Bowler Metcalf Limited

Integrated Annual Report
30 June 2018

VISION STATEMENT

Together we make a difference

MISSION STATEMENT

We affirm our commitment to:

- Seamlessly integrate into the supply chain of our customers , providing the quality of service and goods at a cost which will help them prosper with ourselves.
- Provide our employees with an inclusive environment to develop to the best of their potential in line with the needs of the business.
- Promote sustainable resource management based on environmentally responsible practices through an integrated system of waste reduction, reuse, recycling, innovative technology including customer and community awareness development.
- Conduct our business at all times in accordance with our value system.
- Appropriately reward stakeholders for their support and commitments to the business.
- Continually embrace innovations in products, technologies, methods and knowledge to provide excellence in solutions.

VALUES

- Trust
- Respect
- Honesty
- Caring

Cover

Front: Bowler Plastics has a zero waste policy, regrinding all waste for reuse.
Back: Bowler employees and family participated in the world cleanup day, removing marine litter from our beaches in support of responsible recycling.

Directors

Non-executive:

Brian James Frost (74) *!
Non-executive Independent Chairman
Appointed June 1998

Michael Brain (71) !
Non-executive Independent Director
Appointed June 1984

Finlay Craig Mac Gillivray (51) !*
Non-executive Independent Director
Appointed March 2011

Sarah Jane Gillett (45) *#
Non-executive Independent Director
Appointed September 2012

Executive :

Paul Friedrich Sass (55) #
Chief Executive Officer (CEO)
Appointed November 2009

Grant Andrew Böhler (47)
Chief Financial Officer (CFO)
Appointed December 2011

Michael Allan Olds (66)
Executive Director
Appointed November 2012
Retired November 2017

Prescribed Officers

Carin Andri Bothma, Professional Accountant (SA) #
Company Secretary & Group Financial Manager
Appointed November 2016

Administration

Company Secretary
Carin Andri Bothma

Registration Number
1972/005921/06

Registered Office
Harris Drive, Ottery
Cape Town, 7800
PO Box 92, Ottery 7808

Transfer Secretaries
Computershare Investor
Services 2004 (Pty) Ltd
70 Marshall Street
Johannesburg, 2000
PO Box 61051, Marshalltown, 2107

Auditors
Mazars
Mazars House, Rialto Road,
Grand Moorings Precinct,
Century City, 7441

Bankers
First National Bank
Cape Town Corporate Branch
Ground Floor, Great Westerford
240 Main Road, Rondebosch, 7700

Sponsors
Arbor Capital Sponsors (Pty) Ltd
20 Stirrup Lane, Woodmead Office Park
c/o Woodmead Drive & Van Reenen Avenue
Woodmead, 2157

Country of Incorporation
Republic of South Africa

*! Remuneration Committee * Audit & Risk Committee # Social and Ethics Committee*

Bowler Metcalf Limited

Integrated Annual Report
For the year ended 30 June 2018

This Integrated Annual report, including the Annual Financial Statements, has been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 2008, Act 71 of 2008. The elements of the Annual Financial Statements, as identified in the auditors report, have been audited in compliance with this act.

Prepared by :	CA Bothma, Professional Accountant (SA)
Produced on :	25 September 2018

Contents

Members' Diary

Financial Year End	30 June
Annual General Meeting	November 2018

Reports	**Date Published**
Interim for half year	March 2018
Annual Report	September 2018

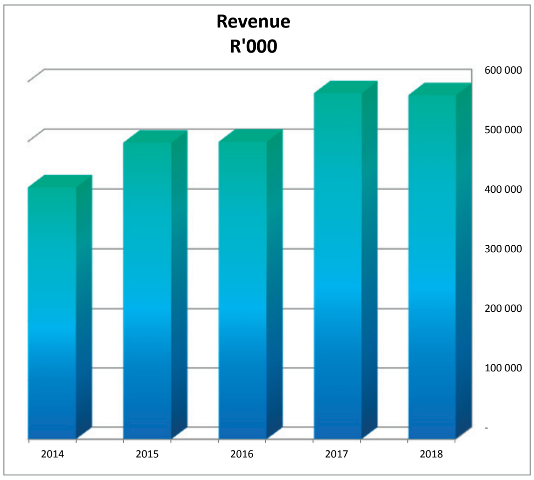
Dividends	**Date of Declaration**	**Date of payment**
Interim	March 2018	March 2018
Final	September 2018	October 2018

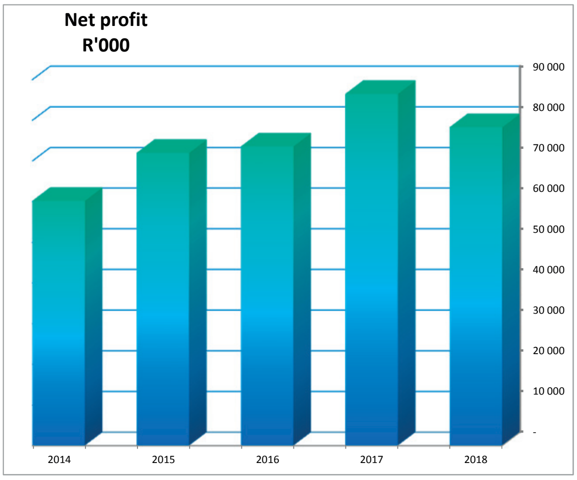
* The shareholders Profile includes the shareholders analysis which is unaudited

FINANCIAL HIGHLIGHTS

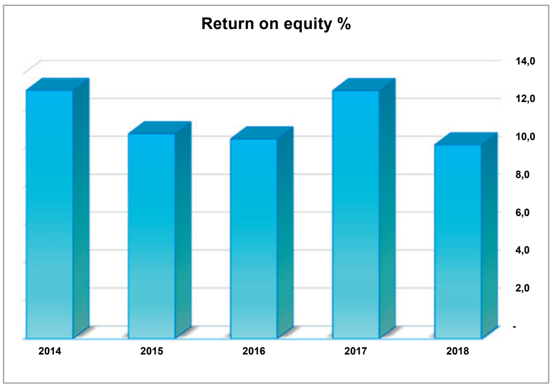
Years ending 30 June

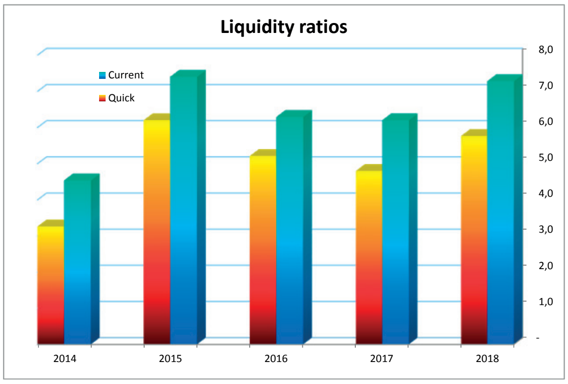
TRADING (Continuing operations only)	2018	2017	2016	2015	2014	2013
Revenue (R'000)	577 251	580 665	499 376	498 037	423 347	369 855
Operating profit (R'000)	95 750	107 966	79 319	88 011	75 267	69 924
Net profit (R'000)	78 309	86 475	73 575	71 988	60 202	54 863
Year-on-year (decline)/growth in net profit (%)	(9,4)	17,5	2,2	19,6	9,7	(5,8)
5 Year compound growth/(decline) in net profit (%)	7,4	8,6	3,3	1,5	(3,6)	2,2





BALANCE SHEET	2018	2017	2016	2015	2014	2013
Shareholders equity (R'000)	766 120	661 247	699 046	667 752	459 854	424 344
Capital employed (R'000)	827 128	701 009	759 698	721 130	474 853	454 723
Total assets (R'000)	884 338	758 540	823 499	770 593	553 515	513 880
Return on shareholders equity (%)	10,2	13,1	10,5	10,8	13,1	12,9
Return on capital employed (%)	9,5	12,3	9,7	10,0	12,7	12,1
Current ratio	7,3	6,2	6,3	7,4	4,5	5,1
Quick ratio	5,8	4,8	5,2	6,2	3,3	3,8

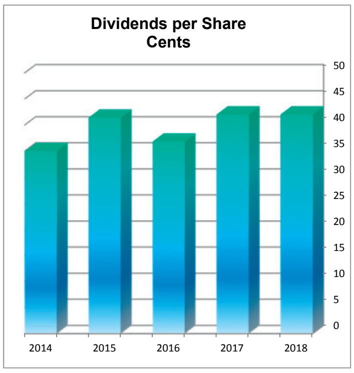


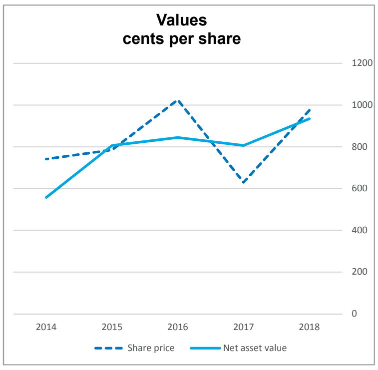


FINANCIAL HIGHLIGHTS - continued

Years ending 30 June

SHARE FACTS	2018	2017	2016	2015	2014	2013
EPS (cents)	95,50 *	104,45	88,86	87,28 *	73,26	67,35
HEPS (cents)	95,36 *	104,42	88,75	87,33 *	74,87	67,50
5 Year compound growth in HEPS (%)	7,2	8,2	0,9	6,8	4,5	4,7
Net asset value per share (cents)	934,3	806,4	844,3	806,5	557,7	519,8
Proposed dividends per share (cents)	42,0	42,0	36,8	41,4	35,0	33,3
Dividend cover (times)	2,27	2,49	2,4	2,1	2,1	2,0
Share price (cents)	975	630	1 025	785	741	780
Price earnings ratio	10,21	6,03	11,5	9,0	10,1	11,6
Shares traded (000's)	12 905	16 968	19 427	13 588	9 879	15 852
Weighted number of shares in issue ('000)	81 995	82 795	82 799	82 481	82 179	81 458





TERM	DEFINITIONS
Net profit	Total comprehensive income attributable to equity holders of the parent.
Operating Profit	Profit before tax and net finance income / (cost)
Shareholders Equity	Capital and reserves
Capital Employed	Capital, reserves and non-current liabilities
Current Ratio	Current assets to current liabilities
Quick Ratio	Current assets, excluding inventories, to current liabilities
EPS	Earnings per share
HEPS	Headline earnings per share
Net Asset Value	Total assets less current and non-current liabilities
Dividends per Share	Interim paid and final proposed for the year
Price Earnings Ratio	Share price divided by headline earnings per share

* Continuing operations only.

DIRECTOR PROFILES

Independent Non-Executive

Brian James Frost (74) Audit and Risk Committee Remuneration Committee Chairman of the Board	Brian Frost B.Com, AMP (Harvard), retired from his position as Executive Joint Managing Director at Woolworths in 2000, continuing service as a non-executive director with them until 2010. Brian joined the Bowler Metcalf Board as an independent non-executive director in 1998 and is now the Chairman of the Board. The Board has assessed that his independence, character and judgement has not been impaired or affected by his length of service, which is in excess of nine years.
Finlay Craig Mac Gillivray (51) Audit and Risk Committee (Chair) Remuneration Committee (Chair)	Craig MacGillivray CA(SA), previously a senior partner of a national audit practice, holds a B. Com degree, postgraduate diplomas in accounting and tax law, and currently holds executive and non-executive board positions within various private business sectors including property, healthcare, education and agro-processing. He joined Bowler Metcalf as an independent non-executive director in March 2011 and chairs the Remuneration Committee and the Audit and Risk Committee.
Michael Brain (71) Remuneration Committee	Michael Brain qualified with a B.Sc.(Eng) UCT and was founder of engineering company Brain and Howarth in 1975, and founder of marketing company SA Historical Mint in 1977. He is a director of forwarding and clearing company Berry & Donaldson since 2005, chairman of printing company Trident Press since 2011 and non-executive director of travel company Safari 365 since 2012. He joined Bowler Metcalf in 1984 and held the position of financial director until 1999 when he took over as managing director. He moved into the dual role of vice-chairman and chief financial officer in 2011 and retired from executive duties in November of that year. The Board has assessed that his independence, character and judgement has not been impaired or affected by his length of service, which is in excess of nine years.
Sarah Jane Gillett (45) Audit and Risk Committee Social and Ethics Committee (Chair)	Sarah Jane Gillett qualified with a B.Com from Stellenbosch (accounting and economics) in 1994 and has further specialised into marketing and negotiations. She has worked nationally and internationally in marketing and sales and has run, as Managing Director, the family business of the importation and distribution of products into the printing and architectural industries since 2010. Sarah joined the Board in November 2012 and chairs the Social and Ethics Committee.

Executive

Paul Friedrich Sass (55) Chief Executive Officer Social and Ethics Committee	Friedel Sass has a B.Sc. Mechanical Engineering from Cape Town and worked as a design and industrial engineer before completing an internship in Europe in the plastics industry. He joined Bowler Metcalf in 1991, was appointed to the Bowler Metcalf Board as an executive director in 1998 for 7 years and then again in 2009. He was appointed Chief Executive Officer in March 2011.
Grant Andrew Böhler (47) Chief Financial Officer Social and Ethics Committee	Grant Böhler obtained his B.Acc (Hons) from Stellenbosch University and qualified as a Chartered Accountant after completing articles at Ernst & Young. He has experience in the manufacturing and service sectors and joined Bowler Plastics as CFO in November 2011 before being appointed to the Bowler Metcalf Board as Chief Financial Officer.
Michael Allan Olds (66) Executive Director	Michael Olds, BSc served as an executive director of Bowler Metcalf between 1985 and 2005 and since then as senior sales executive in the Plastics division and was re-appointed to the Bowler Metcalf Board as an executive director. Michael retired from the Group and Board in November 2017.

When I look back on my Chairman's report in the 2017 Annual Report I could never have anticipated that I would be reporting this year on such a significant turn of events.

At the time the disappointing performance of SoftBev was the key focus of our top management and I commented that some green shoots were appearing.

The emergence of a potential buyer for SoftBev gave more impetus to the improvement in SoftBev's performance. However, the negotiations with Ethos demanded ever more involvement of our Chief Executive and Finance Director. At times they were devoting more than 60% of their time bringing negotiations to a successful conclusion.

The result has been a satisfactory outcome for our shareholders. Since the end of the financial year the SoftBev transaction has been concluded and the base payment has been made. Details of the final payment is set out in the director's report.

I would like to take this opportunity to thank our partners in SoftBev for their significant contribution to bringing negotiations to a successful conclusion.

In addition the turnaround in SoftBev's performance during the period under review has made a positive impact on our results. Furthermore the reversal of the impairment made in the previous financial year resulted in a contribution of R44,767m to profit after tax.

PLASTICS

The performance of the Plastics division was disappointing. The pressure on consumers has had a knock on effect in the whole supply chain which in turn affected our customers.

The Chief Executive's report covers plastic performance in more detail.

Prospects

The general weakness in the economy, political uncertainty and a weak demand from our customers points to a difficult year ahead.

The disposal of SoftBev has enabled our top team and Board to refocus all our attention on our core business.

We are undertaking a wide ranging strategic review to position our plastics business for future growth. We are conscious that our shareholders have expectations that a proportion of the proceeds from the sale of our share in SoftBev will be invested in growth opportunities.

Our review is being undertaken with a sense of urgency and we will be communicating our future plans to our shareholders in the months ahead. You have our assurance that we are determined to position Bowler to continue to produce acceptable returns in the future.

Thanks

As always we appreciate the confidence you continue to show in our Company.

Particular thanks go to my colleagues on the Board for their valuable input and their willingness to make themselves available often at short notice.

