1 311.1	1 392.6	(164.2)	80.4	1 146.9	1 473.0
Weighted average number of ordinary shares for the purpose of diluted headline earnings per share ('000)[2]	637 369	649 808	637 369	649 808	637 369	649 808
Diluted headline earnings per share (cents)	205.7	214.3	(25.8)	12.4	179.9	226.7

[1] *No dilution of headline earnings.*
[2] *Per diluted earnings per share calculation.*

31. Operating lease commitments

	2015 R million	2014 R million
The group has certain lease commitments in respect of land and buildings, plant, equipment and vehicles, which are payable as follows:		
Year ending 30 September		
2015	–	95.9
2016	45.1	81.1
2017	31.7	56.4
2018	19.4	23.6
2019	11.7	17.9
2020 and beyond	67.7	–
Total	175.6	274.9
Comprising:		
Land and buildings	150.6	206.2
Vehicles	15.1	28.1
Other	9.9	40.6
	175.6	274.9

32. Contingent liabilities

	2015 R million	2014 R million
Guarantees in respect of property leases	3.3	3.3
Customer claims and other		
– Glass	–	32.1
– other	11.5	3.2
Tax contingent liability	49.4	–
Total	64.2	38.6

33. Capital commitments

	2015 R million	2014 R million
Capital commitments for acquisition of property, plant and equipment		
– contracted	727.2	623.2
– approved	772.9	1 394.7
Total	1 500.1	2 017.9

Notes to the consolidated financial statements continued
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34. Related party transactions

	2015 R million	2014 R million
Disclosure in respect of associates and joint ventures is provided in notes 6 and 7. Details of joint ventures and associates are detailed in Annexure B.		
Material related party transactions were as follows:		
Sales and services rendered to related parties:		
Associates	64.7	64.5
Joint ventures	11.4	–
	76.1	64.5
Interest received from related parties:		
Joint ventures	11.1	23.2
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 associates	–	7.3
Loans to joint ventures	122.2	195.6
	122.2	202.9

34. Related party transactions continued

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 a 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	Nedbank Group Ltd	Non-executive chairman (Resigned 11/05/2015)
	Aka Capital (Pty) Ltd	Executive chairman
CWN Molope	Red Coral Investments 23 (Pty) Ltd	Shareholder
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.

Sale of business

On 29 September 2015, the group disposed of Nampak Sacks to Sacks Packaging (Pty) Ltd, a company owned by the Nampak Sacks divisional finance and supply chain director, Kevin Kistan. The transaction was executed in terms of section 197 of the Labour Relations Act.

Compensation relating to key management personnel

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

	2015 R million	2014 R million
Short-term employee benefits	34.9	52.8
Post-employment benefits	1.4	0.8
Termination benefits	8.8	0.6
Share-based payments	7.1	11.2
	52.2	65.4

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 pages 114 and 115.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

35. Notes to the statement of cash flows

		Group	
		2015 September	2014 September
35.1	Reconciliation of profit before taxation to cash generated from operations		
	Profit before taxation	873.4	1 254.6
	Continuing operations	1 398.6	1 567.9
	Discontinued operations	(525.2)	(313.3)
	Adjustment for:		
	Depreciation and amortisation	811.8	814.2
	Net loss on disposal of businesses, property, plant, equipment and intangible assets	251.0	15.6
	Financial instruments fair value adjustment	(38.6)	13.6
	Income from investments	(7.4)	(7.2)
	Gain on revaluation of original interest in joint venture acquired	–	(9.4)
	Gain on revaluation and consolidation of Zimbabwe associates	(124.2)	–
	Net defined benefit plan expense	122.0	75.9
	Impairment losses	199.4	431.5
	Reversal of impairment losses	(0.3)	–
	Share of loss/(profit) in associates	2.6	(27.3)
	Share of loss in joint ventures	4.2	11.8
	Share-based payments expense	(3.6)	23.8
	Net finance costs	304.8	332.1
	Operating profit before working capital changes	2 395.1	2 929.2
	Increase in inventories	(766.2)	(72.8)
	Increase in trade receivables and other current assets	(425.1)	(309.4)
	Increase in trade payables and other current liabilities	522.7	193.1
	Cash generated from operations	1 726.5	2 740.1

35. Notes to the statement of cash flows continued

	Group 2015 September	2014 September
35.2 Disposal of businesses		
During the 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 27).		
During the previous year, the group disposed of the Cartons and Labels business effective 1 August 2014.		
The fair values of assets and liabilities disposed of were as follows:		
Current assets		
Inventory	756.5	243.1
Trade and other receivables	958.9	215.2
Non-current assets		
Property, plant and equipment	1 275.8	159.4
Other intangible assets	12.0	–
Investments	9.0	–
Loans and receivables	25.8	–
Current liabilities		
Trade and other payables	(699.8)	(216.1)
Non-current liabilities		
Post-retirement benefit liability	–	(35.3)
Deferred Income	(6.9)	–
Net assets disposed	2 331.3	366.3
Non-controlling interest in subsidiary released	2.6	–
Goodwill disposed	34.0	–
Loss on disposal of businesses	(350.2)	(33.7)
Total disposal consideration	2 017.7	332.6
Less: deferred sales proceeds	(35.0)	(24.3)
Net inflow on disposal	1 982.7	308.3
35.3 Net overdraft		
Cash and cash equivalents/(overdraft) included in the statement of cash flows consist of the following amounts on the statement of financial position:		
Bank balances, cash and deposits (note 12)	1 587.4	1 127.5
Bank overdraft (note 15)	(3 672.3)	(1 808.5)
	(2 084.9)	(681.0)

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

36. Remuneration of directors and prescribed officers

In terms of total guaranteed packages, plus other benefits for 2015, this detail is set out in the table below.

