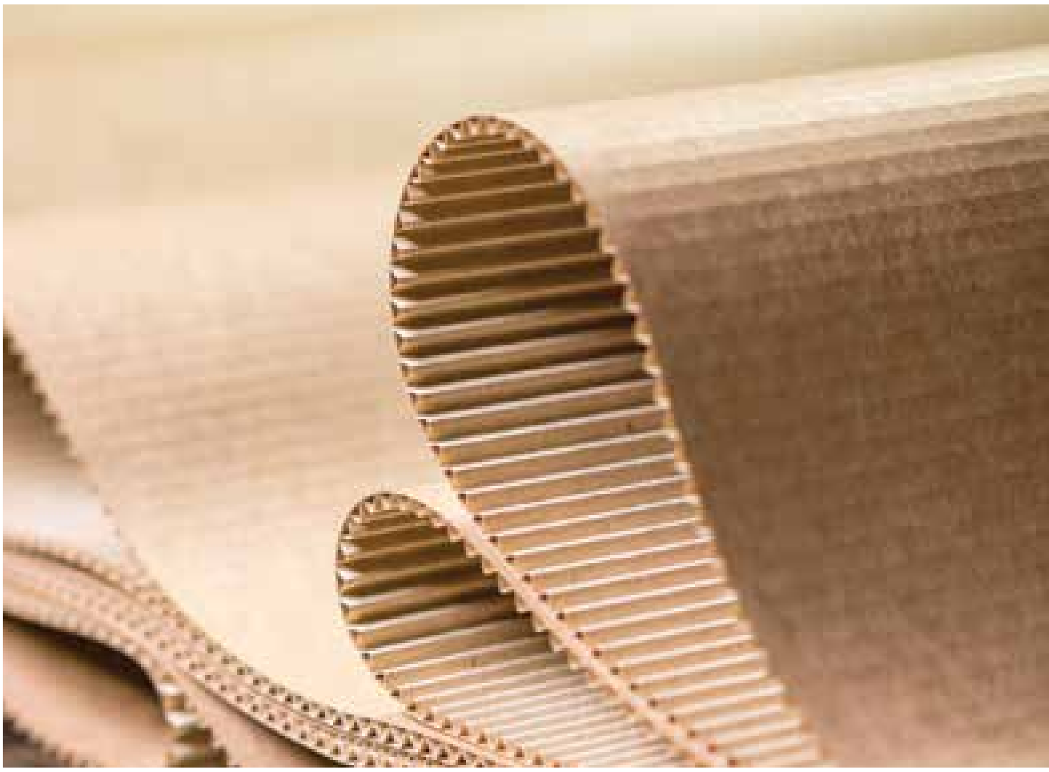
smarter, sustainable solutions



Mpact Limited Audited Annual Financial Statements

for the year ended 31 December

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DIRECTORS' RESPONSIBILITY STATEMENT AND BASIS OF PREPARATION

The directors are responsible for preparing the annual financial statements in accordance with applicable laws and regulations.

These audited financial statements have been prepared using accounting policies compliant with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are in compliance with the Companies Act of South Africa.

The preparation of these annual financial statements for the year ended 31 December 2017 was supervised by the Chief Financial Officer, Mr BDV Clark CA(SA).

In preparing the Company's financial statements, International Accounting Standard 1, "Presentation of Financial Statements", requires that the directors:

- select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosure when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

APPROVAL OF THE FINANCIAL STATEMENTS

The directors confirm, that to the best of their knowledge, the Company's financial statements are prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, fairly present the assets, liabilities, financial position and profit of the Company.

The directors believe that the Company has adequate resources to continue in operation for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

The financial statements and related notes, which appear on pages 11 to 29 were approved by the Board of Directors and authorised for issue on 6 March 2018 and were signed on its behalf by:

AJ Phillips
Chairman

BW Strong
Chief Executive Officer

CERTIFICATE BY COMPANY SECRETARY

In terms of section 88(2)(e) of the Companies Act, I certify that Mpact Limited has lodged with the Companies and Intellectual Property Commission all such returns, as are required of a company in terms of the Act and, that such returns are true, correct and up to date.

Noriah Sepuru
Company Secretary

6 March 2018

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report on the annual financial statements of Mpact Limited ("Mpact or Company") for the year ended 31 December 2017.

NATURE OF BUSINESS

Mpact is one of the largest paper and plastics packaging businesses in Southern Africa, with leading market positions in recovered paper collection, corrugated packaging, recycled-based cartonboard and containerboard, polyethylene-terephthalate ("PET") preforms and trays, recycled PET ("rPET") and plastic jumbo bins.

Mpact Limited acts as a holding company for local and foreign investments and properties used within the Mpact Group.

Mpact Limited is incorporated in the Republic of South Africa and is listed on the JSE.

STATED CAPITAL

The authorised share capital is 217,500,000 ordinary shares of no par value.

On 31 December 2017 the issued share capital of the Company was 171,461,623 ordinary shares of no par value (2016: 168,485,360 ordinary shares of no par value).

REGISTER OF SHAREHOLDERS

The register of shareholders of the company is open for inspection to members and the public, during normal office hours, at the office of the company's transfer secretaries, Link Market Services South Africa Proprietary Limited.

CASH DIVIDEND AND CAPITALISATION SHARE ALTERNATIVE

Scrip distribution and cash dividend alternative

1. Introduction

Notice is hereby given that the Board has declared a final distribution for the year ended 31 December 2017, by way of the issue of fully-paid Mpact ordinary shares of no par value each ("the Scrip Distribution") as a scrip distribution payable to ordinary shareholders ("Shareholders") recorded in the register of the Company at the close of business on the Record Date, being Thursday, 29 March 2018.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 40 cents per ordinary share *in lieu* of the Scrip Distribution, which will be paid only to those Shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Thursday, 29 March 2018 ("the Cash Dividend").

The Cash Dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all Shareholders not exempt therefrom, after deduction of which the net Cash Dividend is 32 cents per Mpact ordinary share.

The new ordinary shares will, pursuant to the Scrip Distribution, be settled by way of capitalisation of the Company's distributable retained profits.