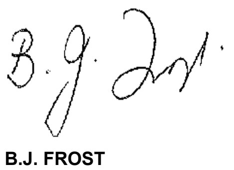
As I mentioned before, our Chief Executive and Finance Director have made many personal sacrifices to steer us through this difficult period for which we thank them.

The executives and staff of the Plastics Division have also played their part in ensuring that the business remained focused on delivering our promise to our customers.

This will be my last Chairman's report as I will be retiring from the Board during the course of next year. The Nominations Committee has commenced the task of developing the profile for the next Chairman. The intention is to have the new Chairman elect in place prior to the end of the financial year.

In today's world many businesses lose their way when the strong values and culture of the founders gets eroded. In my 15 years as Non-Executive Director of Bowler Metcalf there has never been a dilution of these values and principles.

I am therefore confident that all our stakeholders can look forward to the future in the knowledge that our company is in very good hands.



B.J. FROST
Non-Executive Independent Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

"It ain't over till it's over" – a very fitting expression for the 16,5 years excursion in beverages leading to the final disposal of SoftBev in August 2018 – at R1,7bil turnover , a formidable national beverages business . This all emanated from a millennium vision of vertical integration with a start-up customer and an entrepreneurial partner of note – Sharief Parker. At an impressive IRR of 21% on top of good operating profits from many years of bottle and preform supply – this return of some R390mil to Bowler Metcalf from a R61mil investment bears testimony to a focussed, dedicated and tenacious team effort playing to various strengths over many years. My acknowledgement and gratitude extends to all beverage partners who have made this journey a memorable and educational experience. Bowler Metcalf exits with a strong cash reserve, good balance sheet, resourcefulness and ambition providing the ideal springboard for future growth and expansion.

It is however high time to return full focus to the golden goose, Bowler Plastics. After all, Plastics provided the solid pillar of commercial, financial and technical support to the venture over all the years. Packaging remains the core business focus of Bowler Metcalf and the starting point for the next venture.

During the past accounting period Bowler Plastics endured the full brunt of the South Africa VUCA (volatile, uncertain, complex and ambiguous) business environment. The Personal Care niche market serviced with packaging by Bowler has been particularly hard hit from a combination of events ranging from depressed business volumes (up to 30% drop in icon brands), low margin product mix, material stock out "Force Majeure", downstream customer business failures and manufacturing exit from South Africa. On an unchanged revenue of R572 mil to prior year with increased volumes of 1%, an operating profit of R 81mil (-12%) is returned. Fixed and overhead costs have been the main contributing drivers in a business structured for further growth. Admittedly the 2017 base was particularly good. It has been a tumultuous period and the Plastics performance was not unexpected in the context of the South African economy where disposable income is predominantly channelled towards life's essentials.

Market focus on the reduction of single – use plastic packaging as well as processing of recyclable and recycled plastics is an important development. Bowler Plastics does not supply single- use packaging. It has actively developed the use of recyclable and recycled plastics to a 95% product compliance within its current supply portfolio. This focus will continue as new solutions emerge and a zero waste circular economy is aspired to.

The now undivided resourcefulness of the executive team is directed towards long term key focus areas of partnership development with a vibrant new emerging customer base, process and product innovation, business diversification and lean manufacture. I expect this process to continue throughout the current accounting period, evidencing results in 2020 and beyond.

The Board has approved a final dividend of 21,54 cents and is intending to declare a further special dividend from the proceeds of the disposal by Q4 2018 .

Finally, I am grateful to the Bowler Metcalf Board for their advice, support, trust and many hours of engagement on this journey to completion of the Beverages Project. Michael Brain, who initiated the vertical integration beverages venture, deserves special mention for his invaluable contributions from cradle to grave.

P.F. SASS
Chief Executive Officer

King IV™

The Board endorses and accepts full responsibility for the application in the Group of sound corporate governance in accordance with the principals contained in King IV™, the JSE Listing Requirements and the Companies Act. In discharging this responsibility, the Board and its committees are guided by its charters and polices to ensure that the Group is managed ethically and within acceptable risk parameters.

In order to achieve the desired governance outcomes of Ethical Culture, Good Performance, Effective Control and Legitimacy, the Board performed a qualitative assessment of the level of application of the principles contained in King IV™ . Following a review of the governance practices in support of these 16 principles, the Board is satisfied with the efforts made to apply material aspects of King IV™. Accordingly, a summary King IV™ Register has been published on the Group's website to provide an overview of the application of the principles contained in King IV™. This register should be read in conjunction with the Group Integrated Report.

Board of Directors

Full details of the directorate, inclusive of remuneration and shareholdings are as set out elsewhere in this report. The directors endeavour to act in the best interest of the Company at all times.

There is a clear division of responsibilities at Board level to ensure a balance of power and authority, such that no one individual has unfettered powers of decision making. The majority of directors are non-executive, all of whom are also classified as independent. The responsibilities of the Chairman and Chief Executive Officer have been clearly defined by the Board.

The Chairman of the Board, Mr B Frost, is an independent non-executive director.

The full Board endeavours to meet four times per annum. The non-executive directors retire in rotation, have no long-term contracts, and are not automatically reappointed. A remuneration committee approves remuneration of all directors and senior management. All directors have access to the services of the Company Secretary and, at the Company's expense, legal and financial advisors. Directors financial interests are tabled at every meeting.

The Board has assessed that the independence, character and judgement of Brian Frost and Michael Brain has not been impaired or affected by their length of service, which is in excess of nine years.

The induction of directors is conducted through a formal process.

The Board, committee and individual director evaluations have been completed and the overall results were found to be satisfactory.

Director Nominations

Due to the size of the Company and limited number of directors there is no separate nomination committee. This function has been delegated to the Remuneration Committee by the Board. The procedure for the appointment of directors includes the review of cv's, interviews by a majority of directors and decision by the whole Board.

Corporate Governance

The Board is the focal point and custodian of corporate governance.

Going Concern

Based on solvency and liquidity tests, budgets and cash flows, the Board of Directors believes that the Group has adequate resources and facilities available to continue to operate in the foreseeable future. The Board, therefore, continues to apply the going-concern basis in preparing the annual financial statements.

Internal Controls and Audit

The directors have responsibility for the Group's systems of internal controls. These are designed to provide reasonable assurance of effective and efficient operations, internal financial control and compliance with laws and regulations. Operational and financial responsibilities are delegated to CEOs, CFOs and executives of the principal operating divisions.

The Group's system of internal controls is designed to provide reasonable, but not absolute, assurance against the risk of material errors, fraud or losses occurring. Furthermore, because of changing internal and external factors, the effectiveness of an internal control system may vary over time and must be continually reviewed and adapted.

The system of internal controls is monitored throughout the Group by the Audit and Risk Committee, management and employees as an integrated approach. The Board reports that

- to the best of its knowledge and belief, no material malfunction of the Group's internal control system occurred during the period under review;
- it is satisfied with the effectiveness of the Group's internal controls and risk management;
- it has no reason to believe that the Group's code of ethics has been transgressed in any material respect; and
- to the best of its knowledge and belief, no material breaches have occurred during the period under review, of compliance with any laws and regulations applicable to the Group.

The Board has to date not established an internal audit function due to the small size of the administration and intimate involvement of senior management but is reviewing the need therefore on an on-going basis.

Stakeholder Relationships

It is Group policy to pursue dialogue with institutional shareholders. To achieve this dialogue, the executive directors have conducted a number of presentations to, and meetings with, investors and analysts to communicate the strategy and performance of the Group.

The quality of this information is based on the standards of promptness, relevance and transparency.

The Group encourages all shareholders to attend its annual general meeting, which provides shareholders with the opportunity to pose questions to the Board of Directors.

No requests for information were lodged with the Group in terms of the Promotion of Access to Information Act.

Ethical Leadership

The Group's value system expects all its employees to maintain high standards of integrity and ethics in dealings with suppliers, customers, business partners, stakeholders, government and society at large. The Board does not tolerate any form of corruption, violation of law or unethical business practices. It also advocates confidentiality in respect of information regarding employees and information regarding the Group itself.

Additional assurance on matters ethical is provided from audits of some large customers on the Group. The need for additional assurance will be reviewed by the Social and Ethics Committee on an ongoing basis.

There were no recurring regulatory penalties imposed on the Group or any of it's directors during the year under review.

Audit and Risk Committee

Members	Category
Craig Mac Gillivray - Chairman	Non-executive Independent
Brian James Frost	Non-executive Independent
Sarah Jane Gillett	Non-executive Independent

This Committee operates under formal terms of reference. The terms of reference are confirmed by the Board and reviewed every year. The terms of reference are available to the shareholders, on request, at the registered office of the company.

The main purpose of the committee is to assist the Board in monitoring the integrity of the financial statements, overseeing the process of the integrated report, being responsible for the financial internal controls and overseeing the external audit function.

In addition the committee has been appointed to perform the duties of an audit committee on behalf of all the company's subsidiaries.

The Board has also delegated to the committee the responsibility of overseeing the risk management process.

The duties performed in respect of risk are as follows:
- approval of the risk process
- consideration of the risk profile
- consideration of the risk mitigation actions
- report to the Board on the risk process and the major risks

The members are all independent Non-executive directors, who are suitably qualified. The Chief Executive Officer, Chief Financial Officer and external auditors of the company attend the meetings by invitation. The Board deems it appropriate that Mr Frost, the Chairman of the Company, continues to serve on this committee given his extensive experience.

The committee met four times during the year.

The duties performed in respect of audit are contained in the Audit and Risk Committee report on page 15.

Remuneration Committee

Members	Category
Craig Mac Gillivray - Chairman	Non-executive Independent
Brian James Frost	Non-executive Independent
Michael Brain	Non-executive Independent

The main purpose of the Remuneration Committee is to assist the Board in fulfilling their responsibilities in establishing formal and transparent remuneration policies which are aligned with the company strategies and linked to its performance in the short and long term.

The Committee's terms of reference have been approved by the Board and the Committee is satisfied that it has carried out its responsibilities for the year in compliance with its terms of reference.

Membership consists of three Non-executive directors, all of whom are independent.

The Committee met four times during the year and the Chairman reported back to the Board on the activities of the Committee.

During the year, the Remuneration committee performed the following activities:

- Reviewed and addressed the guaranteed pay of executive directors and senior management and related short-term incentive structures.
- Reviewed performance targets applicable to the short-term incentives.
- Reviewed the succession plan presented by the executive directors.
- Reviewed aspects of the SoftBev transaction insofar as they related to remuneration.
- Initiated the process of review of Board composition and succession (Refer Implementation Report for more detail)

Remuneration Policy

Bowler aims to recruit and retain a diverse workforce who have the necessary skills, knowledge and commitment to meet Bowler's goals. Underpinning this is a policy which supports the organizational culture and values within the greater South African context of scarce skills and the importance of fair pay for fair work. Fundamentally we aim to provide a 'total reward' package that balances pay, benefits and personal development with affordability while managing internal and external equity. A system where good performance is rewarded and poor performance is managed, career progression is enabled and achievement is recognized.

The purpose of this policy therefore is to ensure that Bowler's business needs are balanced with fair and consistent treatment of our employees within a cost aware framework.

Remuneration Philosophy

Our remuneration policy reflects our intention to attract and retain critical talent while motivating current employees to continually perform to their best ability in a team, in the best interest of the company and our stakeholders. It provides a basis for an appropriate and fair rate of pay for each function and to apply it consistently across the group. We aim to maintain a balance between fixed and variable pay and between short-and long-term incentives, where applicable. The remuneration committee ensures an appropriate level of transparency and monitors a level of equity and consistency across the group.

Transparency and Accountability

The remuneration committee is an independent and objective body responsible for assessing remuneration structures of all employees. It reviews pay structures for group executives and balances these against the financial health of the group. Specific responsibilities include:

- Evaluating the board, subsidiary boards and individual director's performances annually
- Ensuring that directors are fairly rewarded for their respective contributions to the group performance

Remuneration Components

Base Pay
All employees have a basic pay component that is market related. Annual increases for employees who do not form part of a collective bargaining unit (in our instance the Plastics Negotiating Forum (PNF)) are determined with reference to the nature of the employee's role, personal performance, contribution and consumer price index (CPI) movements.

Annual increases for employees who fall within the scope of the PNF are determined in accordance with agreements reached within the collective bargaining unit and are awarded across -the-board to the members. The executive management proposes the recommendations to the remunerations committee for approval.

Executive Director's annual increases are determined by the remunerations committee with reference to the above and are benchmarked in line with the size and performance of the entity.

Short Term Incentive Scheme
The board may, on the recommendation of the remuneration committee, elect to pay an incentive to employees based upon criteria relevant at the time of consideration. Employees who fall within this consideration may be eligible to earn a bonus. Bonus payments are usually paid after availability of audited results.

Criteria defining the value to be paid are determined by the remuneration committee, upon due consideration of the following:

- Performance of the company to target;
- Individual performance and level of influence and responsibility in terms of attaining company targets;
- Continuous employment within the financial period and status of employment at the time of payout; and,
- Any proposed bonus payment is debated and either confirmed, adjusted or declined by the committee.

Annual bonuses for employees included in collective bargaining units are determined in accordance with agreements reached with the collective bargaining units and are mostly awarded across-the -board to the members.

Long Term Incentive Scheme
The board has control over treasury shares which it may from time to time consider offering to eligible employees as a form of wealth creation linked to the company's performance. Going forward Bowler will be reconsidering the issue of options. Alternatively, a long term phased cash incentive linked to the achievement of the company's strategic objectives and regular performance reviews will form the basis of this scheme overseen by the remuneration committee.

Retirement Benefits
All employees are required to be members of the Bowler pension fund or any other approved industry or union fund. Both employer and employee make contributions in respect of the employee's membership of the fund for the duration of his/her employment in the group. All funds are defined contribution funds. Non-executive directors do not participate in the Bowler pension fund.

Term of Employment

Terms of employment are governed by the employee's contract of employment with the company. Notice periods for both fixed-term contract and permanent employees are as follows:

- One week if employed for less than six months;
- Two weeks if employed for more than six months but less than twelve months;
- One to three months if employed by Bowler for more than twelve months, dependent upon the role performed and the scarcity of skill; and,
- The Executive Directors' service contracts do not contain notice periods exceeding twelve months

Severance arrangements for all employees and directors are governed by either the PNF agreements or the applicable legislation.

Key members of management and executives are required on appointment to enter into restraint of trade (non-compete) agreements for varying periods, depending on the individual circumstances.

Implementation Report

During the year under review a process was initiated, together with independent consultants, aimed at defining a more detailed remuneration policy embracing the culture within the business and a full appreciation of independent influence on the components thereof. This process relies heavily on the involvement of senior executives who were required to channel much of their time during this period to overseeing the successful disposal of the Company's interest in SoftBev. This same executive team will now be able to focus on re-engaging with this process with a view to completing same before the end of the 2019 financial year. Feedback from shareholders will be taken into account, together with that of the external service providers, in formulating a more comprehensive remuneration policy to be shared in the Company's following annual report.

The Remuneration Committee also served as the Nominations Committee. The Chairman of the Board agreed to remain on the Board following various requests by the Board and various shareholders that he do so until the SoftBev transaction had been satisfactorily concluded. A process has been initiated to review the current composition and needs of the Board with a view to restructuring same.

Policy Review

This policy and implementation report is owned by the remuneration committee of Bowler Metcalf Ltd and is reviewed on an annual basis to ensure relevance within the business and market context.

Remuneration Policy for Non-executive Directors

Non-executive Directors receive fees for services on Board and Board Committees. These fees recognise the responsibilities of non-executive Directors throughout the year and the total fee is inclusive of a base fee and a committee attendance fee. Fees are based on benchmarking with similar sized companies within our industry.