Table 1(a)

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

Name	Basic salary (rand)	Payments by offshore companies[1] (rand)	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	3 827 805	500 918
AH Howie[5]	444 234	–	39 108	483 342	1 347	–	484 689	–
FV Tshiqi	2 528 725	–	214 886	2 743 611	7 482	557 125	3 308 218	330 695
Total	11 529 049	645 408	940 336	13 114 793	4 544 382	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	447 109	–
RG Morris[8]	2 921 912	–	247 916	3 169 828	496 901	600 762	4 267 491	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	–	1 258 864	16 109 063	11 753 962	4 427 430	32 290 455	4 210 365

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of GBP1:R18.5583.
Note 2: Received a sign-on cash award of R4 233 152, paid on 5 January 2015.
Note 3: Appointed with effect from 1 September 2015.
Note 4: Retired with effect from 19 June 2015. Received leave pay to the value of R277 318 on termination.
Note 5: Appointed in the role of acting chief financial officer for the period 19 June 2015 to 31 August 2015.
Note 6: Retired early 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.
Note 7: Appointed with effect from 1 August 2015.
Note 8: Received a settlement in respect of post-retirement medical aid of R487 887 in the form of a pension fund contribution.
Note 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.
Note 10: Unless specifically noted above, other benefits refers to group personal accident cover.
Note 11: STI disclosed is based on performance during the 2015 financial year, but actual STI payments will only be made in December 2015.
Note 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 in 2015. Values represented are calculated using the VWAP as at 30 September 2015.

A correction to the 2014 STI as published was made in January 2015 resulting in an additional payment of R90 070 to SE Msane and R3 378 925 to AB Marshall. These have not been included in the table above as the amounts were in respect of the 2014 financial year.

36. Remuneration of directors and prescribed officers continued

Table 1(b)

Executive director's and group executive committee members' total remuneration for 2014

Name	Basic salary (rand)	Payments by offshore companies[1] (rand)	Company contribution to retirement (rand)	Guaranteed package (rand)	Value of other benefits[6] (rand)	STI[7] (rand)	Total remuneration (rand)	SAP and PSP[8] (rand)
Columns	1	2	3	4=1+2+3	5	6	7=4+5+6	8
Executive directors								
AM de Ruyter[2]	4 280 240	–	369 760	4 650 000	1 011 723	5 570 700	11 232 423	–
G Griffiths	2 621 630	888 242	227 334	3 737 206	7 532	3 632 429	7 377 167	10 683 839
AB Marshall[3]	2 076 979	901 711	179 399	3 158 089	507 324	–	3 665 413	9 357 408
FV Tshiqi	2 352 222	–	199 975	2 552 197	6 784	2 369 460	4 928 441	9 435 553
Total	11 331 071	1 789 953	976 468	14 097 492	1 533 363	11 572 589	27 203 444	29 476 800
Group executive committee								
CH Bromley[4]	905 857	–	77 036	982 893	80 843	–	1 063 736	–
C Burmeister[5]	1 106 550	–	93 450	1 200 000	3 025	991 200	2 194 225	825 967
PA de Weerdt	2 716 570	–	232 108	2 948 678	7 784	1 935 512	4 891 974	9 599 273
RG Morris	2 717 898	–	230 780	2 948 678	7 784	2 300 706	5 257 168	9 599 273
SE Msane	2 457 566	–	209 306	2 666 872	7 073	1 787 871	4 461 816	4 433 615
NP O'Brien	2 127 847	–	179 618	2 307 465	6 167	1 961 345	4 274 977	4 257 207
EE Smuts[5]	1 254 282	–	105 718	1 360 000	3 429	1 090 394	2 453 823	980 683
Total	13 286 570	–	1 128 016	14 414 586	116 105	10 067 028	24 597 719	29 696 018

Note 1: For the purposes of total remuneration, offshore payments have been converted into rand using the average exchange rate of GBP1:R17.5379.

Note 2: Appointed with effect from 1 January 2014. Received a once-off cash sign-on bonus paid on 2 January 2014.

Note 3: Retired with effect 31 March 2014. Received leave pay to the value of R485 567 on termination and a farewell gift valued at R16 667.

Note 4: Resigned with effect from 31 January 2014. Received leave pay to the value of R78 015 on termination.

Note 5: Appointed to the group executive committee with effect from 1 April 2014. Earnings related to the period prior to appointment as prescribed officer are not included.

Note 6: Unless specifically noted above, other benefits refers to group personal accident cover.

Note 7: STI disclosed is based on performance during the 2015 financial year, but actual STI payments will only be made in December 2015.

Note 8: SAPs and PSPs disclosed were awarded in December 2011, with the applicable performance period ended 30 September 2014 and the employment period ending in December 2014.
Values represented are calculated using the VWAP received as at 30 September 2014.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

36. Remuneration of directors and prescribed officers continued

The tables below illustrate, 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 appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance 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	Lapse date
Executive directors											
AM de Ruyter	15/12/2014	42.20	100 229								15/12/2021
	02/01/2014	41.07	121 132								02/01/2021
G Griffiths[1]	03/12/2013	37.81	59 720	(31 519)							03/12/2020
	03/12/2012	30.67	66 195	(66 195)							03/12/2019
	05/12/2011	22.95	115 640	–	115 640	115 640	05/12/2014	41.35	2 127 747	–	05/12/2018
	04/12/2009	16.16	117 269	–	117 269	39 090	03/12/2012	30.40	556 624		
				–		39 090	03/12/2013	34.95	734 474		
				–		39 089	04/12/2014	43.17	1 055 766	–	04/12/2019
FV Tshiqi	15/12/2014	42.20	30 091								15/12/2021
	03/12/2013	37.81	38 406								03/12/2020
	03/12/2012	30.67	42 570	(42 570)							03/12/2019
	05/12/2011	22.95	140 578	–	140 578	140 578	05/12/2014	41.35	2 586 608	–	05/12/2018
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735		
						16 380	04/12/2014	43.17	442 406	–	04/12/2019
Group executive committee											
C Burmeister	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	24 296								03/12/2020
	03/12/2012	30.67	14 538	(14 538)							03/12/2019
PA de Weerdt[2]	15/12/2014	42.20	30 091		30 091					30 091	15/12/2021
	03/12/2013	37.81	38 406		38 406					38 406	03/12/2020
	03/12/2012	30.67	42 570		42 570					42 570	03/12/2019
	05/12/2011	22.95	140 578	–	140 578	140 578	05/12/2014	41.35	2 586 608	–	05/12/2018
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735		04/12 2019
						16 380	04/12/2014	43.17	442 406	–	04/12/2019
RG Morris	15/12/2014	42.20	30 091								15/12/2021
	03/12/2013	37.81	38 406								03/12/2020
	03/12/2012	30.67	42 570	(42 570)							03/12/2019
	05/12/2011	22.95	140 578	–	140 578	140 578	05/12/2014	41.35	2 586 608	–	05/12/2018
	04/12/2009	16.16	49 138	–	49 138	16 379	03/12/2012	30.40	233 229		
						16 379	03/12/2013	34.95	307 735		
						16 380	04/12/2014	43.17	442 406	–	04/12/2019

Note 1: Retired effective 19 June 2015.