The Company's total number of issued ordinary shares as at 6 March 2018 is 171,461,623. Mpact's income tax reference number is 9003862175.

2. Terms of the Scrip Distribution

The number of Scrip Distribution shares to which each of the Shareholders will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Mpact (at the close of business on the Record Date, being Thursday, 29 March 2018 in relation to the ratio that 40 cents bears to the volume weighted average price ("VWAP") of an ordinary Mpact share traded on the JSE during the 30-day trading period ending on Thursday, 15 March 2018). Where a Shareholder's entitlement to new Mpact ordinary shares calculated in accordance with the above formula gives rise to a fraction of a new ordinary share, such fraction of a new ordinary share will be rounded down to the nearest whole number, resulting in allocations of whole ordinary shares and a cash payment for the fraction.

The applicable cash payment will be determined with reference to the VWAP of an ordinary Mpact share traded on the JSE on Tuesday, 27 March 2018, (being the day on which an ordinary Mpact share begins trading "ex" the entitlement to receive the Scrip Distribution or the Cash Dividend alternative), discounted by 10%.

The applicable cash payment will be announced on the Stock Exchange News Service ("SENS") on Wednesday, 28 March 2018.

Details of the ratio will be announced on the SENS of the JSE in accordance with the timetable below.

3. Circular and salient dates

Shareholders are advised that a circular, setting out, inter alia, the terms of the Scrip Distribution and Cash Dividend (and including a Form of Election) will be posted to shareholders on Friday, 9 March 2018 ("the Circular"). The Circular is also available on the Company's website, www.mpact.co.za. The salient dates for the proposed Scrip Distribution and Cash Dividend, also contained in the Circular, are as follows:

	2018
Announcement released on the SENS in respect of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 15 March 2018, by 11h00 on	Friday, 16 March
Announcement published in the press of the ratio applicable to the Scrip Distribution, based on the 30-day volume weighted average price ending on Thursday, 15 March 2018 on	Monday, 19 March
Last day to trade in order to be eligible for the Scrip Distribution and the Cash Dividend alternative	Monday, 26 March
Ordinary shares trade "ex" the Scrip Distribution and the Cash Dividend alternative on	Tuesday, 27 March
Listing and trading of maximum possible number of ordinary shares on the JSE in terms of the Scrip Distribution from the commencement of business on	Tuesday, 27 March
Announcement released on the SENS in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price on Tuesday, 27 March 2018, discounted by 10%, by 11h00 on	Wednesday, 28 March
Last day to elect to receive the Cash Dividend alternative instead of the Scrip Distribution, Forms of Election to reach the Transfer Secretaries by 12h00 on	Thursday, 29 March
Record Date in respect of the Scrip Distribution and the Cash Dividend alternative	Thursday, 29 March
Scrip Distribution certificates posted and Cash Dividend payments made, CSDP/broker accounts credited/ updated, as applicable, on	Tuesday, 3 April
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative released on the SENS on	Tuesday, 3 April
Announcement relating to the results of the Scrip Distribution and the Cash Dividend alternative published in the press on	Wednesday, 4 April
JSE listing of ordinary shares in respect of the Scrip Distribution adjusted to reflect the actual number of ordinary shares issued in terms of the Scrip Distribution at the commencement of business on or about	Thursday, 5 April

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on the SENS.

Share certificates may not be dematerialised or rematerialised between Tuesday, 27 March 2018 and Thursday, 29 March 2018, both days inclusive.

INVESTMENT PROPERTY

At 31 December 2017, the net investment in property amounted to R257.6 million (2016: R182.2 million), details of which are set out in note 5 to the annual financial statements. Capital commitments at year-end for the Company amounted to R22.3 million (2016: R23.6 million), set out in note 17.

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant or material subsequent events which would require adjustment to or disclosure of in the annual financial statements.

DIRECTORS

The following directors have held office during the year ended 31 December 2017 and to the date of this report:

AJ Phillips *(Chairman)*	Independent non-executive
NP Dongwana	Independent non-executive
NB Langa-Royds	Independent non-executive
M Makanjee	Independent non-executive
TDA Ross	Independent non-executive
AM Thompson	Independent non-executive
BW Strong *(Chief Executive Officer)*	Executive
BDV Clark *(Chief Financial Officer)*	Executive

COMPANY SECRETARY

The company secretary of Mpact Limited is MN Sepuru.

Registered Office	**Postal address**
4th Floor	Postnet Suite #179
3 Melrose Boulevard	Private Bag X1
Melrose Arch, 2196	Melrose Arch, 2076

AUDITOR

Deloitte & Touche is the appointed auditor to the company, with MH Holme the designated auditor.

SPECIAL RESOLUTIONS PASSED BY SUBSIDIARY COMPANIES

Notwithstanding the title of section 45 of the Companies Act, 71 of 2008, being "Loans or Other Financial Assistance to Directors" on an interpretation thereof, the body of the section also applies to financial assistance provided by the company to any related or inter-related company or corporation and a member of a related or inter-related corporation.

On 2 March 2017, all the subsidiaries of the company passed special resolutions to authorise the companies to provide any direct or indirect financial assistance, including by way of lending money, guaranteeing a loan, or other obligations as it may be required or otherwise to any of its present or future related or inter-related companies or corporations for such amounts and such terms and conditions as the Board/s may determine.

Details of subsidiaries are included in the interest in subsidiaries, set out in note 23.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("the committee") operates on a Company-wide basis. The committee, in terms of the Companies Act of South Africa, and King IV, has the responsibility, among other things, for monitoring the integrity of Mpact's financial statements. It also has the responsibility for reviewing the effectiveness of the Company's system of internal controls and risk management systems. An internal audit function has been established which is responsible for advising the Board of Directors on the effectiveness of the Company's risk management process.

The committee oversees the relationship with the external auditors; is responsible for their appointment and remuneration; reviews the effectiveness of the external audit process; and ensures that the objectivity and independence of the external auditors is maintained.

The committee has concluded that it is satisfied that auditor independence and objectivity has been maintained.

The comprehensive report of the committee is included on pages 6 to 8.