Non-executive Directors do not receive short term incentives, nor do they participate in any long term share incentive scheme, in order to preserve their independence.

The fees for Non-executive Directors have been recommended by the Remuneration Committee to the Board for their approval.

The proposed fees for 2019 have been based on benchmarking with similar sized listed companies. Consideration has also been given to the substantial increase in legal and regulatory oversight requirements.

Non-executive Directors Remuneration

Name	Date first appointed	Consultation fee R'000	Directors fees R'000	Committee fees R'000	Total 2018 R'000	Total 2017 R'000
Non-executive Independent						
B J Frost	Jun 1998	-	300	144	444	421
FC Mac Gillivray	Mar 2011	50	192	204	446	376
SJ Gillett	Sep 2012	-	192	143	335	319
M Brain	Jun 1984	125	192	73	390	251
Total		175	876	564	1 615	1 367
Paid by subsidiary		(175)	(876)	(564)	(1 615)	(1 367)
Paid by company		-	-	-	-	-

Refer special resolution three in the Notice of Annual General Meeting for proposed 2019 fees.

Executive Remuneration

The remuneration of all the directors and prescribed officers of the company is detailed in the notes to the annual financial statements.

Shareholder Engagement and Voting

The remuneration policy and implementation report will be tabled for two separate non-binding advisory votes by shareholders. In the event that 25% or more of the shareholders vote against either or both the remuneration policy and implementation report, the Company will extend an invitation to dissenting shareholders to engage with the Company around the reasons for voting against the relevant resolution, which invitation will share the proposed manner and timing of such engagement, and take other steps to engage with shareholders including, inter alia, the following:

- pro-active engagement with shareholders to ascertain their concerns;
- provide constructive feedback to shareholders' questions;
- consider amending aspects of the remuneration policy where appropriate to align it more closely to market practice and shareholder value creation;
- disclose, in the following year's remuneration report, details of its engagement with shareholders and the result thereof.

Social and Ethics Committee

A company's Social and Ethics Committee must comprise not less than three directors or prescribed officers of the company, at least one of whom must be a director who is not involved in the day-to-day management of the company's business, and must not have been so involved within the previous three financial years.

Members	Category	Date first appointed	Date resigned
Sarah Jane Gillett - Chairperson	Non-executive Independent	Nov 2012	
Paul Friedrich Sass	Executive	Apr 2012	
Grant Andrew Böhler	Executive	Apr 2012	Jul 2017
Vanessa Shelver	Group HR manager	Jun 2013	
Carin Andri Bothma	Prescribed officer - Bowler Metcalf	Nov 2016	

This committee was established in April 2012 in terms of Section 72 (4) of the Companies Act, 2008 and regulation 43 (2) with the main function of monitoring the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationships
- Labour and employment

The committee met thrice during the year. The terms of reference have been adopted by the committee together with an annual work plan (see Social and Ethics Committee report on page 16)

Although King IV™ has been considered in the composition of the committee, the committee currently complies with the Companies Act

Meeting Attendances

Name	Category	Date first appointed	Date last appointed	Date of Termination	No of meetings	Attendance
Main Board						
BJ Frost	Non-Exec Indep Chairman	Jun 1998	Nov 2017		6	6
FC Mac Gillivray	Non-Exec Independent	Mar 2011	Nov 2017		6	6
SJ Gillett	Non-Exec Independent	Nov 2012	Nov 2016		6	6
M Brain	Non-Exec Independent	Jun 1984	Nov 2016		6	6
PF Sass	Chief Executive Officer	Nov 2009			6	6
GA Böhler	Chief Financial Officer	Dec 2011			6	6
MA Olds	Executive Director	Nov 2012		Nov 2017	3	3
Guests:						
CA Bothma	Company Secretary				6	6
Audit & Risk Com						
Members:						
FC Mac Gillivray	Chairman	Mar 2011	Nov 2017		4	4
BJ Frost	Member	Jun 1998	Nov 2017		4	4
SJ Gillett	Member	Nov 2012	Nov 2017		4	4
Guests:						
PF Sass	Chief Executive Officer				4	4
GA Böhler	Chief Financial Officer				4	4
CA Bothma	Company Secretary				4	4
Mazars	External auditor				4	3
Remuneration Com						
FC Mac Gillivray	Chairman	Mar 2011			3	3
M Brain	Member	Oct 2013			3	3
BJ Frost	Member	Jun 1998			3	3
Guests:						
PF Sass	Chief Executive Officer				3	3
CA Bothma	Company Secretary				3	1
Social and Ethics						
SJ Gillett	Chairman	Nov 2012			3	3
PF Sass	Member	Apr 2012			3	3
GA Böhler	Member	Apr 2012		Jul 2017	3	1
CA Bothma	Prescribed Officer	Nov 2016			3	3
V Shelver	Group HR Manager	Jun 2013			3	3

Integrated Annual Report

This Integrated Annual Report, combines financial and non-financial information. Our aim is that the integrated report will be incrementally improved over time, in line with developing global standards.

Information Technology (IT)

The Group's reliance on IT is principally in the area of administration, with some application to mould design and manufacture. The Board, through the Audit and Risk Committee, is responsible for IT governance. IT management forms part of the Group's risk management system. The Group has appointed a suitably qualified and experienced IT manager responsible for the management of IT and reporting directly to senior management. The IT manager provides regular reports for consideration by the Audit and Risk Committee along with other matters of risk.

Social Responsibility

Health and safety conditions comply with industry standards and the minimization of industrial pollution is entrenched in the manufacturing process. The Group is committed to a work environment free of discrimination of any kind and to maintain a high level of worker education and training, thus facilitating the consequent affirmative action. The Group has maintained its progress in meeting its employment equity goals and the latest workforce profile as submitted to the Department of Labour, is summarized hereunder. Any further details required are available at the registered office of the company.

Employment Equity

The workforce profiles submitted to the Department of Labour are summarised hereunder.

	Management	Skilled & Other	Temporary Employees	Total	% of Total
Employment - October 2017					
Male					
African	1	132	91	224	27%
Coloured	14	195	71	280	33%
Indian	1	-	-	1	0%
White	28	9	5	42	5%
Foreign nationals	2	1	-	3	0%
Female					
African	1	67	44	112	13%
Coloured	4	135	28	167	20%
Indian	-	1	-	1	0%
White	12	3	1	16	2%
Foreign nationals	-	-	1	1	0%
Total - October 2017	63	543	241	847	100%
Employment - September 2016					
Male					
African	-	91	117	208	24%
Coloured	10	181	84	275	32%
Asian	1	-	1	2	0%
White	28	12	3	43	5%
Foreign nationals	2	-	1	3	0%
Female					
African	1	28	111	140	16%
Coloured	3	114	61	178	21%
Asian	-	1	-	1	0%
White	12	3	-	15	2%
Foreign nationals	-	-	1	1	0%
Total - September 2016	57	430	379	866	100%

Gender and race diversity

In terms of paragraph 3.84(i) and 3.84(j) of the JSE Listings Requirements, the Board adopted a policy on the promotion of gender and race diversity to ensure that Bowler's business needs are balanced against a framework that stimulates and embraces diversity.

Currently there are no diversity targets set but should a vacancy on the Board either arise or be created, due consideration will be given to all aspects of diversity specifically including but not limited to gender and race diversity in order to enable the Board to discharge its duties and responsibilities effectively.

Learning and Development

Bowler Plastics is proud of the ongoing focus on Learning and Development. We continue to invest in our people's development for today and tomorrow and have spent in excess of R5m across all levels of the operation, with emphasis on long term transformation and sustainability. This spend equates to in excess of 2,400 interventions, of which 91 are linked to qualifications, pipelines, training agreements or bursaries. Bowler has further maintained its accreditation with the merSETA as a training provider and aims to take on the first learners within the new financial year.

BBBEE

The Company's compliance with broad-based black economic empowerment has been assessed. The result of such assessment is available on the company website.

The Companies Act sets out the duties of directors as good faith, care, skill and diligence. With this mind-set a strong culture and work ethic is lived in Bowler Metcalf, and rewarded by many years of proven steady good performance and growth. A recent organisational culture review emphasized the vision “together we make a difference”. The core values of trust, respect, honesty and care were highlighted as our pillars to a strong binding culture.

The information disclosed herewith covers the activity scope of Bowler Metcalf Limited and all its subsidiaries. This in the main is Bowler Plastics, a manufacturing specialist focussing on plastic packaging. Its engineering disciplines extend beyond the manufacture and decorating of plastic containers, into the manufacture of masterbatch, moulds, machine componentry and machine retrofits. This all integrates to serve the purpose of efficient and cost effective product design and processing for the South African Personal Care market in particular.

The report provides an insight by way of a table. It illustrates the integration of Areas of Impact with the vital capitals to balance the social, economic and environmental bottom lines. This remains within the context of Bowler-specific norms and standards for sustained performance. At the core is the well-being of all stakeholders.

2018 MultiCapital Scorecard for Bowler Plastics

VITAL CAPITALS

- Natural (biophysical resources)
- Constructed (human created structures & systems)
- Human
- Social & Relationship (human interaction)
- Internal Economic -Financial
- Internal Economic -Nonfinancial
- External Economic -Financial
- External Economic -Nonfinancial

BOTTOM LINES	AREAS OF IMPACT	CAPITAL IMPACTS	Bowler Focus Level	Level of Achiev e-ment	COMMENTARY
Social	Living wage	Human	Low	100%	PNF scale is the base reference and applied.
	Workplace safety	Constructed; Human; Social & Relationship	High	90%	All applicable regulations are audited and enforced. Changes in Insurance requirements challenge practices in costs . Opportunities receive further focus.
	Employment Equity	Human; Social & Relationship	High	30%	Regular review with Dept of Labour. BBBEE new codes require refocus.
	Succession	Human; Social & Relationship	Medium	80%	Good depth in the business at most levels with regular and systemic training interventions. Senior level succession receiving focus and development.
	Culture	Human; Social & Relationship	Medium	80%	Value system, practices and relevance consciously enforced and adapted.
	Innovative capacity	Constructed; Human; Social & Relationship; Internal Economic -Nonfinancial	Medium	70%	Interactive environment for innovative solutions encouraged. With skill retention an important focus.
Economic	Equity	Internal Economic -Financial; External Economic -Financial	High	100%	Cash position very strong. Investment or distribution are primary consideration.
	Debt	Internal Economic -Nonfinancial	Medium	100%	Business ungeared, agile, customer risk levels increasing.
	Competitive Practices	Internal Economic -Nonfinancial; Constructed; Human	High	70%	Diversity of processes and products able to cushion the volatile market dynamics.
	Market	Internal Economic -Nonfinancial	High	60%	As order receivers in niche , high end markets , the market dynamics has direct impact. Current market depressed and changing.
Environ-mental	Water supplies	Natural; Human; Constructed	Low	90%	Cape Town operations have contingency facilities installed to manage future shortages.
	Circular Waste Economy	Natural	Low	25%	Collaboration with various bodies in support of a national solution for a viable and selffunding circular model for the industry.
	Recyclable Material use	Natural; Constructed	Medium	95%	Recycleable materials for the cirular model is a focus in product development.
	Post Consumer Waste Inclusion	Natural; Constructed	Medium	25%	Collaborative developments of products with customers to grow application of this resource.
	Zero Waste	Natural; Constructed	High	70%	Advancement of processes to achieve a Zero internal status.

Definition of Vital Capitals in the context of Bowler Metcalf

Natural Capital Consists of air, water and overall ecosystems that humans and non-humans alike rely on for their well-being.

Human Capital Consists of knowledge, skills, experience, health, values, attitudes, motivation and ethical entitlements of individuals , specifically intellectual capital held at the level of the individual.

Social & Relationship Capital Consists of teams, networks and hierarchies of individuals working together , specifically their shared knowledge, skills, experience, health, values, attitudes, motivation and ethical entitlements.

Constructed Capital Consists of material objects, systems or ecosystems created and/or cultivated and developed by Bowler, including the functions they perform.

Internal Economic Capital Financial
Consists of the pool of funds available to Bowler , including debt and equity finance. This description of financial capital focuses on the sources of funding, including cash and liabilities on the balance sheet.
Non-Financial
Consists of net intangible assets not recognized in internal financial capital.

External Economic Capital Financial / non-financial
Bowler does not materially affect financial or non-financial capitals of other companies or stakeholders.

DIRECTORS' STATEMENT

Preparation of Integrated Annual Financial Statements

The Directors are required by King IV™ to prepare the Integrated Annual Financial Statements, which include the Annual Financial Statements as required by the Companies Act. These statements have been reviewed by the Audit and Risk Committee and the Board who are of the opinion that they fairly present the financial position of the Group as at the end of the financial year, and the financial performance and cash flows for that year, in conformity with International Financial Reporting Standards, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act in South Africa.

The Directors consider that in preparing the financial statements, the Group has consistently used appropriate accounting policies supported by reasonable judgements and estimates. All applicable accounting standards have been followed.

Directors' Responsibility in Relation to Financial statements

The Directors are required by the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the company and Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, they are satisfied that the Group has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

Directors' approval of Annual Financial Statements
The Annual Financial Statements set out on pages 14 to 42 were approved by the Board of Directors on:
25 September 2018

Signed on their behalf by:

B J FROST
Chairman

P F SASS
Chief Executive Officer

Ottery
25 September 2018

SECRETARIAL CERTIFICATION

In accordance with section 88(2)(e)(d) of the Companies Act 2008 as amended, it is hereby certified that the company has lodged with the Companies and Intellectual Properties Commission all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.

CA Bothma
Company Secretary
25 September 2018

AUDIT AND RISK COMMITTEE REPORT

Membership

The committee comprises solely of independent, non-executive directors. They were:

Craig Mac Gillivray (Chairman)
Brian Frost
Sarah Gillett

Functions performed

The committee nominated for approval at the annual general meeting Mazars as the external auditor for the 2019 financial year, and Yolandie Ferreira as the designated auditor.

Recommendation of auditor

The committee has considered the independence requirements of the Independent Regulatory Board for Auditors and carried out procedures as considered necessary to satisfy itself that the auditor of Bowler Metcalf Limited was independent as defined by the Companies Act.

These procedures include:

Meeting with the auditors to consider the safeguards they have put in place to ensure their independence.

Determining the nature and extent of non-audit services which the auditor may perform for the company. There is a formal procedure in place that governs the process whereby the auditor is considered for non-audit services. Each engagement letter for such work is required to be reviewed and approved by the committee. Non-audit services to a value of less than 25% of audit fees invoiced were rendered during the year under review and comprised submission of income tax returns, annual duty returns, notifications to the Companies and Intellectual Property Commission and reporting accountant fees relating to the disposal of SoftBev.

Agreeing the provisional audit fee for the year. The fee is considered appropriate for the work that is required to be performed. The final fee will be agreed on completion of the audit.

Ensuring that the appointment of auditor complies with the Companies Act and any other legislation relating to the appointment of auditors.

Assessing the suitability of the appointment of the audit firm and designated individual partner. Mazars has served as external auditors for 30 years. Both Mazars, as a firm, and Ms Y Ferreira, as designated individual partner, have recently received satisfactory inspection reports from IRBA, both of which have been made available to us, and neither of which warranted further investigation. We have also considered the internal monitoring findings as done by Mazars Risk Department and found it satisfactory. Ms Y Ferreira takes over as designated individual partner from Mr F J Cronje who has served in such capacity for the past 5 years.

The committee is satisfied that Mazars is independent of the company.