Note 2: Early retirement with effect from 30 September 2015.

36. Remuneration of directors and prescribed officers continued

Table 2 continued

Share Appreciation Plan

Name	Award date	Market value at award date (rand)	Number of share appreciation rights awarded	Movements (forfeited or withdrawn as a result of achievement against performance 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	Lapse date
Group executive committee continued											
SE Msane[3]	15/12/2014	42.20	30 091		30 091					30 091	15/12/2021
	03/12/2013	37.81	24 296		24 296					24 296	03/12/2020
	03/12/2012	30.67	35 166		35 166					35 166	03/12/2019
	05/12/2011	22.95	63 052	–	63 052	63 052	05/12/2014	41.35	1 160 116	–	05/12/2018
	04/12/2009	16.16	42 505	–	42 505	14 168	03/12/2012	30.40	201 734		
						14 168	03/12/2013	34.95	266 214		
						14 169	04/12/2014	43.17	382 702	–	04/12/2019
NP O'Brien	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	32 395								03/12/2020
	03/12/2012	30.67	35 166	(35 166)							03/12/2019
	05/12/2011	22.95	63 052	–	63 052	63 052	05/12/2014	41.35	1 160 116	–	05/12/2018
	04/12/2009	16.16	42 505	–	42 505	14 168	03/12/2012	30.40	201 734		
						14 168	03/12/2013	34.95	266 214		04/12/2019
						14 169	04/12/2014	43.17	382 702	–	
EE Smuts	15/12/2014	42.20	26 683								15/12/2021
	03/12/2013	37.81	32 395								03/12/2020
	03/12/2012	30.67	14 538	(14 538)							03/12/2019

Note 3: Retrenched with effect from 31 March 2015.

Notes to the consolidated financial statements continued

for the year ended 30 September 2015

36. 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	15/12/2014	187 272	–	–	–	–	–	–	–	–	–
	02/01/2014	128 300	–	–	–	–	–	–	–	–	–
G Griffiths[1]	15/12/2014	29 400	(25 317)	–	–	–	–	–	–	–	–
	03/12/2013	118 120	(62 341)	–	–	–	–	–	–	–	–
	03/12/2012	120 001	(100 668)	–	–	–	–	–	–	–	–
	05/12/2011	210 228	–	210 228	70 076	05/12/2014	41.35	2 897 643	272 910	3 170 553	140 152
	14/12/2010	119 000	–	119 000	39 666	17/12/2013	39.19	1 554 511	133 834	1 688 344	
					39 667	15/12/2014	42.20	1 673 947	190 955	1 864 902	39 667
	04/12/2009	118 811	–	118 811	39 604	03/12/2012	30.40	1 203 962	91 656	1 295 618	
					39 604	03/12/2013	34.95	1 384 160	143 540	1 527 699	
					39 603	03/12/2014	43.17	1 709 662	200 568	1 910 229	–
FV Tshiqi	15/12/2014	43 331	–	–	–	–	–	–	–	–	–
	03/12/2013	62 458	–	–	–	–	–	–	–	–	–
	03/12/2012	63 816	(51 053)	–	–	–	–	–	–	–	–
	05/12/2011	168 775	–	168 775	56 258	05/12/2014	41.35	2 326 268	219 114	2 545 382	112 517
	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
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	
					14 935	03/12/2013	34.95	521 978	54 138	576 116	
					14 936	03/12/2014	43.17	644 787	75 634	720 421	–
Group executive committee											
C Burmeister	15/12/2014	36 112	–	–	–	–	–	–	–	–	–
	03/12/2013	40 196	–	–	–	–	–	–	–	–	–
	03/12/2012	36 244	(28 979)	–	–	–	–	–	–	–	–
	05/12/2011	20 180	–	20 180	6 727	05/12/2014	41.35	278 161	26 175	304 336	13 453
	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
PA de Weerdt[2]	15/12/2014	46 401	–	46 401	–	–	–	–	–	–	46 401
	03/12/2013	66 858	–	66 858	–	–	–	–	–	–	66 858
	03/12/2012	68 426	–	68 426	–	–	–	–	–	–	68 426
	05/12/2011	172 775	–	172 775	57 592	05/12/2014	41.35	2 381 429	224 282	2 605 712	115 183
	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
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	
					14 935	03/12/2013	34.95	521 978	54 138	576 116	
					14 936	03/12/2014	43.17	644 787	75 634	720 421	–

Note 1: Retired effective 19 June 2015.

Note 2: Early retirement with effect from 30 September 2015.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

36. Remuneration of directors and prescribed officers continued

Table 3 continued

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
Group executive committee continued											
RG Morris	15/12/2014	46 631	–	–	–	–	–	–	–	–	–
	03/12/2013	66 858	–	–	–	–	–	–	–	–	–
	03/12/2012	68 426	(54 741)	–	–	–	–	–	–	–	–
	05/12/2011	172 775	–	172 775	57 592	05/12/2014	41.35	2 381 429	224 282	2 605 712	115 183
	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
	04/12/2009	44 806	–	44 806	14 935	03/12/2012	30.40	454 024	34 565	488 589	
					14 935	03/12/2013	34.95	521 978	54 138	576 116	
					14 936	03/12/2014	43.17	644 787	75 634	720 421	–
SE Msane[3]	15/12/2014	44 081	–	44 081	–	–	–	–	–	–	44 081
	03/12/2013	41 614	–	41 614	–	–	–	–	–	–	41 614
	03/12/2012	54 824	–	54 824	–	–	–	–	–	–	54 824
	05/12/2011	80 624	–	80 624	26 875	05/12/2014	41.35	1 111 281	104 657	1 215 938	53 749
	14/12/2010	68 500	–	68 500	22 833	17/12/2013	39.19	894 825	77 048	971 873	
					22 833	15/12/2014	42.20	963 553	109 931	1 073 484	22 834
	04/12/2009	32 298	–	32 298	10 766	03/12/2012	30.40	327 286	24 898	352 184	
					10 766	03/12/2013	34.95	376 272	39 004	415 276	
					10 766	03/12/2014	43.17	464 768	54 524	519 292	–
NP O'Brien	15/12/2014	35 352	–	–	–	–	–	–	–	–	–
	03/12/2013	49 608	–	–	–	–	–	–	–	–	–
	03/12/2012	50 334	(40 267)	–	–	–	–	–	–	–	–
	05/12/2011	76 314	–	76 314	25 438	05/12/2014	41.35	1 051 861	99 075	1 150 936	50 876
	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
	04/12/2009	32 298	–	32 298	10 766	03/12/2012	30.40	327 286	24 898	352 184	
					10 766	03/12/2013	34.95	376 272	39 004	415 276	
					10 766	03/12/2014	43.17	464 768	54 524	519 292	–
EE Smuts	15/12/2014	38 762	–	–	–	–	–	–	–	–	–
	03/12/2013	51 358	–	–	–	–	–	–	–	–	–
	03/12/2012	41 244	(32 995)	–	–	–	–	–	–	–	–
	05/12/2011	23 960	–	23 960	7 987	05/12/2014	41.35	330 262	31 095	361 358	15 973
	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