BOARD OF DIRECTORS' STATEMENT OF EFFECTIVENESS OF CONTROLS

Based on the recommendation of the Audit and Risk Committee, nothing has come to the attention of the Board that caused it to believe that the Company's system of internal control and risk management is not effective, or that the internal controls do not form a sound basis for the preparation of reliable financial statements.

GOING CONCERN

The directors consider that the Company has adequate resources to continue operating for the foreseeable future and that it is, therefore, appropriate to adopt the going concern basis in preparing the financial statements. The directors have satisfied themselves that the Company is in a sound financial position, and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

INTEREST OF DIRECTORS IN SHARE CAPITAL

The aggregate beneficial holdings as at 31 December 2017 and 31 December 2016 of the directors and prescribed officers of the company in the issued ordinary shares of the company are detailed below. There have been no material changes in these shareholdings between 31 December 2017 and 6 March 2018, the date of approval.

	2017		2016	
	Direct number of shares	Indirect number of shares	Direct number of shares	Indirect number of shares
Executive director				
BW Strong	**497,699**	**–**	420,489	–
BDV Clark	**–**	**77,678**	–	18,890
Non-executive director				
AJ Phillips	**8,703**	**1,486**	8,502	1,448
Total	**506,402**	**79,164**	428,991	20,338

There are no associate interests for the above directors.

INTEREST IN SHARE CAPITAL

	29 December 2017		30 December 2016	
	Number of shares	% of total issued share capital	Number of shares	% of total issued share capital
Major shareholders (5% and more of the shares in issue)				
Allan Gray	**35,847,426**	**20.95**	15,671,309	7.33
Prudential Investment Managers	**22,170,664**	**12.96**	19,674,921	11.68
Public Investment Corporation	**18,832,463**	**11.01**	19,412,239	11.52
Visio Capital Management	**11,038,019**	**6.45**	22,058,268	13.09

AUDIT AND RISK COMMITTEE REPORT

INTRODUCTION

The Audit and Risk Committee has pleasure in submitting its report for the year ended 31 December 2017 in compliance with section 94(7) of the Companies Act.

The Audit and Risk Committee acts for the Company and all its subsidiaries, and is an independent entity accountable to the Board. It operates within a documented charter and complies with all relevant legislation, regulation and governance codes and executes its duties in terms of the requirements of King IV.

The committee's terms of reference were approved by the Board and are reviewed annually.

COMPOSITION

The Audit and Risk Committee comprises three non-executive directors, all of whom are independent. Tim Ross is the Chairman and Neo Dongwana and Andrew Thompson are the current members. The CEO, the CFO, the Head of ICT, the Group Risk and Sustainability Manager, a representative of KPMG, the independent Internal Auditor, and a representative of Deloitte & Touche, the independent External Auditor, and other senior managers all attend meetings by invitation.

The committee members are appointed annually by the shareholders at the Annual General Meeting.

MEETINGS

The Audit and Risk Committee held four meetings during the year. Members attended all meetings of the committee during the year.

COMMITTEE ACTIVITIES

The Audit and Risk Committee attended to the following during the year:

External auditors

The committee reviewed the independence of Deloitte & Touche as the Group's external auditor with MH Holme as the independent individual registered auditor who undertook the Group's audit for the current year. The committee considered all information as required by the JSE Listings Requirements in assessing Deloitte & Touche's re-appointment and the registered auditor's appointment.

After considering the below factors and the auditor's tenure, the committee is satisfied that Deloitte & Touche is independent.

The committee proposes the re-appointment of Deloitte & Touche as External Auditor. Following the mandatory rotation of MH Holme, the committee has proposed SJ Nelson as the new individual registered auditor and shareholders of the Group are requested to vote at the Annual General Meeting.

Independence of external auditors

This assessment was made after considering the following:

- Confirmation from the external auditors that they, or their immediate family, do not hold any significant direct or indirect financial interest or have any material business relationship with Mpact. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence.
- The auditors do not, other than in their capacity as external auditors or rendering permitted non-audit services, receive any remuneration or other benefits from Mpact.
- The auditor's independence was not impaired by the non-audit work performed having regard to the quantum of audit fees relative to the total fee based on and the nature of the non-audit work undertaken.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements.
- The criteria specified for independence by the Independent Regulatory Board for Auditors.
- The audit firm and the designated auditor are accredited with the JSE.

The committee confirms that the external auditor has functioned in accordance with its terms of reference for the 2017 financial year.

External auditors' fees

The committee:

- approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2017 financial year;
- reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit service policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External auditor's performance

The committee:

- Reviewed and approved the external audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable.
- Monitored the effectiveness of the external auditors in terms of audit quality and expertise.
- Reviewed the external audit reports and management's response, considered their effect on the financial statements and internal financial control.

Financial statements

The committee reviewed the interim results and year-end Company and Group financial statements, including the public announcements of the Group's financial results, and made recommendations to the Board for their approval. In the course of its review, the committee:

- took appropriate steps to ensure that the financial statements were prepared in accordance with IFRS;
- considered the appropriateness of accounting policies and disclosures made;
- in accordance with the JSE Listing Requirements approved the Group financial reporting procedure; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the financial statements.

The committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the financial statements, nor internal financial controls and related matters.

Significant matters

The figures disclosed in the annual financial statements in certain circumstances are arrived at using judgement. These are explained in detail in the accounting policies. The committee has considered the qualitative and quantitative aspects of the information presented in the statement of financial position and other items that require significant judgement.

Internal audit

The committee:

- Reviewed and approved the existing internal audit charter, which ensures that the Group's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties.
- Satisfied itself of the credibility, independence and objectivity of the internal audit function.
- Ensured that internal audit had direct access to the committee, primarily through the committee's Chairman.
- Reviewed and approved the annual internal audit plan, ensuring that material risk areas were included and that the coverage of significant business processes was acceptable.
- Reviewed the quarterly internal audit reports, covering the effectiveness of internal control, material fraud incidents and material non-compliance with Mpact's policies and procedures. The committee is advised of all internal control developments and advised of any material losses, with none being reported during the year.
- Considered and reviewed with management and internal auditors, any significant findings and management responses thereto in relation to reliable financial reporting, corporate governance and effective internal control to ensure appropriate action is taken.
- The internal audit function provided a written assessment of the effectiveness of the Company's system of internal controls and confirmed that, based on their results of work undertaken, they provided reasonable assurance regarding adequacy and effectiveness of systems of internal control.