Other functions

The committee:

is to receive and deal with any complaint relating either to the accounting practices of the company or to the content or auditing of its financial statements, or to any related matter. No such complaint was received during the year.

is to consider, on an annual basis, and satisfy itself, of the appropriateness of the expertise and experience and adequacy of the finance function, the chief financial officer and his/her senior financial team. The committee is satisfied that the incumbent CFO has the appropriate experience and expertise and that the financial function of the Group is adequate.

is to review with management, internal and/or external counsel, legal matters that could have a material impact on the Group and to review the effectiveness of the Group's legal compliance procedures and regulatory responsibilities. The Group's legal and regulatory compliance procedures were found to be adequate.

is to review the Group's systems of internal financial control, and fraud detection and prevention, and to assess the effectiveness of the design and implementation thereof. The Group's systems of internal control were found to be adequate and effective and to have been complied with. No significant weaknesses were identified that resulted in material financial loss, fraud, corruption or error.

is to consider the quality of the external audit. The committee is of the view that the external audit for the year under review has been carried out to a high standard and that the designated individual partner has discharged her responsibilities effectively.

is to consider the need for an internal audit function. The committee has not recommended establishing an internal audit department to date due to the small size of the administration function and intimate involvement of senior management, but reviews the need for same on an ongoing basis.

is to ensure that management's processes and procedures are adequate to identify, assess and monitor enterprise-wide risks. The Group's risk identification processes and procedures were found to be adequate and effective.

is to review the accounting policies and practices on an annual basis.

is to consider any significant matters in relation to the financial statements. The committee devoted much time and attention during the reporting period to ensuring that all risks associated with the SoftBev transaction were monitored and addressed through regular reports from, and engagement with, the executive directors and professional advisers. Significant matters identified as areas for focus by the external auditors included fraud and error, compliance with IFRS and statutory requirements, revenue recognition, valuation of inventory, related party disclosures and accounting for the disposal of the investment in SoftBev. The external auditors issue a report to the committee which is discussed and any matter requiring attention addressed so as to provide comfort with the audit opinion expressed. The committee is satisfied that all significant matters have been appropriately considered and disclosed in the financial statements.

is to review the pro-active monitoring report and apply recommendations where necessary. The annual financial statements for the year ended 30 June 2017 were selected as part of the proactive review process routinely carried out by the JSE. No recommendations were made and the file on this proactive monitoring review process has been closed by the JSE.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

AUDIT AND RISK COMMITTEE REPORT - continued

Integrated Annual Report

The committee has recommended the integrated annual report, including the Annual Financial Statements, for approval by the Board. The Board has subsequently approved the financial statements, which will be laid before the members at the forthcoming annual general meeting.

C MAC GILLIVRAY
Chairman of the Audit and Risk Committee
25 September 2018

SOCIAL AND ETHICS COMMITTEE REPORT

This committee is constituted as a statutory committee of the Company in respect of its statutory duties in terms of sections 72(4) of the Companies Act, 2008, read with regulation 43 (2) of the Companies Regulations, 2011, which states that all listed public companies must establish a Social and Ethics Committee.

Composition

The committee comprises, Sarah Jane Gillett as chairperson, one executive director, Paul Friedrich Sass (CEO) and two other office bearers as detailed on page 11.

Role of the Social and Ethics Committee and execution of its mandate

The Committee performs an oversight, monitoring and reporting role to ensure that the Group's business is conducted in an ethical and properly governed manner and to develop and review policies, governance structures and existing practices which guide the Company's approach to new and emerging challenges.

In particular the committee focuses on matters relating to:

- Social and economic development
- Good corporate citizenship
- The environment, health and public safety
- Consumer relationships
- Labour and employment

Meetings and procedures

The committee met three times during the year and attendances are tabled on page 11.

The committee has reviewed and reported to the Board during the course of the year on the following matters:

- The Group's code of Conduct to ensure it is aligned with the statutory requirements as well as the culture of the organisation and that all ethical issues are comprehensively addressed. Bowler continues to uphold its culture and value systems and actively ensures that all stake holders within the organisation uphold the code of conduct set out.
- A comprehensive risk report covering the committees key focus areas has been developed together with an action plan to ensure areas of focus remain current and are actioned timeously.
- Monitored the social and economic development plan taking into account the Employment Equity Act and the Broad Based Black Economic Employment Act. This was the first year the new B-BBBEE codes became effective. Bowler was rated under these codes and was non-compliant. Bowler is responding and is fully committed to ensuring a strategy is developed so as to become compliant and understands the necessity of doing so. The strategy will continue to look to embrace the company's transformation, skills development, employment equity and sustainability strategies. At the same time upliftment of its staff and the communities in which they live, remains a key focus.
- Matters relating to its statutory obligation and good corporate governance and corporate citizenship.
- The group continues to look at utilising resources such as energy, fuel and water as effectively as possible with particular emphasis having been placed on minimising the use of potable water in the Western Cape. The projects that have been put in place have resulted in significant savings and are sustainable.

Conclusion

The committee is of the view that the Group takes its mandate seriously. The committee takes note of the King IV requirements with regards to it's composition and currently adheres to the Companies Act. No further substantive non-compliance with legislation and regulation or non-adherence of best practice, relevant to the areas within the committee's mandate has been brought to its attention. The committee has no reason to believe that any material non-compliance or non-adherence has occurred.

The committee recognises the importance and responsibility that management have towards ensuring all responsibilities regarding B-BBBEE, transformation, corporate governance, social and economic development and maintaining an ethical corporate culture are met and worked on continuously.

S GILLETT
Chairperson of the Social and Ethics Committee
25 September 2018

To the shareholders of Bowler Metcalf Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Bowler Metcalf Limited (the group) set out on pages 21 to 40, which comprise the statements of financial position as at 30 June 2018, and the statements of other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 30 June 2018, and its consolidated and separate financial performance and 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter relate to the consolidated and separate financial statements.

Matter	Audit response
Intention to dispose of investment in SoftBev Proprietary Limited (note 5) The group's accounting policy in section 5 of the accounting policies in the annual financial statements states that the investment in associate is measured at cost less accumulated impairment losses in the company figures and is accounted for in terms of the equity method in the group annual financial statements and accordingly the investment in associate is adjusted for post-acquisition changes in the company's share of net assets of the associate less any dividends received and less any impairment losses. During the year the group entered into an agreement to dispose of its investment in SoftBev Proprietary Limited, which was subject to various suspensive conditions, which have not all been met at 30 June 2018. Bowler Metcalf Limited classified its investment in SoftBev Proprietary Limited as a discontinued operation at the interim date as a result of management's intention to dispose of the investment. The value of the investment in associate is material in the group reflecting as R233,371,000 (2017: R162,349,000) in the statement of financial position. Given the significance of the value of the investment in the associate to Bowler's operations and the complexity of the accounting treatment relating to the disposal in terms of IFRS 5, this matter required specific audit focus.	We performed substantive tests of detail on the recoverable amount of the investment in associate. Our procedures included the following among others: - We challenged management and evaluated whether the IFRS 5 requirements were met at the interim and year end reporting date; - We inspected minutes of meetings confirming management's intention to dispose of its investment in associate; - We assessed the assumptions applied by management in the reversal of the previous impairments by comparing the carrying value to the underlying sale agreement; - We requested that specific cut-off procedures were performed at the interim period by the component auditors of SoftBev proprietary Limited, to obtain assurance that the equity profit accounted for in the group's annual financial statements are accurate and complete; - We assessed whether any additional suspensive conditions were met between the reporting date and the date that the annual financial statements were signed, and whether these conditions require any further disclosure in the annual financial statements; - We assessed the adequacy of disclosures with regard to the investment in associate held in the annual financial statements, with the assistance of our IFRS advisor. Having performed our audit procedures and evaluated the outcomes we concluded that the investment in associate is accounted for in terms of IFRS 5, as indicated and disclosed in the annual financial statements.

INDEPENDENT AUDITOR'S REPORT - continued

Other Information

The directors are responsible for the other information. The other information comprises the Director's Report, the Audit Committee's Report, the Company Secretary's Certificate and the Social and Ethics Committee Report as required by the Companies Act of South Africa, the Shareholder Profile and the Integrated Annual Report, which we obtained prior to the date of this report. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Mazars has been the auditor of Bowler Metcalf Limited for 30 years.

Mazars
Registered Auditors
Partner: Yolandie Ferreira
Registered Auditor
25 September 2018
Cape Town

The Members

Bowler Metcalf Limited

Your directors have the pleasure in submitting their annual report which forms part of the Group Annual Financial Statements for the year ended 30 June 2018.

General Review of Business Operations and Results

The Group carries on the business of manufacturing plastics and plastic mouldings. The results of the business and operations of the company and of its subsidiaries during the year and its state of affairs and financial position are set out in the attached Group financial statements.

Investment in associate

The associate company, SoftBev Proprietary Limited ("SoftBev"), operates mainly in the carbonated soft drinks industry. During the year the company entered into an agreement for the disposal of this investment, to The Beverage Company BidCo Proprietary Limited. This agreement was subject to the fulfilment of various suspensive conditions which were all met on the 3rd August 2018. Accordingly, the investment in SoftBev and loan account have been classified as held for sale. Further, the Company's share of profits until 31 December 2017 and interest on loan account has been classified as discontinued operations.

Events after the Reporting Date

The above mentioned agreement relating to the disposal of SoftBev was subject to the fulfilment of various suspensive conditions which were all met on the 3rd August 2018.

The final value that the Company will receive for this disposal, will be determined with reference to the actual EBITDA (including certain pre-determined adjustments) achieved by SoftBev for the year ended 30 June 2018 and after adjusting for the final net debt and working capital position of SoftBev as at 30 June 2018 and the final sellers' transaction costs. The final value for the disposal will be settled in two payments; a base consideration and a deferred consideration.

The base consideration in the amount of R349 436 073 and R64 841 610 for the shares and loan account respectively was received on the 6th August 2018 ("Closing Date").

The deferred consideration will be settled shortly after the completion of SoftBev's audited financial statements for the year ended June 2018. It is expected that this consideration will be between R40m and R55m, depending on the outcome of the final audit and the quantum of the adjustments and costs as mentioned above. The deferred consideration will be settled in cash. The application of such cash is addressed in the Chief Executive Officer's Report. Also refer note 5,1.

Stated Capital
In 2017 Bowler Plastics (Pty) Ltd, a subsidiary, increased its shares held in the Company on the open market in a treasury capacity. These share were declared as a dividend in specie to Bowler Metcalf Ltd and subsequently cancelled during the financial period being reported on (refer note 11).

Dividends
Interim dividends of 20.48 cents per share (2017: 19.32c) were paid to shareholders on 26 March 2018. A final cash dividend of 21.54 cents per share (2017: 22.7c) has been proposed in terms of the notice included in this report.

Property, Plant and Equipment
There has been no change in the nature of the property, plant and equipment of the Group. There has been a change in estimated useful lives of these assets during the financial period (refer note 16)

Borrowing Limitations
The borrowing powers of the Group are not limited by its memorandum of incorporation.

Directors and Company Secretary
Details of the present Board of Directors and the Company Secretary appear on the inside front cover of this report. Mr M Olds retired from the Board in November 2017. No further changes were made to the Board during the reporting period.

The Company Secretary performs the company secretarial function which ensures that Board procedures and relevant legislation and regulation is observed and complied with, and is responsible for preparing meeting agendas and recording the minutes of meetings. The company secretary also provides guidance to directors on governance, compliance and fiduciary responsibilities and reports directly to the Chairman of the Board with whom she has ongoing communication. The Company Secretary is not a director but stands on an equal footing with other executives and performs her duties without undue influence or pressure. The board is satisfied that the company secretary is appropriately qualified, competent and experienced to fulfil this function.

Special Resolutions
The following special resolutions were passed at the annual general meeting, held on 8 November 2017:

1. The directors were given, until the next annual general meeting, a general authority to repurchase shares in the company as they may determine.
2. The directors of the company were authorised and empowered, as a general approval, to cause the company to provide any direct or indirect financial assistance to any company or inter-related company.
3. The annual fees payable by the company to its non-executive directors were approved for the financial years 2017 and 2018.

These same authorities will again be sought at the upcoming annual general meeting.

Directors' Interest in Shares
The directors' interests in the company's issued share capital at 30 June 2018 were as follows:

Directors' holdings ('000)		**Beneficial Direct**	**Beneficial Indirect**	**Total**	**%**
2018					
BJ Frost (Non-Executive Chairman)	**	**-**	**101**	**101**	**0,1**
M Brain (Non-Executive)	**	**66**	**3 046**	**3 112**	**3,6**
PF Sass (Executive)	**	**896**	**15 767**	**16 663**	**19,0**
		962	**18 914**	**19 876**	**22,7**
Estate late HW Sass		**2 413**	**-**	**2 413**	**2,8**
		3 375	**18 914**	**22 289**	**25,5**
Shares in issue ('000)				**87 624**	
2017					
BJ Frost (Non-Executive Chairman)	**	-	101	101	**0,1**
M Brain (Non-Executive)	**	66	3 046	3 112	**3,5**
PF Sass (Executive)	**	896	15 767	16 663	**18,8**
MA Olds (Executive)		1 801	-	1 801	**2,0**
		2 763	18 914	21 677	**24,4**
Estate late HW Sass		2 413	-	2 413	**2,7**
		5 176	18 914	24 090	**27,2**
Shares in issue ('000)				88 428	

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

** Some indirect holdings are as a beneficiary of a discretionary family trust.

STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
Assets					
Non-current assets		**169 711**	400 449	**5 664**	247 077
Property, plant and equipment	**1**	**158 027**	147 747	**-**	-
Investment properties	**2**	**5 611**	5 728	**-**	-
Intangible assets	**3**	**4 862**	4 862	**-**	-
Investment in subsidiaries	**4**	**-**	-	**5 664**	5 664
Investment in associate	**5**	**-**	162 349	**-**	162 349
Related party loans	**6**	**-**	79 064	**-**	79 064
Deferred taxation	**12**	**1 211**	699	**-**	-
Current assets		**416 415**	358 091	**197 378**	63
Related party loans	**6**	**-**	814	**-**	-
Inventories	**7**	**86 647**	82 383	**-**	-
Trade and other receivables	**8**	**119 498**	110 649	**-**	-
Prepayments	**9**	**5 664**	12 256	**1 356**	-
Cash and cash equivalents	**10**	**202 917**	151 973	**196 022**	46
Taxation		**1 689**	16	**-**	17
Assets held for sale		**298 213**	-	**339 596**	-
Investment in associate	**5**	**233 371**	-	**274 754**	-
Related party loans	**6**	**64 842**	-	**64 842**	-
Total assets		**884 338**	758 540	**542 638**	247 140
Equity and Liabilities					
Equity attributable to:					
Parent company equity holders		**766 120**	661 247	**179 313**	116 494
Stated capital	**11**	**16 069**	21 565	**16 069**	21 565
Retained earnings		**780 214**	675 341	**163 244**	94 929
Treasury shares	**11**	**(30 163)**	(35 659)	**-**	-
Total equity		**766 120**	661 247	**179 313**	116 494
Non-current liabilities		**61 008**	39 762	**47 781**	22 603
Deferred taxation	**12**	**61 008**	39 762	**47 781**	22 603
Current liabilities		**57 210**	57 531	**315 544**	108 043
Related party loans	**6**	**-**	-	**314 975**	108 039
Trade and other payables	**13**	**56 060**	54 558	**3**	4
Taxation		**1 150**	2 973	**566**	-
Total equity and liabilities		**884 338**	758 540	**542 638**	247 140