Note 3: Retrenched with effect from 31 March 2015.

Note 4: The performance targets for the December 2012 award were only partially met during the performance period ended 30 September 2015 and as a result 80% of the award was forfeited.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

36. 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 2015 at R25.91 per share (rand)
Executive directors									
AM de Ruyter	17/12/2014	39 459		42.14	17/12/2017				1 022 383
G Griffiths[1]	18/12/2013	6 734	(3 554)	39.49	18/12/2016				665 084
	14/12/2012	27 917	(5 428)	32.38	14/12/2015				
	15/12/2011	38 010		22.65	15/12/2014	38 010	42.20	1 604 022	
FV Tshiqi	17/12/2014	14 166		42.14	17/12/2017				836 116
	14/12/2012	18 104		32.38	14/12/2015				
	15/12/2011	24 578		22.65	15/12/2014	24 578	42.20	1 037 192	
Group executive committee									
C Burmeister	17/12/2014	6 761		42.14	17/12/2017				374 555
	18/12/2013	1 625		39.49	18/12/2016				
	14/12/2012	6 070		32.38	14/12/2015				
	15/12/2011	9 444		22.65	15/12/2014	9 444	42.20	398 537	
PA de Weerdt[2]	17/12/2014	10 967		42.14	17/12/2017				998 131
	18/12/2013	8 910		39.49	18/12/2016				
	14/12/2012	18 646		32.38	14/12/2015				
	15/12/2011	25 314		22.65	15/12/2014	25 314	42.20	1 068 251	
RG Morris	17/12/2014	13 036		42.14	17/12/2017				782 741
	18/12/2013	4 266		39.49	18/12/2016				
	14/12/2012	12 908		32.38	14/12/2015				
	15/12/2011	8 485		22.65	15/12/2014	8 485	42.20	358 067	
SE Msane[3]	15/12/2011	6 622		22.65	15/12/2014	6 622	42.20	279 448	
NP O'Brien	17/12/2014	11 113		42.14	17/12/2017				704 907
	18/12/2013	3 111		39.49	18/12/2016				
	14/12/2012	12 982		32.38	14/12/2015				
	15/12/2011	17 172		22.65	15/12/2014	17 172	42.20	724 658	
EE Smuts	17/12/2014	10 465		42.14	17/12/2017				710 608
	18/12/2013	7 874		39.49	18/12/2016				
	14/12/2012	9 087		32.38	14/12/2015				
	15/12/2011	6 562		22.65	15/12/2014	6 562	42.20	276 916	

Note 1: Retired effective 19 June 2015.
Note 2: Early retirement with effect from 30 September 2015.
Note 3: Retrenched with effect from 31 March 2015.

Table 5

Black Management Trust

The interest held by each of the participants is shown below:

Name	Number of awards granted	Founding grant price (rand)
FV Tshiqi	982 579	15.13
SE Msane[1]	725 000	15.13

Note 1: Retrenched with effect 31 March 2015.

Notes to the consolidated financial statements continued
for the year ended 30 September 2015

36. Remuneration of directors and prescribed officers continued

Table 6(a)

Non-executive directors' remuneration 2015

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 (rand)
RC Andersen	155 780	130 960	129 800	93 400	73 390	194 650	–	–	777 980
E Ikazoboh	155 780	114 590	–	–	–	77 600	–	–	347 970
RH Khoza	155 780	98 220	–	–	67 745	–	–	–	321 745
NV Lila	155 780	130 960	129 800	–	–	–	–	–	416 540
PM Madi	155 780	65 480	–	–	–	93 400	77 600	154 150	546 410
TT Mboweni[1]	1 580 500	–	–	–	–	–	–	–	1 580 500
IN Mkhari	155 780	114 590	99 320	–	–	101 300	–	77 600	548 590
DC Moephuli[2]	155 780	81 850	–	–	–	101 300	77 600	–	416 530
CWN Molope[3]	155 780	130 960	204 365	–	–	–	167 650	–	658 755
RV Smither[4]	54 090	49 110	82 828	–	5 645	32 101	32 101	–	255 875
PM Surgey	155 780	130 960	–	181 150	73 390	–	85 500	77 600	704 380
	3 036 610	1 047 680	646 113	274 550	220 170	600 351	440 451	309 350	6 575 275

Note 1: Fee includes participation in board sub-committees meetings.
Note 2: Fee donated to Transnet Foundation.
Note 3: Appointed as chairperson of the audit committee with effect from 4 February 2015.
Note 4: Retired from the board and all committees with effect from 4 February 2015.