The committee has reviewed the independence of KPMG and the audit executive of internal audit as the Group's internal auditor and is satisfied with their independence.

Internal financial control and compliance

The committee:

- Reviewed and approved the existing treasury policy and reviewed the quarterly treasury reports prepared by management.
- Reviewed the quarterly legal and regulatory reports setting out the latest legislative and regulatory developments impacting the Group.
- Reviewed the quarterly report on taxation.
- Reviewed IT reports.
- Considered and, where appropriate, made recommendations on internal financial control.
- Monitored the outsourced internal audit service provided by KPMG internal audit, risk and compliance services.

KPMG performed the internal audit for the year ended 31 December 2017 and provided a written assessment of the effectiveness of Mpact's system of internal controls. A combined assurance model and risk management processes are a work in progress; risk management will be assessed as the function matures.

Risk management

Management is regularly developing and enhancing the Group's risk and control procedures to improve the mechanisms for identifying, assessing and monitoring risks given that effective risk management is integral to the Group's objective of consistently adding value to the business. The Board approves strategies and budgets and monitors progress against the budget. It also considers the identified business risks.

Risk management is addressed in the areas of physical and operational risks, human resource risks, technology risks, business continuity and disaster recovery risks, credit and market risks and compliance risks.

The Company has implemented several policies and procedures to manage its governance, operations and information systems with regard to the:

- reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with laws, regulations and contracts.

The committee assessed the effectiveness of the controls and determined how well management perceived the identified controls. The Likelihood Rating Tables and Potential Loss Impact Rating were reviewed and approved.

The Risk Management Review is available on the website, www.mpact.co.za.

Combined assurance

A combined assurance map was developed by management in collaboration with internal audit and external audit. The mapping was compiled to help understand the level of coverage achieved by each assurance provider in terms of the third level of defence in the Combined Assurance Model. Although, the committee approved the Integrated Risk Assurance Framework it is noted that further improvements will be incorporated in the combined assurance map.

INTEGRATED REPORT

The committee fulfils an oversight role regarding the report and the reporting process. Accordingly, it has:

- considered the Integrated Report and has assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, and for consistency with the annual financial statements. The committee is satisfied that the Integrated Report is materially accurate, complete and reliable and consistent with the annual financial statements; and
- the committee has, at its meeting held on 1 March 2018, recommended the Integrated Report for the year ended 31 December 2017 to the Board for approval.

GOVERNANCE

The Board has assigned oversight of the risk management function to the committee, which has an oversight role with respect to financial reporting risks arising from internal financial controls, fraud and IT risks.

In line with the terms of the JSE Listings Requirements, the committee is satisfied that Brett Clark CA(SA) has the appropriate expertise and experience to meet the responsibilities of his appointed position as CFO as required by the JSE.

The committee is satisfied:

- that the resources within the finance function are adequate to provide the necessary support to the CFO; and
- with the expertise and experience of the Group Financial Manager.

In making these assessments, the committee has obtained feedback from the external and internal auditors.

Based on the processes and assurances obtained, the committee believes that the accounting practices are effective.

ASSURANCE

The Audit and Risk Committee confirmed that they were prudent in exercising their duties of care and skill and they have taken reasonable steps to ensure that they performed their duties in accordance with the mandate.

On behalf of the Audit and Risk Committee

Tim Ross
Audit and Risk Committee Chairman

6 March 2018

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF MPACT LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Mpact Limited ("the Company") set out on pages 11 to 29, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 Financial Statements section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. With reference to Mpact Limited, we are satisfied that no key audit matters exist in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa, which we obtained prior to the date of this Auditor's Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 that we 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 financial statements

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

In preparing the financial statements, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 separate financial statements.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, 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.

We also provide the Audit Committee 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 Audit Committee, we determine those matters that were of most significance in the audit of the 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 Deloitte & Touche has been the auditor of Mpact Limited for 13 years.

Deloitte & Touche
Registered auditor

Per: **MH Holme**
Partner

6 March 2018

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Notes	2017 R'm	2016 R'm
Rental income		**38.6**	25.5
Administration, other operating expenses and management fee income		**(14.2)**	(12.2)
Depreciation, amortisation and impairments		**(20.4)**	(13.6)
Operating profit	2	**4.0**	(0.3)
Net finance income	3	**249.9**	244.3
Investment income		**249.9**	245.1
Finance costs		**–**	(0.8)
Fair value gain	12	**–**	7.2
Profit before taxation		**253.9**	251.2
Income tax expense	4	**(73.8)**	(72.4)
Total comprehensive income for the year		**180.1**	178.8

STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Notes	2017 R'm	2016 R'm
ASSETS			
Investment property	5	**257.6**	182.2
Investments in and loans to subsidiaries	6	**6,464.7**	6,419.3
Investment in share trust	7	**49.3**	27.3
Deferred tax assets	11	**6.8**	4.8
Non-current assets		**6,778.4**	6,633.6
Other receivables	8	**8.3**	1.4
Cash and cash equivalents	9	**10.7**	0.7
Short-term portion of loans to subsidiaries	6	**9.0**	40.2
Current assets		**28.0**	42.3
Total assets		**6,806.4**	6,675.9
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	13	**2,621.4**	2,532.7
Retained earnings		**4,165.6**	4,130.6
Other reserves		**13.5**	(11.2)
Total equity		**6,800.5**	6,652.1
Trade and other payables	10	**4.6**	5.1
Current tax liabilities		**1.3**	4.2
Other current liabilities	12	**–**	14.5
Current liabilities		**5.9**	23.8
Total liabilities		**5.9**	23.8
Total equity and liabilities		**6,806.4**	6,675.9

STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	Notes	2017 R'm	2016 R'm
Cash flows from operating activities			
Operating cash flows before movements in working capital		**32.2**	19.8
Net increase in working capital		**(7.4)**	(4.6)
Cash generated from operations	16	**24.8**	15.2
Dividend income		**4.1**	3.5
Taxation paid		**(77.7)**	(67.2)
Net cash outflows from operating activities		**(48.8)**	(48.5)
Cash flows from investing activities			
Cash effect of group restructuring		**–**	3.0
Increase in investment in subsidiaries		**–**	(35.3)
Acquisition of subsidiaries		**–**	(38.6)
Addition to investment property	5	**(86.8)**	(15.5)
Loan repayments from related parties		**160.2**	108.0
Interest received from related parties		**62.6**	84.6
Net contributions in share incentive trust		**(30.7)**	18.9
Net cash inflows from investing activities		**105.3**	125.1
Cash flows from financing activities			
Finance costs paid		**–**	(0.8)
Dividends paid		**(46.5)**	(76.5)
Net cash outflows from financing activities		**(46.5)**	(77.3)
Net decrease in cash and cash equivalents		**10.0**	(0.7)
Cash and cash equivalents at beginning of year		**0.7**	1.4
Cash and cash equivalents at end of year	9	**10.7**	0.7

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

	Stated capital R'm	Share-based payment reserve R'm	Other reserves R'm	Retained earnings R'm	Total equity R'm
Balance at 31 December 2015	2,426.2	9.9	(21.7)	4,141.4	6,555.8
Total comprehensive income for the year	–	–	–	178.8	178.8
Dividends paid[1]	106.5	–	–	(183.0)	(76.5)
Share plan charges for the year (see note 14)	–	6.5	–	–	6.5
Issue/exercise of shares under employee share scheme	–	(5.9)	–	(6.6)	(12.5)
Balance at 31 December 2016	2,532.7	10.5	(21.7)	4,130.6	6,652.1
Total comprehensive income for the year	**–**	**–**	**–**	**180.1**	**180.1**
Dividends paid[1]	**88.7**	**–**	**–**	**(135.2)**	**(46.5)**
Share plan charges for the year (see note 14)	**–**	**7.8**	**–**	**–**	**7.8**
Issue/exercise of shares under employee share scheme	**–**	**(4.8)**	**–**	**(2.7)**	**(7.5)**
Put option held by non-controlling shareholder of subsidiary[2]	**–**	**–**	**21.7**	**(7.2)**	**14.5**
Balance at 31 December 2017	**2,621.4**	**13.5**	**–**	**4,165.6**	**6,800.5**

1 *Dividends declared amounted to R135.2 million (2016: R183.0 million) of which R88.7 million (2016: R106.5 million) related to a capitalisation issue (refer to note 13).*

2 *Derecognition of put option reserve as the option had expired. Refer to note 12.*

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited's Listings Requirements, and the requirements of the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except for derivative financial instruments, financial instruments at fair value through profit or loss and available for sale financial assets. The financial statements have been prepared on a going concern basis.

The annual financial statements are presented in South African Rand, which is the Company's functional currency. All financial information presented in Rand has been rounded off to the nearest million.

The annual financial statements are prepared on a historical cost basis. The basis of preparation is consistent with the prior year, except for new and revised standards adopted to the annual financial statements.

Revenue recognition

Rental income

Revenue is derived principally as a result of properties under operating leases. Revenue comprises rental charges adjusted for straight-lining effects of lease smoothing as per IAS 17 leases.

Investment income

Interest income, which is derived from cash and cash equivalents, and loans and receivables is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the Company's right to receive payment has been established.

Non-current, non-financial assets excluding goodwill, deferred tax and retirement benefit surplus

Investment property

Investment properties are held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation.

Depreciation is charged so as to write off the cost of assets, other than land and assets in the course of construction, over their estimated useful lives to their estimated residual values. Buildings have an estimated useful life of 20 to 25 years.

Residual value and useful lives are reviewed at least annually.

Investments in subsidiaries and share trust

Investments in subsidiaries and the share trust are carried at cost and adjusted for any impairment losses.

Tax

The tax expense represents the sum of the current tax charge and the movement in deferred tax.

Current tax

The current tax payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Dividend withholding tax is payable at a rate of 20% on dividends distributed to certain shareholders. This tax is not attributable to the Company, but is collected by the Company and paid to the tax authorities on behalf of the shareholders.

Deferred taxation

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the tax profit nor accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle their current tax assets and liabilities on a net basis.

1. ACCOUNTING POLICIES CONTINUED

Leases

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

Operating leases

Rental costs under operating leases are charged to the statement of comprehensive income in equal annual amounts over the lease term.

Foreign currency transactions and translation

Foreign currency transactions

Foreign currency transactions are recorded in their functional currencies at the exchange rates ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in the statement of other comprehensive income for the year and are classified as either operating or financing depending on the nature of the monetary items giving rise to them.

Share-based payments

The Company participates in a number of equity settled, share-based compensations, namely: Bonus share Plan (BSP) and Peformance Share Plan (PSP). The vesting condition of the BSP is continued employment for a period of three years. The vesting condition of the PSP is dependent on Total Shareholder Return and Return on Capital Employed and continued employment for a period of three years.

The fair value of the employee services received in exchange for the grant of share awards is recognised concurrently as an expense and an adjustment to equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, adjusted for market performance conditions and non-vesting conditions where applicable. Vesting conditions are included in assumptions about the number of awards that are expected to vest. At each reporting date, the Company revises its estimates of the number of share awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

During the vesting period, participants do not have shareholders' rights. Therefore participants do not have the right to vote nor the right to share in the dividend distribution.

The fair value of the shares granted have been calculated by an actuary using the Black-Scholes-Merton model. The share price volatility is based on the historical share price volatility over a similar period of the grant.

Financial instruments

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

Financial asset investments

Investments, other than investments in subsidiaries and associates, are either classified as available-for-sale or loans and receivables.

Loans and receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

Trade receivables

Trade receivables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less allowance for any impairment as appropriate.

Trade payables

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

Equity instruments and dividend payments

Equity instruments

An equity instrument is any contract which evidences a residual interest in the net assets of an entity.

Dividend payments

Dividend distributions to the Company's ordinary equity holders are recognised as a liability in the period in which the dividends are declared and approved. Final dividends are accrued when approved by the Board.