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
COMPREHENSIVE INCOME					
Continuing operations					
Revenue	**14**	**577 251**	580 665	**24 600**	4 972
Cost of sales		**(392 341)**	(394 054)	**-**	-
Profit before operating costs		**184 910**	186 611	**24 600**	4 972
Other operating income		**538**	744	**-**	-
Operating costs		**(89 698)**	(79 389)	**(453)**	(3)
Impairment of investment in associate	**5**				(112 405)
Reversal of impairment of investment in associate	**5**			**112 405**	
Profit/(loss) from operations	**15**	**95 750**	107 966	**136 552**	(107 436)
Net finance income/(costs)	**17**	**13 239**	11 695	**-**	-
- income		**13 285**	11 731	**-**	-
- costs		**(46)**	(36)	**-**	-
Profit/(Loss) before tax - continuing operations		**108 989**	119 661	**136 552**	(107 436)
Taxation	**18**	**(30 680)**	(35 286)	**(30 401)**	23 788
Profit/(Loss) for the year - continuing operations		**78 309**	84 375	**106 151**	(83 648)
Discontinued operations					
Share of profit/(loss) in discontinued operations	**5,1**	**22 767**	(51 867)		
- share of post-tax profit/(loss) before impairments		**13 333**	(17 057)		
- share of associate's impairment loss, net of tax		**-**	(42 520)		
- net finance income from associate	**17**	**9 434**	7 710		
Impairment of investment in associate	**5**		(57 689)		
Reversal of impairment of investment in associate	**5**	**57 689**			
Profit/(Loss) before tax - discontinued operations		**80 456**	(109 556)	**-**	-
Taxation		**(18 487)**	24 109	**-**	-
Profit/(Loss) for the year - discontinued operations		**61 969**	(85 447)	**-**	-
Profit/(Loss) for the year		**140 278**	(1 072)	**106 151**	(83 648)
OTHER COMPREHENSIVE INCOME		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**140 278**	(1 072)	**106 151**	(83 648)
Earnings/(Loss) per share - basic and diluted	**19**				
Continuing operations		**95,50**	101,91		
Discontinued operations		**75,58**	(103,20)		
		171,08	(1,29)		

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

Attributable to equity holders of the parent **R'000**	**Notes**	**Stated Capital** **11,1**	**Retained Earnings**	**Treasury Shares** **11,2**	**Total Equity**
Group					
Balance at 1 July 2016		21 565	707 646	(30 165)	699 046
Purchase of treasury shares		-	-	(5 494)	(5 494)
Comprehensive loss for the year to 30 June 2017		-	(1 072)	-	(1 072)
Dividends paid		-	(31 233)	-	(31 233)
Balance at 30 June 2017		21 565	675 341	(35 659)	661 247
Cancellation of treasury shares		(5 496)	-	5 496	-
Comprehensive profit for the year to 30 June 2018		-	140 278	-	140 278
Dividends paid		-	(35 405)	-	(35 405)
Balance at 30 June 2018		16 069	780 214	(30 163)	766 120
Company					
Balance at 1 July 2016		21 565	211 932	-	233 497
Comprehensive loss for the year to 30 June 2017		-	(83 648)	-	(83 648)
Dividends paid		-	(33 355)	-	(33 355)
Balance at 30 June 2017		21 565	94 929	-	116 494
Shares cancelled		(5 496)	-	-	(5 496)
Comprehensive profit for the year to 30 June 2018		-	106 151	-	106 151
Dividends paid		-	(37 836)	-	(37 836)
Balance at 30 June 2018		16 069	163 244	-	179 313

Group	**2018** **cents**	2017 cents
DIVIDENDS PER SHARE		
Dividends paid	**43,18**	37,72
Final previous year	**22,70**	18,40
Interim this year	**20,48**	19,32
Dividends proposed	**42,02**	42,02
Interim this year - actual	**20,48**	19,32
Final this year - proposed	**21,54**	22,70

STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
Cash flows arising from operating activities		**61 456**	50 299	**(22 959)**	(32 036)
Cash receipts from customers		**568 402**	470 016	**-**	-
Cash paid to suppliers and employees		**(462 286)**	(477 541)	**-**	-
Cash generated by operations	**21,1**	**106 116**	95 672	**412**	2 727
Interest received		**22 719**	19 441	**19 104**	-
Interest paid		**(46)**	(36)	**-**	-
Taxation paid	**21,2**	**(31 929)**	(33 545)	**(4 639)**	(1 408)
		96 861	81 532	**14 877**	1 319
Dividends paid		**(35 405)**	(31 233)	**(37 836)**	(33 355)
Cash flows arising from investing activities		**(10 511)**	(51 015)	**12 000**	(30 000)
Property, plant and equipment					
- proceeds on disposal	**21,3**	**1 463**	44	**-**	-
- additions	**21,4**	**(23 974)**	(32 659)	**-**	-
Movement in advance payments	**21,5**	**-**	11 600	**-**	-
		(22 511)	(21 015)	**-**	-
Receipts / (Advances) in related party loan	**21,8**	**12 000**	(30 000)	**12 000**	(30 000)
Cash flows arising from financing activities		**-**	(5 494)	**206 936**	62 082
Treasury shares					
- acquisitions	**11,2**	**-**	(5 494)	**-**	-
Related party loan					
- cash receipts	**21,8**			**500 914**	90 012
- cash payments	**21,8**			**(293 978)**	(27 930)
Net increase/(decrease) for the year		**50 945**	(6 210)	**195 977**	45
Balance at beginning of period		**151 973**	158 183	**45**	-
Cash and cash equivalents at end of the year		**202 917**	151 973	**196 022**	45
		202 917	151 973	**196 022**	45
Cash and cash equivalents comprise:					
Bank accounts and cash on hand		**202 917**	151 973	**196 022**	46
Cash and cash equivalents at end of the period		**202 917**	151 973	**196 022**	46

Group

1 Property, plant and equipment

	Cost R'000	Accumulated Depreciation R'000	Balance R'000
30 June 2018			
Land and buildings	**62 389**	**(39 327)**	**23 062**
Manufacturing plant and equipment	**390 945**	**(268 591)**	**122 354**
Non-manufacturing plant and equipment	**20 384**	**(10 562)**	**9 822**
Capital work in progress	**2 789**	**-**	**2 789**
	476 507	**(318 480)**	**158 027**
30 June 2017			
Land and buildings	61 185	(35 763)	25 422
Manufacturing plant and equipment	373 501	(255 889)	117 612
Non-manufacturing plant and equipment	14 311	(9 598)	4 713
	448 997	(301 250)	147 747

Reconciliation of net book value — **Group**

	Land & Buildings R'000	Manufacturing Plant & Equipment R'000	Non-manufacturing Plant & Equipment R'000	Capital work in progress R'000	Total R'000
30 June 2018					
Net balance at beginning of year	**25 422**	**117 612**	**4 713**	**-**	**147 747**
Additions	**1 204**	**14 648**	**5 292**	**2 789**	**23 933**
	26 626	**132 260**	**10 005**	**2 789**	**171 680**
Depreciation	**(2 269)**	**(9 293)**	**(595)**	**-**	**(12 157)**
Disposals	**(1 296)**	**(50)**	**(150)**	**-**	**(1 496)**
Reclassification	**-**	**(562)**	**562**	**-**	**-**
Net balance at end of year	**23 061**	**122 355**	**9 822**	**2 789**	**158 027**
30 June 2017					
Net balance at beginning of year	26 086	100 598	3 971	-	130 655
Additions	1 455	30 016	1 188	-	32 659
	27 541	130 614	5 159	-	163 314
Depreciation	(2 119)	(12 994)	(446)	-	(15 559)
Disposals	-	(8)	-	-	(8)
Net balance at end of year	25 422	117 612	4 713	-	147 747

	Group 2018 R'000	2017 R'000
1,1 Fair value of land and buildings		
Directors' valuation	**196 674**	182 609
Fair Value Hierarchy - Level 3 Applies inputs which are not based on observable market data.		
The valuation technique used in valuing the land and buildings is the capitalisation model, which capitalise a market-related rental income stream, net of operating costs. The key input used in measuring the fair values is: - capitalisation rate.	9.6% - 10,9%	9.6% - 10,5%

		Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
2	**Investment properties**					
	Net balance at beginning of year		**5 728**	6 207		
	Capital work in progress		**41**			
			5 769	6 207		
	Depreciation		**(158)**	(479)		
	Net balance at end of year		**5 611**	5 728		
2,1	**Fair value of land and buildings**					
	Directors' valuation		**41 472**	39 701		
	Fair Value Hierarchy - Level 3 Applies inputs which are not based on observable market data.					
	The valuation technique used in valuing the land and buildings is the capitalisation model, which capitalises a market-related rental income stream, net of operating costs. The key input used in measuring the fair values is: - The capitalisation rate applied:		10,60%	10,90%		
2,2	**Income and expenses of investment properties**					
	Rental income		**5 232**	4 794		
	Direct operating expenses		**1 548**	1 193		
3	**Intangible assets**					
	Goodwill on acquisition of cash generating unit at carrying values					
	- balance at beginning of year		**4 862**	4 862		
	- balance at the end of the year		**4 862**	4 862		
	Goodwill comprises of					
	- cash generating unit trading in KZN		**4 862**	4 862		
			4 862	4 862		

Annual impairment tests, based on expected future earnings , discounted at fair rates of return, indicate that the goodwill arising on the acquisition of business in the KZN region is not impaired at the year end.

Valuation assumptions, derived from management's past experience within the industry are:
* Pre-tax earnings based on short to mid-term budgets (1 to 5 years).
* Growth rates of between 1 and 3 per cent
* Discount rate of 18 per cent
* Expected future earnings are based on short to mid term operating budgets approved by management.

4 Investment in subsidiaries

Unlisted subsidiary companies

Incorporated and operating solely in South Africa	Number of Shares Held 2018 No	Number of Shares Held 2017 No	% of Issued Capital 2018 %	% of Issued Capital 2017 %	Shares at Carrying Value R'000 R	Shares at Carrying Value R'000 R
Subsidiaries - directly held						
Bowler Plastics (Pty) Ltd	105	105	100	100	**5 664**	5 664
Hazra Properties Two (Pty) Ltd	300	300	100	100 *	**-**	-
Bowler Properties Two (Pty) Ltd	100	100	100	100 *	**-**	-
Postal Presents (Pty) Ltd	1	1	100	100 *	**-**	-
Subsidiaries - indirectly held						
Gad-Tek (Pty) Ltd	100	100	100	100 *	**-**	-
Investment in subsidiaries - at cost					**5 664**	5 664

* Shares are held at a nominal value of R1 each

	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
5 Investment in associates				
5,1 Unlisted associated companies				
SoftBev Proprietary Limited (Incorporated and operating solely in South Africa)				
Number of shares ('000)	**274 754**	274 754	**274 754**	274 754
- % of Issued Capital	**41,4%**	42,1%	**41,4%**	42,1%
Carrying value				
- opening balance	**162 349**	279 615	**162 349**	274 754
- share of profit/(loss)	**13 333**	(59 577)	**-**	-
- reversal of impairment / (impairment)	**57 689**	(57 689)	**112 405**	(112 405)
- Carrying value	**233 371**	162 349	**274 754**	162 349

During the previous financial year, the company impaired its beverages segment investment in its associate, SoftBev, due to the revised business valuation compared to that envisaged at the time of the merger.

As a result of the significant efforts by the management of SoftBev, the business showed a substantial turnaround in the current financial year to such an extent that the previous year's impairment is reversed in full. The restated carrying value of the SoftBev investment is substantiated by the successful conclusion of an agreement for the disposal of this investment to The Beverages Company BidCo Propietary Limited at a value in excess of its carrying value (refer to the "Investment in associate" and "events after the reporting date" notes in the Director's Report and note 5 in accounting policies).

The sale agreement was subject to the fulfilment of various suspensive conditions which were all met on 3rd August 2018. Accordingly, the investment in SoftBev and loan account have been classified as held for sale. Further, the Company's share of profits until 31 December 2018 and interest on loan account has been classified as discontinued operations.

5,2 Nature of activities

SoftBev operates in the manufacturing, sales and distribution of non-alcoholic beverages, nationally. This investment is not considered strategic to the company's activities.

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
6 Related parties					
6,1 Loans receivable/(payable)					
Subsidiary:					
Bowler Plastics (Pty) Ltd		**-**	-	**(314 975)**	(108 039)
The loan is unsecured, interest free with no fixed term of repayment					
Associate:					
SoftBev (Pty) Limited					
- at cost		**64 842**	79 064	**64 842**	79 064
The loan is unsecured, bears interest at rates linked to the prime rate with no fixed term of repayment.					
Subsidiary of associate:					
Quality Beverages 2000 (Pty) Limited					
- at cost		**-**	814		
The loan is unsecured, bears interest at rates linked to the prime rate and repayable on demand.					
6,2 Related party transactions					
Subsidiary					
Bowler Plastics (Pty) Ltd					
Dividends received:		**-**	-	**5 496**	-
Associate					
SoftBev (Pty) Ltd					
Finance income		**9 434**	4 925	**9 434**	4 925
Subsidiary of associate					
Quality Beverages 2000 (Pty) Ltd					
Revenue		**51 486**	58 238	**-**	-
Rental income		**4 777**	4 794	**-**	-
Finance income		**-**	2 785	**-**	-
7 Inventories					
Finished goods		**39 797**	47 165		
Work in progress		**2 849**	2 156		
Consumable stores		**9 908**	10 723		
Raw materials		**34 093**	22 339		
		86 647	82 383		
8 Trade and other receivables					
Trade receivables		**113 725**	110 034		
Other receivables		**5 773**	615		
		119 498	110 649		
8,1 Analysis of trade receivables					
Plastic packaging segment					
Neither past due nor impaired		**101 914**	98 353		
Past due but not impaired >60 days		**5 900**	5 328		
Past due but not impaired >90 days		**5 911**	6 353		
Past due and impaired		**10 617**	7 743		
		124 342	117 777		
Allowances (incl. provision for credit notes)		**(10 617)**	(7 743)		
		113 725	110 034		
Allowances					
Balance at beginning of year		**7 743**	6 480		
Allowances		**4 514**	2 643		
Reversals		**(1 639)**	(1 380)		
Balance at end of year		**10 617**	7 743		

Customers are all manufacturing entities supplying into the wholesale and retail sectors.

Provision for allowances is against specific customers based on individual circumstances and where there is no likelihood of recovering against personal sureties, where held. Allowance is made for doubtful debts as to the ageing of past due receivables. Management considers the credit risk relating to trade and other receivables past due but not impaired to be acceptable based on credit evaluations performed.