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Notes to the consolidated financial statements continued

for the year ended 30 September 2015

36. Remuneration of directors and prescribed officers continued

Table 6(b)

Non-executive directors' remuneration for 2014

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 fees (rand)	Total (rand)
RC Andersen	146 280	107 590	121 900	87 700	68 900	137 137	–	–	669 507
E Ikazoboh[6]	146 280	76 850	–	–	–	48 469	–	–	271 599
RJ Khoza	146 280	107 590	–	–	68 900	–	–	–	322 770
NV Lila[5]	85 736	61 480	54 892	–	–	–	–	–	202 108
PM Madi	146 280	92 220	–	–	–	63 920	80 280	157 410	540 110
VN Magwentshu[3]	51 604	30 740	42 169	–	–	–	–	23 086	147 599
TT Mboweni[1]	1 484 000	–	–	–	–	–	–	–	1 484 000
IN Mkhari[4]	146 280	61 480	54 892	–	–	33 629	–	48 469	344 750
DC Moephuli[2]	146 280	61 480	–	–	–	56 500	80 280	–	344 540
CWN Molope	146 280	92 220	107 590	–	–	–	157 410	–	503 500
RV Smither	146 280	107 590	227 900	–	–	71 340	80 280	–	633 390
PM Surgey	146 280	92 220	–	170 130	68 900	–	80 280	80 280	638 090
Total	2 937 860	891 460	609 343	257 830	206 700	410 995	478 530	309 245	6 101 963

Note 1: Fee includes participation in board sub-committee meetings.
Note 2: Fee donated to Agang Sechaba Trust.
Note 3: Resigned with effect from 6 February 2014.
Note 4: Appointed to the board with effect from 1 October 2013 and the sub-committees 27 March 2014.
Note 5: Appointed to the board with effect from 1 March 2014 and the sub-committees 27 March 2014.
Note 6: Appointed to the board with effect from 1 October 2013 and the sub-committees 27 March 2014.

Company statement of financial position
at 30 September 2015

	Notes	2015 R million	2014 R million
ASSETS			
Non-current assets			
Investment in associate	1	3.3	3.0
Investment in subsidiaries	2	2 311.3	2 314.9
Other non-current financial assets	3	–	414.1
		2 314.6	2 732.0
Current assets			
Other receivables	4	417.8	3.7
Subsidiary companies	11	533.2	531.1
Bank balances, deposits and cash	5	1.7	1.1
		952.7	535.9
Total assets		3 267.3	3 267.9
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	6	36.1	36.1
Capital reserves	6	435.8	439.5
Retained earnings	6	2 785.9	2 779.8
		3 257.8	3 255.4
Current liabilities			
Other payables	7	7.5	6.5
Subsidiary companies	11	1.9	1.9
Tax liabilities		0.1	4.1
		9.5	12.5
Total equity and liabilities		3 267.3	3 267.9

Company statement of comprehensive income

for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
Employee benefit expense		6.6	6.1
Other operating expenses		1.7	2.1
Other operating income		11.5	7.7
Operating profit/(loss)		3.2	(0.5)
Income from investments	8	1 052.5	1 040.8
Profit before tax		1 055.7	1 040.3
Income tax expense/(benefit)	9	3.0	(0.4)
Total comprehensive income for the year		1 052.7	1 040.7

Company statement of changes in equity

for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
Opening balance		3 255.4	3 195.4
Net shares issued during the year		74.9	101.5
Share-based payment expense		(3.6)	23.7
Share grants exercised		(75.0)	(97.1)
Total comprehensive income for the period		1 052.7	1 040.7
Dividends paid		(1 046.6)	(1 008.8)
Closing balance		3 257.8	3 255.4
Comprising:			
Share capital	6	36.1	36.1
Capital reserves	6	435.8	439.5
Share premium		221.9	147.0
Share option reserve		213.9	292.5
Retained earnings	6	2 785.9	2 779.8
Total equity		3 257.8	3 255.4

Company statement of cash flows

for the year ended 30 September 2015

	Notes	2015 R million	2014 R million
Cash flows from operating activities			
Cash utilised in operations	12.1	(72.9)	(480.0)
Income from investments		1 052.5	1 040.8
Income tax paid		(7.0)	(7.2)
Cash flows from operations		972.6	553.6
Dividends paid		(1 046.6)	(1 008.8)
Cash utilised in operating activities		(74.0)	(455.2)
Cash flows from investing activities			
Increase in non-current financial assets and investments		(0.3)	–
Cash utilised in investing activities		(0.3)	–
Cash flows from financing activities			
Capital raised from issue of shares		74.9	101.5
Share buy-back		–	353.9
Cash retained from financing activities		74.9	455.4
Net increase in cash and cash equivalents		0.6	0.2
Cash and cash equivalents at beginning of year		1.1	0.9
Cash and cash equivalents at end of year	12.2	1.7	1.1

Notes to the company financial statements
for the year ended 30 September 2015

1. Investment in associate

	2015 R million	2014 R million
(Refer to Annexure B for details)		
Cost of investment in associate	3.3	3.0
	3.3	3.0
The group has obligations in respect of losses from its associate to the extent of the carrying value of the investment.		
Summarised financial information in respect of the company's associate is set out below:		
Revenue	118.8	108.2
Profit for the year	(12.1)	0.7
Total assets	356.5	680.7
Total liabilities	325.5	641.7
Net assets	31.0	39.0

2. Investments in subsidiaries

	2015 R million	2014 R million
(Refer to Annexure B for details)		
Interest in subsidiaries	3 518.4	3 518.4
Share-based payments contribution	196.1	199.7
Net amount due by subsidiaries[1]	79.8	79.8
Less: Impairment losses	(1 483.0)	(1 483.0)
Shares at cost less impairments	2 311.3	2 314.9
Directors' valuation	2 311.3	2 314.9

[1] *The loans do not bear interest and have no fixed repayment terms.*

3. Other non-current financial assets

	2015 R million	2014 R million
Residual right in Nampak Black Management Trust	414.1	414.1
Less: Amounts receivable within one year, reflected in other receivables (note 4)	(414.1)	–
Total	–	414.1

In September 2005 Nampak Ltd made a founding grant to the Black Management Trust (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.

4. Other receivables

	2015 R million	2014 R million
Current portion of receivables (note 3)	414.1	–
Other	3.7	3.7
Total	417.8	3.7

5. Bank balances, deposits and cash

	2015 R million	2014 R million
Cash at bank and on hand	1.7	1.1
Total	1.7	1.1

Notes to the company financial statements continued

for the year ended 30 September 2015

6. Capital and reserves

Reconciliation of movement in capital and reserves

	Notes	Attributable to equity holders of the company Share capital R million	Share premium R million	Share option reserve R million	Retained earnings R million	Total equity R million
At 1 October 2013		36.0	45.6	365.9	2 747.9	3 195.4
Employee share option scheme:						–
– Value of employee services		–	–	23.7	–	23.7
– Share grants exercised		–	–	(97.1)	–	(97.1)
– Proceeds from shares issued		0.1	101.4	–	–	101.5
Profit for the year		–	–	–	1 040.7	1 040.7
Dividends paid	10	–	–	–	(1 008.8)	(1 008.8)
At 30 September 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