New accounting policies, early adoption and future requirements

Standards and Interpretations early adopted by the Company

There were no Standards or Interpretations early adopted by the Company in the current year.

Standards, amendments to published Standards and Interpretations effective during 2017

The Company has adopted the following Standards, amendments to published Standards during the current year, which had no significant impact on the Company's results:

- IAS 7 – Statement of cash flows

  This amendment requires the Company to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company does not have any liabilities arising from financing activities and therefore the disclosure is not applicable to the Company.

- IAS 12 – Income taxes

  The amendment clarifies that the Company needs to consider whether any tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendment provides guidance on how the Company should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount. This amendment has been adopted and does not have an impact on the Company.

Standards and amendments to published Standards and Interpretations that are not yet effective and have not been early adopted by the Company

The following Standards and amendments to published Standards and Interpretations, are not yet effective. The Company will adopt once the standards and amendments are effective:

- IFRIC 22 – Foreign currency transactions and advance considerations

  The amendment clarifies the exchange rate to use in transactions that involve advance consideration paid or received in foreign currency. The amendment is effective from 1 January 2018. This amendment does not affect the Company.

- IFRS 2 – Share-based payment

  An amendment on the classification and measurement of share-based payment transactions is effective from 1 January 2018. The amendment addresses the following:

  i) Effects of vesting conditions on cash settled share-based payments;

  ii) Accounting for modification of terms and conditions on cash settled share-based payments that changes to equity-settled payments;

  iii) Classification of share-based payments with net settled features.

  This amendment is not likely to have a significant impact on the Company.

- IFRS 9 – Financial instruments

  IFRS 9 introduced new requirements for classifying and measuring financial assets and financial liabilities and the derecognition of financial instruments. The standard also includes guidance on impairment of financial assets and hedge accounting. The Company has completed an impact assessment of IFRS 9 and no quantitative impact is expected on the adoption of the standard. The standard is effective from 1 January 2018.

- IFRS 15 – Revenue from contracts with customers

  IFRS 15 establishes principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It states that recognition of revenue should depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company has completed an impact assessment of IFRS 15 and no quantitative impact is expected on the adoption of the standard. The standard is effective from 1 January 2018.

- IFRS 16 – Leases

  IFRS 16 introduces a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value as defined. The Company is assessing the effects of IFRS 16 and cannot provide an estimate of the effects of the new lease standard until a detailed review has been performed. The standard is effective from 1 January 2019.

1. ACCOUNTING POLICIES CONTINUED

Accounting estimates and critical judgements

The preparation of the Company's financial statements includes the use of estimates and assumptions which affect certain items reported in the statement of financial position and the statement of comprehensive income. The disclosure of contingent assets and liabilities is also affected by the use of estimation techniques. Although the estimates used are based on management's best knowledge of current circumstances, future events and actions, actual results may differ from those estimates. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next financial year are discussed below:

Deferred tax assets

The recognition of deferred tax assets is based upon whether it is probable that taxable profits will be available in the future, against which the deductible temporary differences can be utilised. Management therefore exercises judgement in assessing the future financial performance of the company.

Share-based payment charges

The Company issues equity settled share-based payments to employees. Equity settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant. The fair value determined at the grant date of the equity settled share-based payments is expensed as services are rendered over the vesting period, based on the Company's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. The share payment expense relating to the awards of performance shares to the Company's executive directors and selected employees is based on the achievement of financial and service conditions. The probability of these conditions being achieved is estimated using an option pricing model.

Valuation of financial instruments

The fair value of financial instruments, excluding derivative instruments, not traded in active, liquid and organised financial markets is determined using a variety of valuation methods and assumptions that are based on market conditions and risks existing at the reporting date, including independent appraisals and discounted cash flow methods.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	2017 R'm	2016 R'm
2. OPERATING PROFIT		
Operating profit for the year has been arrived at after charging/(crediting):		
Depreciation of investment property (see note 5)	**11.4**	7.0
Impairment of investment (see note 6)	**9.0**	6.6
Auditors remuneration – audit fees	**2.1**	1.9
Staff costs (excluding directors' emoluments)	**0.7**	4.5
Share-based payments	**7.8**	6.5
Executive directors' emoluments (excluding value of deferred bonus shares awarded)	**11.1**	11.2
Management fee income	**(16.9)**	(16.4)
3. NET FINANCE INCOME		
Investment income		
Bank deposits and loan receivables	**0.1**	2.2
Interest from loans to subsidiaries	**245.7**	235.0
Total interest income	**245.8**	237.2
Dividends – subsidiary companies	**4.1**	7.9
Total investment income	**249.9**	245.1
Finance costs		
Interest paid to SARS	**–**	(0.8)
Total interest expense	**249.9**	244.3
4. INCOME TAX EXPENSE		
Analysis of tax charge for the year		
South African corporate tax		
– current year	**77.1**	71.9
– prior year	**(0.1)**	(0.8)
– security transfer tax	**0.2**	0.1
Current tax	**77.2**	71.2
Deferred tax in respect of the current year	**(3.4)**	0.1
Deferred tax in respect of prior year	**–**	1.1
Total tax charge	**73.8**	72.4
Factors affecting tax charge for the year		
The Company's effective rate of tax for the year ended 31 December 2017, calculated on profit before tax and including net income from investees is 29.1% (2016: 28.8%).		
The Company total tax charge for the year can be reconciled to the tax on the Company's profit before tax at the South African corporation tax rate of 28% (2016: 28%) as follows:		
Profit before tax	**253.9**	251.2
Tax on profit before tax calculated at the South African corporation tax rate	**71.1**	70.3
Tax effects of:		
Expenses not deductible for tax purposes		
Other non-deductible expenses	**–**	0.2
Legal and professional costs	**1.2**	0.8
Impairment of investment	**2.5**	1.9
Non-taxable income		
Other non-taxable income	**–**	(1.7)
Non-taxable dividend	**(1.1)**	(2.3)
Temporary difference adjustments		
Prior period tax losses and other temporary differences not previously recognised	**–**	1.1
Withholding tax	**0.2**	0.1
Prior year adjustment current tax	**(0.1)**	(0.8)
Other adjustments	**–**	2.8
Tax charge for the year	**73.8**	72.4