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
8,2 Related party trade receivables					
Subsidiary of associate					
Quality Beverages 2000 (Pty) Ltd		**9 422**	12 070		
9 Prepayments					
Prepayments consist of:					
Advance payments - capital		**-**	7 695	**-**	-
Advance payments - expenses		**5 664**	4 561	**1 355**	-
		5 664	12 256	**1 355**	-

		Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
10	**Cash and cash equivalents**				
	Bank accounts and cash on hand	**202 917**	151 973	**196 022**	46
	Bank facilities				
	The Company has stood surety, limited to R20 mil, for facilities granted to Bowler Plastics (Pty) Ltd.				
11	**Stated capital**				
11,1	*Authorised*				
	189 850 000 Ordinary shares of no par value				
	Issued	**16 069**	21 565	**16 069**	21 565
11,2	*Treasury shares*				
	Balance at beginning of year	**(35 659)**	(30 165)		
	Acquisitions	**-**	(5 494)		
	Disposals	**5 494**	-		
	Balance at end of year	**(30 165)**	(35 659)		
	Number of shares				
	Balance at beginning of year	**81 995 105**	82 799 063	**88 428 066**	88 428 066
	Treasury shares acquired / shares cancelled	**-**	(803 958)	**(803 958)**	-
	- market trades		(803 958)	**-**	-
	- share cancellation	**-**	-	**(803 958)**	-
	Balance at end of year	**81 995 105**	81 995 105	**87 624 108**	88 428 066
	Comprising:				
	Issued shares	**87 624 108**	88 428 066	**87 624 108**	88 428 066
	Treasury shares	**(5 629 003)**	(6 432 961)	**-**	-
	Percentage of issued shares	**6,4%**	7,3%		
	Nil (2017 : 803,958) shares were acquired during the year at an average purchase price of Rnil (2017 : R6,84) per share. The shares acquired in 2017 were cancelled during the current reporting period.				
11,3	*Weighted number of shares*				
	Balance at beginning of year	**81 995 105**	82 799 063		
	Treasury shares - weighted	**-**	(4 405)		
	Weighted number of shares in issue during the year	**81 995 105**	82 794 658		
12	**Deferred taxation**				
	Balance at end of the year	**59 797**	39 063	**47 781**	22 603
	Balance at end of the year comprises:				
	- capital allowances	**25 363**	21 644	**-**	-
	- accruals	**(4 912)**	(5 183)	**-**	-
	- CGT profits	**39 346**	22 602	**47 781**	22 603
		59 797	39 063	**47 781**	22 603
	Consisting of:				
	- liabilities	**61 008**	39 762	**47 781**	22 603
	- assets	**1 211**	699	**-**	-
13	**Trade and other payables**				
	Trade payables	**33 051**	27 684	**-**	-
	Accruals and other payables	**23 009**	26 874	**3**	4
		56 060	54 558	**3**	4
13,1	**Related party trade payables**				
	Subsidiary of associate				
	- Quality Beverages 2000 (Pty) Ltd	**218**	93	**-**	-

		Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
14	**Revenue**					
	Sale of goods		**572 019**	575 871	**-**	-
	Rental income		**5 232**	4 794	**-**	-
	Dividends received		**-**	-	**5 496**	-
	Interest received		**-**	-	**19 104**	4 972
			577 251	580 665	**24 600**	4 972
15	**Profit/(Loss) from continuing operations**					
	Profit/(Loss) before tax is arrived at after taking into account the following items:					
	Income					
	(Loss)/Surplus on disposal of fixed assets		**(33)**	36	**-**	-
	Foreign exchange gains		**-**	91	**-**	-
	Expenses					
	Directors' emoluments	**20**	**8 636**	9 794	**-**	-
	Employee costs		**128 473**	124 157	**-**	-
	Foreign exchange losses		**607**	-	**-**	-
	Impairment of assets					
	- investments			57 689	**(112 405)**	112 405
	Maintenance		**22 752**	20 453	**-**	-
	Leasing charges					
	- operating leases on land and buildings		**6 967**	3 128	**-**	-
	Retirement funding		**3 668**	3 275	**-**	-
	Transport		**16 237**	16 279	**-**	-
16	**Depreciation**					
	Property, plant and equipment	**1**				
	Land and buildings		**2 269**	2 119		
	Manufacturing plant and equipment		**9 293**	12 994		
	Non-manufacturing plant and equipment		**595**	446		
	Investment properties	**2**	**158**	479		
			12 315	16 038		
	Manufacturing		**9 293**	12 994		
	Non-manufacturing		**3 022**	3 044		
	There has been a change in the estimated useful lives of identified assets. The change in estimate impacted the net profit before tax of the Plastics Packaging segment positively to the value of R7,354,424 (2017 : R9,289,325) and the Property Investment segment negatively to the value of R760,312 (2017 : Rnil).					
17	**Finance income and costs**					
	Income					
	Financial institutions - banks		**13 285**	11 731	**9 670**	47
	Other		**9 434**	7 710	**9 434**	4 925
			22 719	19 441	**19 104**	4 972
	Costs					
	Financial institutions - banks		**46**	36	**-**	-
			46	36	**-**	-
18	**Taxation**					
	Income tax - current		**28 433**	31 691	**5 222**	1 391
	Income tax - prior		**-**	228	**-**	-
	Deferred taxation - current		**2 247**	3 367	**25 179**	(25 179)
			30 680	35 286	**30 401**	(23 788)
	Reconciliation of rate of taxation					
	SA normal tax rate		**28,0%**	28,0%	**28,0%**	28,0%
	Adjusted for:					
	Disallowable expenses/exempt income		**(0,7)**	1,3	**(1,1)**	-
	Prior periods		**-**	0,2	**-**	-
	Capital Gains Tax		**0,8**	-	**(4,6)**	(5,9)
	Net (decrease)/increase		**0,2**	1,5	**(5,7)**	(5,9)
	Effective tax rate		**28,2%**	29,5%	**22,3%**	22,1%

		Note	Group 2018 R'000	2017 R'000
19	**Headline earnings**			
19,1	**Reconciliation of headline earnings**			
	Continuing operations			
	Attributable to holders of the parent			
	- earnings		**78 309**	84 375
	Adjustments net of tax			
	- profit on disposal of assets - Plastic Packaging		**(114)**	(28)
	profit on disposal of plant & equipment		**(147)**	(36)
	tax		**33**	8
	Headline earnings - continuing operations		**78 195**	84 347
	Discontinued operations			
	Attributable to holders of the parent			
	- earnings/(loss)		**61 969**	(85 447)
	Adjustments to share of associate profit net of tax			
	- profit on disposal of assets - Beverages		**-**	(5)
	profit on disposal of plant & equipment		**-**	(7)
	tax		**-**	2
	Reversal of impairment / (Impairment) of investment in associate net of tax		**(44 767)**	44 767
	(reversal)/loss		**(57 689)**	57 689
	tax		**12 922**	(12 922)
	- Impairment within equity accounted profits		**-**	32 996
	loss		**-**	42 520
	tax on equity accounted losses		**-**	(9 524)
	Headline earnings / (loss) - discontinued operations		**17 202**	(7 690)
	Headline earnings - total		**95 397**	76 658
19,2	**Weighted number of shares in issue**	**11**	**81 995 105**	82 794 658
19,3	**Earnings/(Loss) per share (cents)**			
	Earnings/(Loss) per share (cents) - total		**171,08**	(1,29)
	Continuing operations		**95,50**	101,91
	- profit on disposal of assets - Plastic Packaging		**(0,14)**	(0,03)
	Headline earnings per share (cents) - continuing operations		**95,36**	101,88
	Discontinued operations		**75,58**	(103,20)
	- profit on disposal of assets - Beverages		**-**	(0,01)
	Reversal of impairment / (Impairment) of investment in associate net of tax		**(54,60)**	54,07
	- Impairment within equity accounted profits		**-**	39,85
	Headline earnings/(loss) per share (cents) - discontinued operations		**20,98**	(9,29)
	Headline earnings per share (cents) - total		**116,34**	92,59

The calculation of earnings per share is based on net profit for the year and the weighted number of shares in issue during the period, net of tax.

	Notes	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000

20 Emoluments of directors, prescribed officers and other employees

R'000	Director Fees	Fees for services	Short-term Employee Benefits salary	Benefits	Bonuses	Retirement Benefits	Total R'000
30 June 2018							
Executive directors							
PF Sass	-	-	3 011	243	-	252	3 506
GA Böhler	-	-	2 322	82	-	195	2 598
MA Olds	-	-	116	-	-	-	116
Non-Executive directors							
M Brain	265	125	-	-	-	-	390
BJ Frost	444	-	-	-	-	-	444
FC Mac Gillivray	396	50	-	-	-	-	446
SJ Gillett	335	-	-	-	-	-	335
Prescribed officers							
CA Bothma	-	-	739	-	-	62	801
	1 440	175	6 187	325	-	509	8 636
Paid by subsidiaries	(1 440)	(175)	(6 187)	(325)	-	(509)	(8 636)
Paid by company	-	-	-	-	-	-	-
30 June 2017							
Executive directors							
PF Sass	-	-	2 847	249	608	201	3 905
GA Böhler	-	-	2 210	101	380	158	2 849
MA Olds	-	-	474	-	-	-	474
Non-Executive directors							
M Brain	251	-	-	-	-	-	251
BJ Frost	421	-	-	-	-	-	421
FC Mac Gillivray	376	-	-	-	-	-	376
SJ Gillett	319	-	-	-	-	-	319
Prescribed officers							
LV Rowles	-	-	600	17	-	-	617
CA Bothma	-	-	466	-	77	39	582
	1 367	-	6 597	367	1 065	398	9 794
Paid by subsidiary	(1 367)	-	(6 597)	(367)	(1 065)	(398)	(9 795)
Paid by company	-	-	-	-	-	-	(1)

There are no fixed period service contracts.

21 Cash Flow

21,1 Cash generated by operations

	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
Profit before tax	**189 445**	10 105	**136 552**	(107 436)
Non cash items	**(55 633)**	130 210	**(115 679)**	110 162
- depreciation	**12 315**	16 038	**-**	-
- dividend in specie movement in loan	**-**	-	**(5 496)**	-
- (reversal of impairment) / impairment of investment	**(57 689)**	57 689	**(112 405)**	112 405
- share of (profit)/loss of associate	**(13 333)**	59 577	**-**	-
- surplus on disposal of fixed assets	**33**	(36)	**-**	-
- transactional related party recharges	**3 041**	(3 058)	**2 222**	(2 243)
Adjustments for items shown separately	**(22 673)**	(19 405)	**(19 104)**	-
Interest paid	**46**	36	**-**	-
Interest received	**(22 719)**	(19 441)	**(19 104)**	-
Working capital changes	**(5 023)**	(25 238)	**(1 357)**	1
Inventories	**(4 265)**	(13 598)	**-**	-
Trade and other receivables	**(8 850)**	(4 394)	**-**	-
Advance payments - capital	**7 695**	-	**-**	-
Advance payments - expenses	**(1 104)**	(2 587)	**(1 356)**	-
Trade and other payables	**1 501**	(4 659)	**(1)**	1
	106 116	95 672	**412**	2 727

		Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
21,2	**Reconciliation of taxation paid**				
	Charged to the statement of comprehensive income	**(49 167)**	(11 177)	**(30 401)**	23 788
	Adjustment for deferred taxation	**20 734**	(20 742)	**25 179**	(25 179)
	Movement in taxation liability	**(3 496)**	(1 626)	**583**	(17)
	Payments made	**(31 929)**	(33 545)	**(4 639)**	(1 408)
21,3	**Proceeds on disposal of property, plant & equipment**				
	Book value of assets disposed of	**1 496**	8		
	Profit on disposal	**(33)**	36		
	Proceeds received	**1 463**	44		
21,4	**Additions to property, plant and equipment**				
	To maintain and expand operations				
	- land and buildings	**1 204**	1 455		
	- manufacturing plant and equipment	**14 648**	30 016		
	- other plant and equipment	**5 292**	1 188		
		21 144	32 659		
21,5	**Movement in prepayments**				
	Advance payments - capital	**-**	11 600		
	Advance payments - expenses	**(1 103)**	(2 587)		
	Total movement	**(1 103)**	9 013		
21,6	**Discontinued operations included in cash flow**				
	Operating activities	**80 456**	(109 556)		
	Investment activities	**12 000**	(30 000)		
	Total movement	**92 456**	(139 556)		
21,7	**Other financial liabilities reconciliation**				
	Opening balance			**108 039**	(864)
	Cash receipts (related party loan)			**506 410**	90 012
	Cash payments (related party loan)			**(293 978)**	(27 930)
	Non-cash movements:				
	- Dividend in specie			**(5 496)**	-
	- Transfer of associate loan balance			**-**	46 821
	Closing balance			**314 975**	108 039
21,8	**Restatement of movement in related party loan**				
	Previously reported as		(33 058)		29 838
	Currently reported as:				
	Investing activities:				
	Receipts / (Advances) in related party loan		(30 000)		(30 000)
	Financing activities				
	Cash receipts - related party loan				90 012
	Cash payments - related party loan				(27 930)
	Included in non-cash items				
	Transactional related party recharges		(3 058)		(2 243)
	Total movement in related party loan		(33 058)		29 838

In the statement of cash flows, the cash movement in related party loan has been restated for the prior financial year to separate the receivable related party loans from the payable related party loans. The previous interpretation of the related IFRS standards allowed for an offset of these amounts at the prior year reporting date. This interpretation has now been corrected in accordance with IAS 7, therefore the prior year has been restated for comparative purposes. These restatements does not impact the other statements presented.

		Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
22	**Financial Instruments**				
22,1	**Credit Risk**				
	Financial assets exposed to credit risk are:				
	Trade and other receivables	**113 725**	110 034	**-**	-
	Related party loans	**64 842**	79 878	**64 842**	79 064
	Cash and cash equivalents	**202 917**	151 973	**196 022**	46
		381 484	341 885	**260 864**	79 110
	Guarantees				
	Limited sureties given to:				
	FNB for bank facilities granted to the group	**-**	-	**20 000**	20 000
		-	-	**20 000**	20 000

22,1 Credit Risk - continued

The Group has no identifiable or abnormal concentrations of credit risk, either to specific customers, any industry or sector. The Group's maximum exposure to credit risk is set out in note 22,1.

The credit quality of cash at bank and other deposits can be regarded at the highest rating as the Group only deposits cash surpluses with major banks and financial institutions of high standing.

The credit quality of the related party loans have been assessed with reference to the underlying net assets in each company.

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

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

22,2 Fair Value

The carrying amounts of cash and cash equivalents, trade receivables, loans, borrowings and trade payables approximate their fair value at the statement of financial position date.

22,3 Foreign Exchange Risk

Foreign exchange risk arises on the acquisition of plant and machinery from abroad. Foreign Exchange Contracts (FEC's) are used to reduce exposure to currency fluctuations. As capital orders are normally long term in nature and are paid for over the period of manufacture, risk exposure is averaged over the longer period.