Less than R100 000

Notes to the company financial statements continued

for the year ended 30 September 2015

6. Capital and reserves continued

	2015 R million	2014 R million
Share capital and capital reserves		
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	–	–
Authorised share capital	39.9	39.9
Issued:		
702 496 655 (2014: 700 707 537) ordinary shares of 5 cents each	35.1	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
Issued share capital	36.1	36.1
18 476 043 (2014: 17 996 539) ordinary shares have been set aside for employees' share schemes.		
Share premium	221.9	147.0
Share option reserve	213.9	292.5
Capital reserves	435.8	439.5
Reconciliation of number of ordinary shares issued		
Number of ordinary shares issued at beginning of year	700 707 537	697 897 394
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak 1985 Share Option Scheme (Option Scheme)	–	240 000
Ordinary shares allotted to employees and retired employees other than directors in terms of the Nampak Ltd Performance Share Plan (PSP)	489 630	381 087
Ordinary shares allotted to directors in terms of the PSP	567 179	400 483
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Share Appreciation Plan (SAP)	287 346	1 358 440
Ordinary shares allotted to directors in terms of the SAP	215 366	197 364
Ordinary shares allotted to employees and former employees other than directors in terms of the Nampak Ltd Deferred Bonus Plan (DBP)	107 597	112 101
Ordinary shares allotted to directors in terms of the DBP	122 000	120 668
Number of ordinary shares issued at end of year	702 496 655	700 707 537

Preference shares

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

7. Other payables

	2015 R million	2014 R million
Accruals	7.4	6.4
Other	0.1	0.1
Total	7.5	6.5

Accruals principally comprise amounts outstanding for ongoing costs.

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

Notes to the company financial statements continued

for the year ended 30 September 2015

8. Income from investments

		2015 R million	2014 R million
Normal dividends – South African		1 048.5	1 035.5
Interest received from subsidiaries		4.0	5.3
		1 052.5	1 040.8

9. Income tax

		2015 R million	2014 R million
Current tax			
– Current year		6.6	9.6
– Prior year		(3.6)	(10.0)
Total		3.0	(0.4)
The company tax rate in South Africa is 28% (2014: 28%) of the estimated assessable profit for the year.			
Reconciliation of rate of tax			
Effective company rate of tax	%	0.3	–
Reduction in tax charge due to:			
– Dividend income	%	27.8	27.9
– Adjustment for prior year normal tax	%	0.3	1.0
Increase in tax charge due to:			
– Disallowable expenses	%	(0.2)	(0.3)
– Imputed income – section 9D	%	(0.2)	(0.6)
Normal tax rate	%	28.0	28.0

10. Dividends and cash distributions

	2015 R million	2014 R million
Dividends paid		
Final dividend number 85 paid on 19 January 2015: 107.0 cents per share (2014: number 83 – 98.0 cents per share)	751.5	686.4
Interim dividend number 86 paid on 6 July 2015: gross amount of 42.0 cents per share (2014: number 84 – 46.0 cents per share)	295.0	322.3
	1 046.5	1 008.7
Other dividends	0.1	0.1
Total dividends paid	1 046.6	1 008.8

On 26 November 2015, the directors declared a gross dividend number 87 of 92.0 cents per share payable on 18 January 2016 to shareholders registered on the record date, being 15 January 2016.

	2015 Cents	2014 Cents
Analysis of dividends declared in respect of current year's earnings:		
Dividends per ordinary share		
Interim	42.0	46.0
Final	92.0	107.0
	134.0	153.0

6.5% and 6% cumulative preference dividends

Preference dividends totalling R0.1 million (2014: R0.1 million) were declared on 20 November 2014 and 19 June 2015, and paid on 26 January 2015 and 27 July 2015 respectively.

Notes to the company financial statements continued
for the year ended 30 September 2015

11. Related party transactions

	2015 R million	2014 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 7.		
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]	533.2	531.1
	533.2	531.1
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	0.4
Malbak Ltd[2]	–	–
	1.9	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.

Treasury shares

Treasury shares are shares of the company, held by subsidiaries and special purpose entities of the group. Dividends/cash distributions paid on treasury shares are detailed in note 30 to the group financial statements.

Guarantees

	2015 R million	2014 R million
Guarantee for an amount not exceeding 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	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	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	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	1 829.9	–
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	13.6
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	9.0
Guarantee for an amount not exceeding US$2 million on behalf of Nampak International Ltd in favour of ArcelorMittal	27.7	22.6
Guarantee for an amount not exceeding US$0.5 million on behalf of Nampak International Ltd in favour of Sappi Deutschland	6.9	5.6
Guarantee for an amount not exceeding US$0.3 million on behalf of Nampak International Ltd in favour of US Steel Serbia	4.2	3.4
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a general banking facility	1 000.00	–
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a revolving term loan	1 000.00	–
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a five-year term loan	1 000.00	–
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	500.0
Guarantee on behalf of Nampak Products Ltd in favour of Citibank relating to purchases of tinplate for South African operations	–	–
Guarantee for an amount not exceeding R200 million on behalf of Nampak Products Ltd in favour of the Bank of China Ltd for a 12-month banking facility	200.00	–

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Notes to the company financial statements continued

for the year ended 30 September 2015

11. Related party transactions continued

	2015 R million	2014 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	–
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	1.2	1.2
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 for an amount not exceeding R1.1 billion on behalf of Nampak Products Ltd in favour of Standard Bank SA Ltd for banking facilities	1 080.0	500.0
Guarantee for an amount not exceeding R750 million on behalf of Nampak Products Ltd in favour of Noteholders for the commercial paper programme	–	750.0
Guarantee for an amount not exceeding R2 billion on behalf of Nampak Products Ltd in favour of Noteholders for the domestic medium-term note programme	–	2 000.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a five-year term loan agreement to purchase Nampak Wiegand Glass (Pty) Ltd	–	1 000.0
Guarantee for an amount not exceeding R1 billion on behalf of Nampak Products Ltd in favour of Nedbank for a non-current loan	1 000.00	1 000.0
Key management personnel		
Details of significant positions held by key management personnel and transactions with these entities are provided in note 36 of the group financial statements.		
The remuneration of directors and other members of key management during the year was as follows:		
Short-term employee benefits	34.9	24.6
Termination benefits	8.8	0.5
Share-based payments	7.1	6.1
	50.8	31.2
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 statement

	2015 R million	2014 R million
12.1 Reconciliation of profit before taxation to cash retained from operations		
Profit before taxation	1 055.7	1 040.3
Adjustment for:		
Income from investments	(1 052.5)	(1 040.8)
Operating profit/(loss) before working capital changes	3.2	(0.5)
Decrease in other payables	(74.0)	(98.0)
Movement in subsidiary company loans	(2.1)	(381.5)
Cash utilised in operations	(72.9)	(480.0)
12.2 Cash and cash equivalents		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Bank balances, deposits and cash (note 4)	1.7	1.1

Composition of the group and corporate activity
for the year ended 30 September 2015

Annexure A

The consolidated financial statements include the accounts of Nampak Ltd (the company) and all of its subsidiaries at 30 September 2015.

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

The subsidiaries, associates, joint ventures and unconsolidated investments of Nampak Ltd fall under three main holding companies, namely Nampak Products Ltd, Nampak International Ltd and Nampak Southern Africa Holdings Ltd.

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

The group holds a 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 three joint ventures. These are not material to the group.

Refer to Annexure B for more details.

2. Entities acquired during the 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.

Refer to note 28 for more detail on the acquisitions.

3. Entities disposed of during the year

During October 2014, the directors of the group approved a plan to dispose of the Nampak Corrugated, Nampak Sacks, Nampak Tissue and Sancella SA (Pty) Ltd businesses. On 20 November 2014, the group entered into a sale agreement for the disposal of the Nampak Corrugated and Nampak Tissue businesses and completed the transaction on 1 April 2015, the effective date of the disposal of these businesses.

In addition, the directors of the group approved a plan to dispose of the Nampak Flexibles and Nampak Recycling businesses during March 2015, and entered into sale agreements for the disposals of these businesses on 11 March 2015 and 25 March 2015 respectively. The transactions were both completed on 1 July, the effective date of the transactions.

Agreements of sale for the Sancella SA (Pty) Ltd and Nampak Sacks businesses were entered into on 21 July 2015 and 21 September 2015 respectively. The transaction for the Nampak Sacks business was completed on 29 September 2015, while it is expected that the transaction for the Sancella SA (Pty) Ltd business will be completed during the first quarter of the 2016 financial year.

Refer to note 27 for more details on the disposals.

Composition of the group and corporate activity continued

for the year ended 30 September 2015

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

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

Subsidiary	Principal place of business	Operating segment	Ownership interest held by NCI (%) 2015	Ownership interest held by NCI (%) 2014
Bevcan Angola (previously Angolata Lda)	Angola	Metals	30.00	30.00
Nampak Zimbabwe	Zimbabwe	Plastics/Paper	48.57	–
Nampak Corrugated (Swaziland) Ltd	Swaziland	Paper	–	10.00

Nampak Corrugated (Swaziland) Ltd was disposed of during the year.

The following represents the financial information for Bevcan Angola, Nampak Zimbabwe and Nampak Corrugated (Swaziland):

	Bevcan Angola		Nampak Zimbabwe[1]		Nampak Corrugated (Swaziland)[2]	
	2015 R million	2014 R million	2015 R million	2014 R million	2015 R million	2014 R million
Revenue	1 347.7	1 212.0	948.7	–	49.0	162.4
Net profit for the year	(7.8)	116.3	43.5	–	(7.2)	(6.8)
Attributable to:						
Owners of Nampak Ltd	(5.5)	81.4	22.4	–	(6.5)	(6.1)
Non-controlling interests in subsidiaries	(2.3)	34.9	21.1	–	(0.7)	(0.7)
Other comprehensive income	1.4	(17.0)	145.3	–	–	–
Total comprehensive income	(6.4)	99.3	188.8	–	(7.2)	(6.8)
Total comprehensive income attributable to:						
Owners of Nampak Ltd	(4.5)	69.6	97.1	–	(6.5)	(6.1)
Non-controlling interests in subsidiaries	(1.9)	29.8	91.7	–	(0.7)	(0.7)
Total assets	3 579.6	2 072.6	1 367.3	–	–	61.1
Total liabilities	3 749.1	2 235.8	500.6	–	–	81.1
Total equity	(169.5)	(163.2)	866.7	–	–	(20.0)
Attributable to:						
Owners of Nampak Ltd	(118.6)	(114.2)	445.8	–	–	(18.0)
Non-controlling interests in subsidiaries	(50.9)	(49.0)	420.9	–	–	(2.0)

[1] *Acquired 1 December 2014*
[2] *Disposed 1 April 2015*

Composition of the group and corporate activity continued

for the year ended 30 September 2015

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 ventures are Sancella SA (Pty) Ltd, Crown Cork Company (Mozambique) Lda and Softex Tissue Products (Pvt) Ltd. During the current year, the group consolidated Megapak Zimbabwe (Pvt) Ltd and Hunyani Holdings Ltd (previously associates). 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 following significant restrictions apply to group entities:

6.1 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 the year-end, the group has sufficient headroom with respect to both its facilities and covenants.

6.2 Due to government liquidity restrictions in Angola and Nigeria, 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, contributed to total foreign exchange losses for the group of R141.4 million (2014: R210.5 million gain) which were reclassified to abnormal items. At year-end, Nampak had cash balances of R701.3 million (2014: R265.9 million) in those two countries. During the year more than 50% of ongoing hard currency obligations have been met with funds secured from Nigerian and Angolan banks. While these conditions are expected to be temporary, management continues to address this issue. We cannot guarantee that the situation will either improve or deteriorate.

Interests in subsidiaries, joint ventures, associates and other investments

Annexure B

	Type (see note below)	Country of incorporation	Issued share capital	Effective percentage holding 2015 %	2014 %	Interest of holding company: Shares at cost 2015 Rm	2014 Rm	Indebtedness 2015 Rm	2014 Rm
1. Subsidiaries (consolidated)									
Alucan Investment Limited	De-registered	British Virgin Islands	US$ 49 000	–	100				
Auspac Ltd	D	UK	£4 050 000	100	100				
Bullpak Ltd	O	Kenya	KES 4 760 000	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	O	UK	£100	100	100				
Four Four Two Ltd	I	UK	£1 000	100	100				
Hunyani Forests Ltd	O	Zimbabwe	US$110 000	51	–				
Hunyani Paper and Packaging (Pvt) Ltd	O	Zimbabwe	US$24 000	51	–				
Hunyani Properties Ltd	O	Zimbabwe	US$652 700	51	–				
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$20 100	51	49				
Megaplastics Ltd	I	Zimbabwe	US$ 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 Cartons Nigeria Ltd	O	Nigeria	NGN14 000 000	100	100				
Nampak Corrugated (Pty) Ltd	O	RSA	R100	–	100				
Nampak Corrugated (Swaziland) Ltd	O	Swaziland	SZL250 000	–	90				
Nampak Glass (Pty) Ltd	D	RSA	R600	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 (previously Elopak South Africa (Pty) Ltd)	D	RSA	R280	100	100				
Nampak Metal Packaging Ltd	De-registered	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 Petpak (Namibia) (Pty) Ltd	O	Namibia	N$100	100	100				