		Group		Company	
		2018	2017	**2018**	2017
		R'000	R'000	**R'000**	R'000
22,4	**Interest Rate Risk**				
	Borrowings are secured at the best prevailing rates, the movement of which is monitored and managed on an on-going basis.				
	Variable-rate interest bearing assets	**267 759**	231 851	**260 864**	79 110
	Net assets (liabilities)	**267 759**	231 851	**260 864**	79 110
	Estimated interest rate change	**0,5%**	0,5%	**0,5%**	0,5%
	Net after tax profit sensitivity	**964**	835	**939**	285
22,5	**Liquidity Risk**				
	The Group manages its liquidity risk by monitoring cash flows and ensuring that adequate liquid funds are available.				
	The amounts disclosed in this table are the contractual undiscounted cash flows:				
	Payable within the next 12 months				
	Trade and other payables	**40 545**	28 332	**-**	-
	Guarantees	**-**	-	**20 000**	20 000
	The risk of the guarantees being called upon is considered by the directors to be low.				
	Total financial liabilities	**40 545**	28 332	**20 000**	20 000
22,6	**Financial Asset Categories**				
	Loans and receivables				
	Trade and other receivables	**113 725**	110 034	**-**	-
	Related party loans	**64 842**	79 878	**64 842**	79 064
	Cash and cash equivalents	**202 917**	151 973	**196 022**	46
		381 484	341 885	**260 864**	79 110
22,7	**Financial Liability Categories**				
	Financial liabilities at amortised cost				
	Trade and other payables	**40 545**	28 332	**3**	4
		40 545	28 332	**3**	4

23 Segmental Report

Primary Format - Business Segments R'000	Plastic Packaging	Discontinued Beverages	Property Investment	*** Holdings	Eliminations	Total
30 June 2018						
Continuing operations						
Revenue	572 019	-	5 232	-	-	577 251
Intersegment revenue	-	-	18 993		(18 993)	-
Reversal of impairment on investment	-	57 689	-	-	-	57 689
Other income	2 969	-	-	-	(2 431)	538
Operating costs (excluding depreciation)	(484 050)	-	(4 213)	(454)	18 993	(469 724)
Depreciation	(9 875)	-	(2 440)	-	-	(12 315)
Share of profit of associate	-	13 333	-	-	-	13 333
	81 063	71 022	17 572	(454)	(2 431)	166 772
Finance income	3 614	9 434	1	9 670	-	22 719
Finance costs	(46)	-	-	-	-	(46)
Profit before tax	84 631	80 456	17 573	9 216	(2 431)	189 445
Taxation	(23 171)	(18 487)	(4 928)	(2 581)	-	(49 167)
Profit for the year	61 460	61 969	12 645	6 636	(2 431)	140 277
Attributable to:						
Equity holders of the parent	61 460	61 969	12 645	6 636	(2 431)	140 278
		Held for Sale				
Total Assets	663 594	298 213 *	100 157	197 378	(375 004)	884 338
Total Liabilities	150 247	38 511	1 470	315 482	(387 492)	118 218
Capital Expenditure	22 260	-	41	-	-	22 301
Customers with greater than 10% of Group revenue:						
- customer 1	63 185	-	-	-	-	63 185
30 June 2017						
Continuing operations						
Revenue	575 871	-	4 794	-	-	580 665
Intersegment revenue	-	-	18 023		(18 023)	-
Impairment on investment	-	(57 689)	-	-	-	(57 689)
Other income	2 866	-	-	-	(2 122)	744
Operating costs (excluding depreciation)	(472 524)	-	(2 900)	(4)	18 023	(457 405)
Depreciation	(13 440)	-	(2 598)	-	-	(16 038)
Share of loss of associate	-	(59 577)	-	-	-	(59 577)
	92 773	(117 266)	17 319	(4)	(2 122)	(9 300)
Finance income	11 728	7 710 **	3	- **	-	19 441
Finance costs	(26)	-	(10)	-	-	(36)
Profit before tax	104 475	(109 556)	17 312	(4)	(2 122)	10 105
Taxation	(29 220)	22 122 **	(4 847)	768 **	-	(11 177)
Profit for the year	75 255	(87 434)	12 465	764	(2 122)	(1 072)
Attributable to:						
Equity holders of the parent	75 255	(87 434)	12 465	764	(2 122)	(1 072)
Total Assets	587 433	241 415 *	87 392	4 922	(162 622)	758 540
Total Liabilities	236 163	23 500	1 350	3	(163 721)	97 295
Capital Expenditure	31 204	-	1 455	-	-	32 659
Customers with greater than 10% of Group revenue:						
- customer 1	58 238	-	-	-	-	58 238

* Investment in associate and loan

** Interest received from associate and related income tax in 2017 reallocated to discontinued beverages segment

*** This segment was previously reported as an unallocated segment. Due to the increased activity within this segment it was deemed appropriate to apply the relevant title to this segment

	Group 2018 R'000	Group 2017 R'000	Company 2018 R'000	Company 2017 R'000
24 Commitments				
Capital				
Plant	**6 037**	1 599		
	6 037	1 599		
The expenditure will be financed from cash generated from normal business operations.				
Leases				
Operating leases on property	**2 876**	5 393		
Due within one year	**2 058**	4 683		
Due between one and five years	**818**	710		
	2 876	5 393		
The main terms of lease agreements are:				
Rental escalations (%)	**8,00**	8,00		
Number of months outstanding (months)	**7 - 14**	6 - 24		
Renewal option (months)	**0 - 12**	0 - 12		
25 Contingent Liabilities				
Bank guarantees issued	**831**	1 618	**257**	257

The directors do not believe these contingent liabilities are likely to materialise into full liabilities.

26 Capital risk management

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

	Group 2018 R'000	Group 2017 R'000
The capital structure of the company consists of:		
Equity	**766 120**	661 247
Borrowings	**-**	-
Total equity and borrowings	**766 120**	661 247
Cash and cash equivalents	**202 917**	151 973

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

The group monitors capital on the basis of the gearing ratio:

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

At the reporting date the group had no borrowings.

There are no externally imposed capital requirements.

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

27 Restatement of Cost of sales

In previous years, the consolidation journal offsetting the intercompany rental was fully allocated to the Operating Costs line in the Statement of Comprehensive Income. In the current year, the portion of the intercompany consolidation journal relating to the factory rental was offset against Cost of Sales as the intercompany factory rentals are classified as part of this line item. Due to this change in allocation, the Company has had to restate the prior period's Cost of Sales figure disclosed in the Statement of Comprehensive Income.

The effect of the correction on prior year figures has been as follows:

	Group 2018 R'000	Group 2017 R'000
Cost of sales		(12 146)
Operating costs		12 146
Net effect		-

Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Companies Act of South Africa. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

Significant judgements and sources of estimation uncertainty

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

Taxation

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

Significant estimates include:

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that the investment in its associate, SoftBev (Pty) Ltd, is impaired and whether any prior impairment losses should be reversed. The assessment in the current year led to the reversal of prior impairments. Refer note 5 for further details.

1 Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on the straight line basis over their expected useful lives to their estimated residual value. There has been a change in the estimated useful lives of identified assets. (Refer note 16)

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

Item	Years
Land and buildings:	
Land	n/a
Industrial buildings	20 to 25
Manufacturing plant and equipment:	
Plant and machinery	7 to 40
Moulds	7 to 25
Non-manufacturing plant and equipment:	
Motor vehicles	5 to 15
Office equipment, furniture and fittings	10
Computers	6

2 Investment Properties

Investment properties are held to earn rental income and appreciate in capital value and are recorded at cost less subsequent depreciation of buildings.

Investment property is initially recognised at cost and subsequently at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of buildings to their residual values over their estimated useful lives. Land is not depreciated.

Industrial buildings are depreciated at a rate of 5% per annum.

3 Goodwill

All business combinations are accounted for by applying the acquisition method. The acquisition method entails the following:
(a) - identify which entity is the acquiring entity in the transaction;
(b) - determining the date of the acquisition;
(c) - recognising and measuring the assets acquired and the liabilities assumed;
(d) - recognising and measuring any non-controlling interest; and
(e) - recognising:
   1. goodwill, representing the excess of the consideration paid and the non-controlling interest over the Group’s interest in (c) above; and
   2. a gain on bargain purchase, in the event that the consideration paid and the non-controlling interest amounts to less than the Group’s interest in (c) above.

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

Goodwill is allocated to cash-generating units (CGUs) and is tested annually for impairment or more frequently when there is an indication that the unit may be impaired.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4 Investment in subsidiaries

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

5 Investment in associates

Company Financial Statements
Investments in associates are carried at cost less any accumulated impairment.

Group Financial Statements

An investment in an associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the company's share of net assets of the associate less any dividends received, less any impairment losses.

Goodwill on acquisition is included in the carrying amount of the associate. This goodwill is not amortised but is assessed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Profits or losses on transactions between the company and an associate are eliminated to the extent of the company's interest therein.

The investment in the associate and related loan were classified as held for sale during the year under review. The investment was equity-accounted up to that date. Subsequently, the accounting policy for non-current assets held for sale applies (see below).

6 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average cost basis.

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

7 Trade and other receivables

Trade and other receivables are classified as loans and receivables.

8 Prepayments

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

9 Assets held for sale

Assets 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 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 held for sale are measured at the lower of their carrying amounts and fair value less costs to sell. An impairment loss is recognised, where necessary, for any write-down to fair value less costs to sell on the date of classification as held for sale. A gain is recognised for any subsequent increase in fair value less costs to sell, but not in excess of the cumulative impairment losses previously recognised. Investments in associates are not equity-accounted while classified as held for sale.

10 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group (such as a segment) and which is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale. When the operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation has been discontinued from the start of the comparative year.

11 Treasury shares

Shares held by subsidiaries in Bowler Metcalf Limited are recorded at cost, including any external costs of acquisition, and are deducted from equity as treasury shares.

When shares are subsequently sold or re-issued, the related proceeds is added to equity under "treasury shares".

Treasury shares acquired by Bowler Metcalf Limited in itself are deducted from stated capital on their cancellation.

12 Revenue

Revenue from the sale of manufactured goods is recognised upon delivery to the customer.

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

13 Dividends received

Dividends received are recognised, in profit or loss, when the dividends are declared.

Dividends received on treasury shares are eliminated on consolidation.

The receipt of dividends consisting of distributions of assets in specie are measured at the fair value of the asset received.

14 Dividends paid

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

15 Finance costs

Finance costs are recognised as an expense in the period in which they are incurred.

16 Employee benefits

16,1 Short-term employee benefits

Short-term employee benefits include basic salaries, bonuses and allowances. The cost of short term employee benefits is recognised in the period in which the service is rendered and is not discounted.

16,2 Defined contribution plans

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

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

The fund is governed by the Pension Funds Act.

17 Leases

17,1 Operating leases - lessee

Operating lease payments are recognised as an expense on the straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease liability. This liability is not discounted.

17,2 Operating leases - lessor

Operating lease income earned on the rental of property is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual receipts is recognised as an operating lease asset that it not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the property and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under revenue in profit or loss.

18 Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries. The financial results of the subsidiaries are included from the effective dates of acquisition up to the effective dates of disposal. All inter-group balances and transactions have been eliminated on consolidation.

19 Segment report

The segment report is based on the business segments of the Group according to products and services sold, as regularly reviewed by management.

20 Financial instruments

20,1 Initial recognition and measurement

Financial instruments are measured initially at fair value.

Transaction costs are included in the initial measurement of the instrument as follows:

- Added to the initial fair value of financial assets
- Deducted from the initial fair value of financial liabilities

Financial assets are recognised at trade date, when the group commits to purchase or sell the asset.

20,2 Subsequent measurement

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

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

20,3 Impairment of financial assets

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

Impairment losses are recognised in profit or loss.

Trade receivables are impaired through use of an allowance account. The amount of the loss is recognised in profit or loss within operating expenses. . Subsequent recoveries of amounts previously written off are credited to other operating income.

20,4 Loans to subsidiaries and associates

These loans are recognised initially at fair value plus direct transaction costs.

Loans to Group companies are classified as loans and receivables.

20,5 Trade and other payables

Trade payables are classified as financial liabilities at amortised cost.

20,6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as loans and receivables.

20,7 Loans from subsidiaries

Loans from subsidiaries are classified as liabilities at amortised cost.

21 International reporting standards

21,1 Standards adopted during the year

No standards that had a material impact on the financial statements were adopted, or applied, for the first time during the year by the Group.

21,2 New standards and interpretations not yet adopted

The Group has not applied the following new, revised or amended standards that have been issued by the IASB as they are not yet effective for the financial year beginning 1 July 2017. The Board anticipates that the new standards and amendments will be adopted in the Group's consolidated financial statements when they become effective.

IFRS 16 Leases

IFRS 16 provides the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single accounting model for lessees building on the principle that all leases result in the lessee being entitled to use an asset and, if lease payments are made over time, obtaining financing. The standard eliminates the distinction of operating and financing leases for lessees resulting in a more faithful representation of the lessee's assets and liabilities and improved transparency regarding the lessee's financial leverage and capital employed. Lessor accounting is left largely unchanged from its predecessor (IAS 17 Leases).

The Group does not expect the adoption of this standard to have a material impact on its financial position or results The Group has evaluated its leases and many of its leases meet the definition of "short term leases" and leases of low value assets that meet the exemption to be expensed as incurred in terms of IFRS 16. The group expects to make use of these exemptions. The group's remaining lease payments are not material.

IFRS 9 Financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39").

The new standard does away with the rule-based classifications for financial assets previously seen under IAS 39 and, instead, requires principle-based classifications which are driven by cash flow characteristics of the instrument and the Group business model. The measurement classes for financial assets under the new standard comprise amortised cost, fair value through profit or loss and fair value through other comprehensive income.

Despite this new basis for classifying financial assets, the Group does not expect any significant reclassification of assets between amortised cost, fair value through profit or loss and fair value through other comprehensive income upon the adoption of the standard. The group's business model for its financial assets is to "hold and collect", and the Group collects capital and interest only.

Impairments
IFRS 9 also introduces a new impairment model and the group expects this new "expected loss" impairment model to result in the earlier recognition of impairment losses with regards to its trade receivables and loans receivable. However, the impact of this is not expected to be material.

There were some changes under IFRS 9 relating to hedge accounting. However, these changes will not affect the Group, as the Group does not apply hedge accounting in respect of its interest rate swaps and caps.

The effective date of the standard is for years beginning on or after 1 January 2018. The Group plans to adopt the standard on its mandatory effective date in its 2019 financial year.

IFRS 15 Revenue from contracts with customers

This is a new standard that establishes a single, comprehensive and robust framework for the recognition, measurement and disclosure of revenue. The effective date of the standard is for years beginning on or after 1 January 2018.

The Group plans to adopt the new standard on its mandatory effective date, using the modified retrospective method – comparatives will not be restated. During 2018, the Group performed an assessment of the expected impact of IFRS 15. A summary of the assessment is detailed below.

The company's revenue consists of dividends and interest received on investments. As a result it does not expect this standard to have an impact on its financial statements. The company will continue to recognise dividends when a shareholder's right to payment is established and interest in terms of the effective interest method.

Sale of goods
Revenue is currently recognised where the goods are delivered to the customer, and when risks and rewards transfer which is similar to the new principles introduced by IFRS 15. An examination of the Group's terms and conditions of sale has led the Group to conclude that control of the goods passes to the customer upon delivery. No significant impact is therefore expected on the recognition and measurement of revenue upon the adoption of IFRS 15, but it is expected to result in additional disclosures.

21,3 Standards and interpretations effective and adopted in the current year

IAS 7 Statement of cash flows

- Changes from financing cash flows
- Changes from obtaining or losing control of subsidiaries
- Effect of changes in foreign exchange rates
- Changes in fair values
- Other changes

The amendment resulted in additional disclosures relating to the company's related party loans (refer to note 21).

SHAREHOLDER PROFILE

At 30 June 2018

Size of Holding	2018 No of Holders	2018 % of Holders	2018 % of Capital	2017 No of Holders	2017 % of Holders	2017 % of Capital
Shareholdings						
1 - 5 000	863	58,7	0,2	943	58,2	0,2
5 001 - 10 000	210	14,3	2,2	253	15,6	2,2
10 001 - 50 000	263	17,9	7,9	301	18,6	7,9
50 001 - 100 000	48	3,3	4,1	51	3,1	4,1
100 001 and above	83	5,8	85,6	72	4,5	85,6
Total	1 467	100,0	100,0	1 620	100,0	100,0
Spread						
Public - South African	1439	98,1	71,0	1 598	98,6	66,0
Public - Non Residents	24	1,6	0,1	16	1,0	0,1
Treasury	1	0,1	6,4	1	0,1	7,3
Directors	3	0,2	22,5	5	0,4	26,7
Total	1 467	100,0	99,9	1 620	100,0	100,0
Status						
Dematerialised	1326	90,4	97,8	1 478	91,2	97,8
Certificated	141	9,6	2,2	142	8,8	2,2
Total	1 467	100,0	100,0	1 620	100,0	100,0
Other Large Investors						
Aylett & Co			11,43			9,16
Investec			6,05			5,54
Kagiso			9,19			5,17
Sanlam			9,79			7,47
Standard Bank			11,70			4,94

There are no undisclosed members with beneficial holdings of greater than 5% of the number of issued shares.