Interests in subsidiaries, joint ventures, associates and other investments continued

Annexure B (continued)

	Type (see note below)	Country of incor-poration	Issued share capital	Effective percentage holding 2015 %	Effective percentage holding 2014 %	Interest of holding company: Shares at cost 2015 Rm	Shares at cost 2014 Rm	Indebtedness 2015 Rm	Indebtedness 2014 Rm
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	–	–
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$319 711	51	39				
Teknol BV	I	Netherlands	€18 151	100	100				
Teknol NV	I	Netherlands Antilles	US$ 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)

	Type	Country of incorporation	Issued share capital	2015 %	2014 %
Crown Cork Company (Mozambique) LDA	O	Mozambique	MT3 800 million	50	50
Sancella S.A. (Pty) Ltd	O	RSA	R5 000	50	50
Softex Tissue Products (Pvt) Ltd	O	Zimbabwe	US$2 897	50	–

3. Associates (Equity accounted)

	Type	Country of incorporation	Issued share capital	2015 %	2014 %
Collect-a-Can (Pty) Ltd	O	RSA	R4 000 000	40	40
Group Risk Holdings (Pty) Ltd	Insurance	RSA	R11 300	22	21

4. Other investments

	Type (see note below)	Number of shares held by group 2015	Number of shares held by group 2014	Effective percentage holding 2015	Effective percentage holding 2014
Unlisted investments					
Ethiopian Crown Cork & Can Industry	O	5 750	5 750	25	25
Houers Ko-Operatief Bpk	O	–	1 714 901	–	14
Nampak Polyfoil Zimbabwe (Pvt) Ltd	O	1	1	< 1	< 1
Sun Citrus Holdings (Pty) Ltd	O	–	4 160 000	–	26
PET RecoZim (Pvt) Ltd	D	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 Ltd Listings Requirements, the following table confirms that the spread of registered shareholders as detailed in the integrated annual report and accounts dated 25 September 2015 was:

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	4 065	54.53	1 487 254	0.21
1 001 – 10 000 shares	2 403	32.23	7 959 826	1.13
10 001 – 100 000 shares	650	8.72	23 223 995	3.31
100 001 – 1 000 000 shares	272	3.65	90 226 522	12.84
1 000 001 shares and above	65	0.87	579 599 068	82.51
Total	7 455	100.00	702 496 665	100.00

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	0.31	105 144 915	14.97
• Directors and associates	10	0.13	267 305	0.04
• Prescribed officers and management	10	0.13	580 365	0.08
• Treasury shares	1	0.01	45 070 855	6.42
• Empowerment	2	0.03	59 226 390	8.43
Public shareholders	7 432	99.69	597 351 750	85.03
Total	7 455	100.00	702 496 665	100.00

Analysis of registered shareholders and company schemes
continued

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 25 September 2015:

Beneficial shareholdings

Beneficial shareholdings	Total shareholding	%
Government Employees Pension Fund (PIC)	87 244 102	12.42
Nampak Products Ltd*	45 070 854	6.42
Red Coral (Pty) Ltd	31 857 195	4.53
Lazard International Strategic Equity	31 504 394	4.48
Black Management Trust	27 369 195	3.90
Allan Gray Balanced Fund	24 110 797	3.43
GIC Asset Management Pte Ltd	23 687 183	3.37
Total	270 843 720	38.55

Investment management shareholdings

Investment manager	Total shareholding	%
PIC	85 254 942	12.14
Allan Gray Investment Council	77 223 813	10.99
Lazard Asset Management LLC Group	70 529 294	10.04
Somerset Capital Management LLP	47 916 259	6.82
Nampak Products Ltd*	45 070 854	6.42
Red Coral	31 857 195	4.53
Black Management Trust	27 369 195	3.90
Visio Capital Management	24 842 069	3.54
GIC Asset Management Pte Ltd	22 842 115	3.25
Total	432 905 736	61.63

**Treasury shares*

Shareholders' diary

Annual general meeting	3 February 2016
Interim statement and ordinary dividend announcement for the half year ending 31 March 2016	May 2016
Group results and ordinary dividend announcement for the year ending 30 September 2016	November 2016

Dividend

Ordinary

Final for the year ended 30 September 2015	To be paid on 18 January 2016
Interim for the half-year ending 31 March 2016	To be paid in July 2016

Preference

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

Corporate information

Auditors
Deloitte & Touche
Buildings 1 and 2, Deloitte Place
The Woodlands Office Park
Woodlands Drive
Woodmead, Sandton

Business address and registered office
Nampak House
Hampton Office Park,
20 Georgian Crescent East,
Bryanston, 2191, South Africa
PO Box 69983, Bryanston, 2021
Telephone +27 719 6300
Website www.nampak.com

Company secretary
Neill O'Brien
BProc
PO Box 69983, Bryanston, 2021
Telephone +27 11 719 6332
neill.o'brien@za.nampak.com

Investor relations
Zanele Salman
BSc (Hons), DipMM, MBA
PO Box 69983, Bryanston, 2021
Telephone +27 11 719 6326
zanele.salman@nampak.com

Share registrar
Computershare Investor Services (Pty) Ltd
70 Marshall Street
Johannesburg, 2001, South Africa
PO Box 61051, Marshalltown, 2107
Telephone +27 11 370 5000
Telefax +27 11 370 5487

Sponsor
UBS South Africa (Pty) Ltd
64 Wierda Road East
Sandton, 2196, South Africa
PO Box 652863, Benmore, 2010
Telephone +27 11 322 7000
Telefax: +27 11 784 8280

Sustainability
Lynne Kidd
BA (Hons)
PO Box 69983, Bryanston, 2021
Telephone +27 11 719 6322
lynne.kidd@za.nampak.com

BASTION GRAPHICS

Nampak

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