GROUP AND ASSOCIATED COMPANIES

At 30 June 2018

	Direct / Indirect	2018 Shares Held	2018 Shares Issued	2018 % of Shares Issued	2017 Shares Held	2017 Shares Issued	2017 % of Shares Issued
A Subsidiaries							
Plastic Packaging Segment *manufacture of plastic packaging*							
Bowler Plastics Proprietary Ltd Reg. No. 1997/012522/07	Direct	105	105	100,0%	105	105	100,0%
Gad-Tek Proprietary Ltd T/A Bowler Plastics KZN Reg. No. 2005/017408/07	Indirect	100	100	100,0%	100	100	100,0%
Property Segment *property owning*							
Hazra Properties Two Proprietary Ltd Reg. No. 1986/004497/07	Direct	300	300	100,0%	300	300	100,0%
Bowler Properties Two Proprietary Ltd Reg. No. 2000/000793/07	Direct	100	100	100,0%	100	100	100,0%
Postal Presents Proprietary Ltd Reg. No. 1983/011982/07	Direct	1	1	100,0%	1	1	100,0%
Number of entities by principal activity							
- plastic packaging				2			2
- property				3			3
All subsidiaries in the group are: - wholly owned - incorporated in South Africa							
Beverage Segment *SoftBev operates in the manufacturing, sales and distribution of non-alcoholic beverages, nationally. This investment is not considered strategic to the company's activities.*							
B Associated companies							
SoftBev Proprietary Limited Reg. No. 2012/031847/07 - incorporated in South Africa - principle activity - beverages		274 754 093	663 963 008	41,38%	274 754 093	653 213 008	42,06%

C Structured entities

There are no structured entities in the group.

DIVIDEND DECLARATION

Notice is hereby given that a cash dividend of 21.54 cents per share ("cps") (2017: 22.7 cps) has been declared payable to shareholders on Monday, 29 October 2018.

The directors have confirmed that the company will satisfy the solvency and liquidity test immediately after the distribution. The dividend will be reflected in the interim results for the six months ended 31 December 2018.

Additional information pertaining to the cash dividend:

			cps
	Dividend declared		
○	Gross local cash dividend		21,54
○	STC credits set off (see below)		-
	Taxable dividend		21,54
○	Dividend Withholding Tax (DWT) at	20,0%	(4,31)
○	Net local cash dividend to shareholders liable for DWT		17,23
○	Shareholders exempt from DWT will receive a gross dividend of		21,54
	Other information		
○	The local cash dividend, as defined by the Income Tax Act, will be made from income reserves		
○	Income Tax reference number		9775130710
○	Number of ordinary shares in issue		87 624 108
○	Company registration number		1972/005921/06

Salient dates for the cash dividend are:

Last day to trade "cum" dividend	Tuesday	23 October 2018
List date	Wednesday	24 October 2018
Record date	Friday	26 October 2018
Payment date	Monday	29 October 2018

Share certificates may not be dematerialised or re-materialised from Wednesday, 24 October 2018 to Friday, 26 October 2018, both days inclusive.

Unless otherwise requested in writing, individual dividend cheques of less than R50 will not be paid but retained in the company's unclaimed dividend account. Accumulated unpaid dividends in excess of R200 may be claimed in writing from the Transfer Secretaries. Shareholders are urged to supply their banking details to the Transfer Secretaries and receive future payments by electronic transfer.

By order of the Board

CA Bothma
Company Secretary

Ottery
25 September 2018

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended ("the Act") that the twenty eighth Annual General Meeting (AGM) of shareholders of the company will be held at the company's head office, Harris Drive, Ottery, Cape at 09h00 on Wednesday 7 November 2018 for the purposes of considering and passing, with or without modification, the resolutions set out below, and to transact any other business as may be transacted at an annual general meeting.

Salient dates for the AGM

Last day to trade to be eligible to participate and vote	Tuesday	30 October 2018
Record date to determine shareholder's eligibility to vote	Friday	02 November 2018
Notification of intention of electronic participation	Monday	05 November 2018
Proxies to be submitted to the transfer secretaries by 09h00	Tuesday	06 November 2018
Date of AGM	Wednesday	07 November 2018

Ordinary Resolutions

Ordinary resolutions require the support of at least 50% of votes exercised by shareholders present or represented by proxy.

1 Ordinary Resolution Number One (Approval of Annual Financial Statements)

"Resolved that the Annual Financial Statements of the company for the year ended 30 June 2018, be and are hereby approved."

2 Ordinary Resolution Number Two (Endorsement of remuneration policy)

"Resolved that the company's remuneration policy as set out on pages 9 to 10 of this report for the year ended 30 June 2018, be and is hereby approved by way of a non-binding advisory vote."

3 Ordinary Resolution Number Three (Endorsement of the implementation report of remuneration policy)

"Resolved that the implementation report of the company's remuneration policy as set out on pages 9 to 10 of this report for the year ended 30 June 2018, be and is hereby approved by way of a non-binding advisory vote."

4 Ordinary Resolution Number Four (Re-election of Director)
(refer page 4 for his abridged curricula vitae)

"Resolved that Mr Michael Brain, who retires as a director in terms of the company's memorandum of incorporation, but being eligible, and who offers himself for re-election, be and is hereby re-elected as director of the company."

5 Ordinary Resolution Number Five (Re-election of Director)
(refer page 4 for her abridged curricula vitae)

"Resolved that Ms Sarah Jane Gillet, who retires as a director in terms of the company's memorandum of incorporation, but being eligible, and who offers herself for re-election, be and is hereby re-elected as director of the company."

6 Ordinary Resolution Number Six (Re-election of Director)
(refer page 4 for his abridged curricula vitae)

"Resolved that Mr Brian James Frost, who retires as a director in terms of King IV, but being eligible, and who offers himself for re-election, be and is hereby re-elected as director of the company."

7 Ordinary Resolution Number Seven (Director's authority to negotiate and sign)

"Resolved that any one of the directors of the Company be and are hereby authorised to negotiate on behalf of the Company and sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in this notice convening the annual general meeting at which this Ordinary Resolution Number Seven is considered."

8 Ordinary Resolution Number Eight (Reappointment of auditors)

On the recommendation of the Audit and Risk Committee, "It is resolved that Mazars be and are hereby reappointed as auditors until the conclusion of the next annual general meeting of the company."

9 Ordinary Resolution Number Nine (Reappointment of Audit and Risk Committee)

The Audit and Risk Committee consists of at least three non-executive directors as set out on the inside front cover whose appointment needs to be approved annually.

9,1 "Resolved that Mr Craig Mac Gillivray, an incumbent member and chairman of the Audit and Risk Committee, be and is hereby reappointed to the committee until the conclusion of the next annual general meeting of the company."

9,2 "Resolved that Mr Brian Frost, an incumbent member of the Audit and Risk Committee and chairman of the Board, be and is hereby reappointed to the committee until the conclusion of the next annual general meeting of the company."

9,3 "Resolved that Ms Sarah Gillett, an incumbent member of the Audit and Risk Committee, be and is hereby reappointed to the committee until the conclusion of the next annual general meeting of the company."

Special Resolutions

Special resolutions require the support of at least 75% of votes exercised by shareholders present or represented by proxy.

10 **Special Resolution Number One (General authority to repurchase shares)**

"Resolved that the company or any of its subsidiaries be and are hereby authorised to acquire, from time to time, as a general repurchase, up to 20% of the issued ordinary shares of the company from any person whatsoever (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), upon such terms and conditions and in such amounts as the directors of the Company from time to time may determine, in terms of and subject to the Act and the Listings Requirements from time to time of the JSE Stock Exchange South Africa ("JSE"), and:

10,1 any such acquisition of ordinary shares shall be implemented on the open market of the JSE on terms determined by the Board of Directors of the Company;

10,2 this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution Number One;

10,3 a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three per cent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three per cent) threshold is reached, which announcement shall contain full details of such acquisitions;

10,4 acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty per cent) of the Company's issued ordinary share capital from the date of the grant of this general authority;

10,5 in determining the price at which the Company's shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten per cent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company;

10,6 the consolidated assets of the Company, valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company;

10,7 the Company shall have adequate capital; and

10,8 the working capital of the Company will be adequate for the Company's next year's operations."

Statement by the Board of Directors of the Company

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state that:

a. the intention of the directors of the Company is to utilise the authority if at some future date the cash resources of the Company are in excess of it's requirements. In this regard the directors will take account of, *inter alia* , an appropriate capitalisation structure for the Company, the long-term cash needs of the Company and will ensure that any such utilisation is in the interests of shareholders;

b. the method by which the Company intends to re-purchase it's shares, the maximum number of shares to be re-purchased and the date on which such re-purchase will take place, has not yet been determined; and

c. after considering the effect of a maximum permitted re-purchase of shares, the company is, at the date of this notice convening the annual general meeting of the Company, unable to fully comply with paragraph 5.133 (c) (referred to below) of the Listings Requirements of the JSE, however, at the time that the contemplated re-purchase is to take place, the directors of the Company will ensure that:

the Company will be able to repay its debts;

the consolidated assets of the Company , valued in accordance with International Financial Reporting Standards, will be in excess of consolidated liabilities of the

the issued capital of the Company will be adequate for the purposes of the business of the Company and its subsidiaries for the next twelve months; and

the working capital available to the Company and its subsidiaries will be sufficient for the Company's requirements for the next twelve months.

11 **Special Resolution Number Two (Provision of financial assistance)**

"Resolved as a special resolution pursuant to Section 45(3) of the Companies Act, as amended ("the 2008 Act"), that the directors of the company be and are hereby authorised and empowered, as a general approval contemplated in Section 45(3) of the 2008 Act, to cause the company to provide any direct or indirect financial assistance to any related company or inter-related company, subject and in accordance with the provisions of Section 45(3)(b) of the 2008 Act."

12 **Special Resolution Number Three (Non-executive directors fees)**

"Resolved as a special resolution that, unless otherwise determined by the company in a general meeting, the annual fees payable by the company to its non-executive directors be approved as follows:

Years ending	**30-Jun-18 R'000**	**30-Jun-19 R'000**	**30-Jun-20 R'000**
Board			
Chair	298	360	374
Vice Chair / Independent Lead Director	298	310	322
Member	190	198	206
Audit and Risk Committee			
Chair	107	111	115
Member	71	74	77
Remuneration Committee			
Chair	95	111	115
Member	71	74	77
Social and Ethics Committee			
Chair	71	100	104
Member	71	74	77

Proxies

A proxy, who need not be a Bowler Metcalf shareholder, may be appointed to attend, speak and vote at the annual general meeting in the place of a shareholder who is entitled to attend and vote at the annual general meeting and who is not in a position to attend the annual general meeting.

A proxy may only be appointed by a Bowler Metcalf shareholder who falls within one of the following categories:
- a certificated shareholder; or
- nominee

A form of proxy is attached for the convenience of such a shareholder. The form of proxy should be completed and returned so as to reach the transfer secretaries, Computershare Investor Services (Pty) Limited, Rosebank Towers, 15 Bermann Avenue, Rosebank, 2196 (P O Box 61051, Marshalltown, 2107) by 09h00 on Tuesday, 6 November 2018. [If a form of proxy is not received by such date, it may be handed to the Chairman of the general meeting not later than ten minutes before the commencement of the annual general meeting prior to the shareholder exercising any rights of a shareholder at the AGM.]

Dematerialised shareholders other than dematerialised shareholders with “own name” registration who are unable to attend the annual general meeting and wish to be represented thereat must provide their CSDP or stockbroker with their voting instruction in terms of the safe custody agreement entered into between themselves and the CSDP or stockbroker in the manner and time stipulated therein.

Dematerialised shareholders other than dematerialised shareholders with “own name” registration who wish to attend the general meeting must instruct their CSDP or stockbroker to issue them with the necessary authority to attend.

By order of the Board

CA Bothma
Company Secretary
Ottery
25 September 2018

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

FORM OF PROXY

FOR USE BY CERTIFICATED AND OWN NAME DEMATERIALISED SHAREHOLDERS AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT 09:00 ON WEDNESDAY, 7 NOVEMBER 2018 AT THE COMPANY'S HEAD OFFICE, HARRIS DRIVE, OTTERY, CAPE TOWN.

Note: Dematerialised shareholders without own name registration must **not** use this form. Dematerialised shareholders without own name registration who wish to vote by way of proxy at the general meeting, must provide their CSDP or broker with their voting instructions **by the cut-off time and date advised by the CSDP or broker for instructions of this nature** as specified in the custody agreement entered into between such shareholder and their CSDP or broker, in order for such CSDP or broker to vote in accordance with such instructions at the general meeting.

I/We ______________________________

of ______________________________

being the registered holder/s of ____________ ordinary shares in Bowler Metcalf, appoint (see note 1):

1. ______________________ of ______________________ or, failing him/her,

2. ______________________ of ______________________ or, failing him/her,

3. the Chairman of the annual general meeting,

as my/our proxy to act for me/us on my/our behalf at the general meeting which will be held at 09:00 on Wednesday, 7 November 2018 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for or against the said resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

		For	Agai	Abstain
Ordinary Resolution Number One (Approval of Annual Financial Statements)				
Ordinary Resolution Number Two (Endorsement of remuneration policy)				
Ordinary Resolution Number Three (Endorsement of the implementation report of remuneration policy)				
Ordinary Resolution Number Four (Re-election of Director)				
Ordinary Resolution Number Five (Re-election of Director)				
Ordinary Resolution Number Six (Re-election of Director)				
Ordinary Resolution Number Seven (Director's authority to negotiate and sign)				
Ordinary Resolution Number Eight (Reappointment of auditors)				
Ordinary Resolution Number Nine (Reappointment of Audit and Risk Committee)				
9,1	**Mr Craig Mac Gillivray**			
9,2	**Mr Brian Frost**			
9,3	**Ms Sarah Gillett**			
Special Resolution Number One (General authority to repurchase shares)				
Special Resolution Number Two (Provision of financial assistance)				
Special Resolution Number Three (Non-executive directors fees)				

Signed at ______________________ on ______________________

Signature ______________________________

Each shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholders of the Company), to attend, speak and vote in his/her stead at the annual general meeting.

Please read the notes on the reverse side hereof.

Notes:

1 A shareholder may insert the name or names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the Chairman of the annual general meeting". The person whose name appears first on the form of proxy and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.

2 A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided and the manner in which that shareholder wishes to vote. Failure to comply herewith will be deemed to authorise the proxy to vote at the annual general meeting as he/she deems fit in respect of the shareholder's votes exercisable thereat, but where the proxy is the Chairman, failure to so comply will be deemed to authorise the Chairman to vote in favour of the special resolutions and ordinary resolution. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy.

3 Forms of proxy must be lodged at or posted to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Rosebank Towers, 15 Bermann Avenue, Rosebank, 2196 (P O Box 61051, Marshalltown, 2107), to be received by no later than 09:00 on Tuesday, 6 November 2018.

4 The completion and lodging of this form of proxy will not preclude the shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.

5 This form of proxy shall be valid for any adjournment of the general meeting as well as for the general meeting to which it relates, unless the contrary is stated therein.

6 A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid, notwithstanding:
– the previous death, insanity, or any other legal disability of the person appointing the proxy; or
– the revocation of the proxy; or
– the transfer of a share in respect of which the proxy was given,

unless notice as to any of the abovementioned matter shall have been received by the Company at its registered office or by the Chairman of the general meeting at the place of the general meeting if not held at the registered office, before the commencement or resumption (if adjourned) of the general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.

7 The authority of a person signing this form of proxy:
7,1 under a power of attorney; or
7,2 on behalf of a company, must be attached to the form of proxy unless the full power of attorney has already been received by the transfer secretaries.

8 Where shares are held jointly, all joint holders must sign.

9 The Chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received, other than in accordance with these notes and instructions, provided that the Chairman is satisfied as to the manner in which the shareholder wishes to vote.

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