5. INVESTMENT PROPERTY

	Land and buildings R'm	Assets in the course of construction R'm	Total R'm
2017			
Cost			
At 1 January	**226.2**	**1.2**	**227.4**
Additions	**85.5**	**1.3**	**86.8**
At 31 December 2017	**311.7**	**2.5**	**314.2**
Accumulated depreciation			
At 1 January	**45.2**	**–**	**45.2**
Depreciation	**11.4**	**–**	**11.4**
At 31 December 2017	**56.6**	**–**	**56.6**
Net book value at 31 December 2017	**255.1**	**2.5**	**257.6**
2016			
Cost			
At 1 January	131.6	29.0	160.6
Group restructure	51.3	–	51.3
Additions	15.5	–	15.5
Transfers out of assets in the course of construction	27.8	(27.8)	–
At 31 December 2016	226.2	1.2	227.4
Accumulated depreciation			
At 1 January	38.2	–	38.2
Depreciation	7.0	–	7.0
At 31 December 2016	45.2	–	45.2
Net book value at 31 December 2016	181.0	1.2	182.2

The fair value of the investment properties are R451.5 million (2016: R339.1 million).

The land and building are pledged as security in respect of bank loans of Mpact Operations (Pty) Ltd.

The net book value of land and buildings comprises:

	2017 R'm	2016 R'm
Freehold	**255.1**	181.0
Total land and buildings	**255.1**	181.0

A register of land and buildings and of leased assets is open for inspection upon prior arrangement at the registered office of the company.

6. INVESTMENTS IN AND LOANS TO SUBSIDIARIES

		2017 R'm	2016 R'm
Unlisted	**Country of incorporation**		
Mpact Operations (Pty) Limited	South Africa	**4,455.8**	4,455.8
Mpact Namibia (Pty) Limited	Namibia	**22.6**	22.6
Embalagens Mpact LDA	Mozambique	**0.9**	0.9
Total shares at cost		**4,479.3**	4,479.3
Loans advanced		**1,985.4**	1,940.0
		6,464.7	6,419.3

6. INVESTMENTS IN AND LOANS TO SUBSIDIARIES CONTINUED

Refer to the interest in subsidiaries on note 23 for details of the investment in subsidiary companies. The investment in Mpact Operations (Pty) Ltd is pledged as security in respect of the bank loans of Mpact Operations (Pty) Ltd. Loans advanced are the following:

		2017 R'm	2016 R'm
	Interest rate		
Mpact Operations (Pty) Limited	Prime plus 2%	**1,985.4**	1,940.0
Shoebill (Pty) Limited	Interest free	**9.0**	8.4
Pyramid Holdings (Pty) Limited	Interest free	**–**	31.8
		1,994.4	1,980.2
Less current portion		**(9.0)**	(40.2)
		1,985.4	1,940.0

There are no fixed terms of repayment for these loans. The term loan to Mpact Operations Proprietary Ltd is repayable on notice of 366 days.

These loans are unsecured. These companies operate principally in the countries in which they are incorporated.

Investments and loans key assumptions

Loans and investments are tested for impairment whenever there are impairment indicators, by comparing the recoverable amounts of the cash-generating units (CGU) to the carrying amounts of the investments and loans.

During the current financial year, loans of R9.0 million (2016: R6.6 million) were converted into investments in subsidiaries and subsequently impaired. The impairments were as a consequence of a subsidiary selling the majority of its operating assets. The aggregated impairment losses are R15.6 million (2016: R6.6 million) as at 31 December 2017. At 31 December 2017 there were no further impairment indicators.

	2017 R'm	2016 R'm
7. INVESTMENT IN SHARE TRUST		
Net contribution to share trust	**49.3**	27.3
	49.3	27.3
Mpact Limited funds the Share Incentive Trust through capital contributions.		
8. OTHER RECEIVABLES		
Other receivables	**8.3**	1.4
	8.3	1.4
The fair value of other receivables are not materially different to the carrying values presented.		
9. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	**10.7**	0.7
	10.7	0.7
10. TRADE AND OTHER PAYABLES		
Trade payables	**0.3**	0.5
Other payables and accruals	**4.3**	4.6
	4.6	5.1
The fair values of trade and other payables are not materially different to the carrying values presented.		
11. DEFERRED TAX ASSETS		
At 1 January	**4.8**	14.6
Charged to statement of comprehensive income	**3.4**	(1.2)
Charge to equity	**(1.4)**	(1.7)
Group restructure	**–**	(6.9)
At 31 December	**6.8**	4.8
The amount of deferred taxation provided in the accounts is presented as follows:		
Deferred tax assets		
Capital allowances	**1.3**	1.3
Other temporary differences	**5.5**	3.5
Total deferred tax assets	**6.8**	4.8

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED **for the year ended 31 December 2017**

	2017 R'm	2016 R'm
12. OTHER CURRENT LIABILITIES		
Opening balance	**14.5**	21.7
Fair value gain through statement of profit or loss	**–**	(7.2)
Expiry of option	**(14.5)**	–
Closing balance	**–**	14.5
The non-controlling shareholders of a subsidiary company had a put option which required the Company to purchase the non-controlling interest in the future. The conditions for the put option to be effective were not met in the current financial year and the option had expired. There was a fair value adjustment of R7.2 million to the put option in the prior year.		
13. STATED CAPITAL		
Authorised share capital		
217 500 000 shares of no par value	**–**	–
Issued share capital		
Issue of shares of no par value	**2,532.7**	2,426.2
Capitalisation issue	**88.7**	106.5
	2,621.4	2,532.7

The following table illustrates the movement within the number of shares issued:

	Number of shares	Number of shares
Shares in issue at beginning of year	**168,485,360**	165,958,619
Issued in terms of the scrip distribution made during the financial year	**2,976,263**	2,526,741
Shares in issue at end of year	**171,461,623**	168,485,360

14. SHARE-BASED PAYMENTS

The Company has a share-based payment arrangement for executive directors of the Company. The Company intends to operate two plans on a continuing basis, namely; Bonus Share Plan ("BSP"), Performance Share Plan ("PSP"). The Share Appreciation Right Plan ("SARP") was a once-off allocation in 2011. The total fair value charge in respect of all the Mpact share awards granted are as follows:

	2017 R'm	2016 R'm
Bonus Share Plan (BSP)	**2.5**	2.6
Performance Share Plan (PSP)	**5.3**	3.9
Total share-based payment expense	**7.8**	6.5

The fair values of the share awards granted under the Mpact share plans are calculated using the Black-Scholes-Merton Model with reference to the facts and assumptions presented below:

	2017	2016	2015	2014
Bonus Share Plan (BSP)				
Date of grant	**3 April 2017**	1 April 2016	1 April 2015	5 June 2014
Vesting period (months)	**36**	36	36	34
Expected leavers per annum (%)	**–**	–	5	5
Share price volatility (%)	**33.71**	28.50	22.48	22.48
Future risk free interest rate (%)	**7.92**	7.20	7.20	7.21
Grant date fair value per instrument (R)	**27.48**	48.53	39.06	23.43
Performance Share Plan (PSP)				
Date of grant	**3 April 2017**	1 April 2016	1 April 2015	5 June 2014
Vesting period (months)	**36**	36	36	34
Expected leavers per annum (%)	**–**	–	5	5
Share price volatility (%)	**33.71**	28.50	22.48	22.48
Future risk free interest rate (%)	**7.92**	7.20	7.20	7.21
Expected outcome of meeting performance criteria (%)				
– Return on capital employed ("ROCE") component	**100**	100	100	100
– Total shareholder return ("TSR") component determined inside the valuation model and incorporated in the fair value per option				
Grant date fair value per instrument (R)				
– ROCE component	**27.48**	48.53	39.06	23.43
– TSR component	**18.99**	31.13	24.49	13.75

14. SHARE-BASED PAYMENTS CONTINUED

Share Appreciation Rights Plan (SARP)

Date of grant	1 September 2011
Vesting period	Equal third on 31 March 2014/2015/2016
Expected leavers per annum (%)	5
Expected outcome of meeting performance criteria (%)	
– EBITDA component	100
Strike price (R)	13.41

A reconciliation of share award movements for the Group is shown below:

	BSP	PSP	SARP
2017			
1 January 2017	**235,017**	**414,898**	**–**
Shares conditionally awarded in year	**55,358**	**354,190**	**–**
Shares vested in year	**(99,696)**	**(147,971)**	**–**
31 December 2017	**190,679**	**621,117**	**–**
2016			
1 January 2016	268,471	454,879	117,450
Shares conditionally awarded in year	63,549	128,697	–
Shares vested in year	(97,003)	(168,678)	(87,044)
Shares lapsed in year	–	–	(30,406)
31 December 2016	235,017	414,898	–

15. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

2017

Acquisition of additional interest in Pyramid Holdings Proprietary Limited

On 1 July 2017, the Company acquired the remaining 49% interest in the voting shares of Pyramid Holdings Proprietary Limited. The cash consideration was for R1.

2016

Properties

In terms of the restructure of the Remade property companies, which took place in November 2016, the property companies transferred their assets and liabilities to Mpact Limited. The net asset value transferred was R47.3 million.

	2017 R'm	2016 R'm
16. CASH FLOW ANALYSIS		
Reconciliation of profit before taxation to cash generated from operations		
Profit before taxation	**253.9**	251.2
Depreciation, amortisation and impairments	**20.4**	13.6
Share-based payments	**7.8**	6.5
Net finance income	**(249.9)**	(244.3)
Fair value gain	**–**	(7.2)
(Decrease)/increase in receivables	**(6.9)**	0.2
Decrease in payables	**(0.5)**	(4.8)
Cash generated from operations	**24.8**	15.2
17. CAPITAL COMMITMENTS		
Approved, not yet contracted for	**22.3**	23.6
18. OPERATING LEASE RECEIVABLES		
The company's material leases are with related parties.		
At 31 December, the outstanding receivables under non-cancellable leases were:		
Expiry date		
Within one year	**29.4**	26.1
One to two years	**13.5**	13.7
Two to five years	**7.2**	0.5
	50.1	40.3

	2017 R'm	2016 R'm
19. RELATED PARTY TRANSACTIONS		
The Company has a related party relationship with its subsidiaries, associates and directors.		
Details of transactions and balances between the Company and related parties are disclosed below:		
Rental income from subsidiaries	**36.7**	25.4
Management fees received from subsidiaries	**16.9**	16.4
Dividend income from subsidiaries	**4.1**	7.9
Interest income from subsidiaries	**245.7**	235.0
Loans to subsidiaries (refer to note 6)	**1,994.4**	1,980.2

Details of the executive directors remuneration is included in note 25.

20. CONTINGENT LIABILITY

As advised to the shareholders on 26 May 2016, the Company is subject to a Competition Commission investigation. The directors are unable at this stage to determine what the outcome of the investigation will be.

21. CAPITAL MANAGEMENT

The Company defines its total capital employed as loans and investments plus cash and cash equivalents less equity.

The capital structure of the Company is equity funded, comprising of stated capital as referred to in note 13, reserves and retained earnings.

22. FINANCIAL RISK MANAGEMENT

The Company's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact on current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company is actively engaged in the management of all of these financial risks in order to minimise their potential adverse impact on the Company's financial performance.

The principles, practices and procedures governing the Company-wide financial risk management process have been approved by the Board and are overseen by the executive committee. In turn, the executive committee delegates authority to a central treasury function (Company treasury) for the practical implementation of the financial risk management process across the Company and for ensuring that the Company's entities adhere to specified financial risk management policies. Company treasury continually reassesses and reports on the financial risk environment, identifying, evaluating and hedging financial risks by entering into derivative contracts with counterparties where appropriate. The Company does not take speculative positions on derivative contracts and only enters into contractual arrangements with counterparties that have investment grade credit ratings.

Market risk

The Company's activities are exposed to primarily foreign exchange and interest rate risk. Both risks are actively monitored on a continuous basis and primarily relate to foreign currency translation exposure on net investments in foreign operations, and interest rate exposure on loans to Group subsidiaries. The Company has an exposure of R9.0 million (2016: R8.4 million) in foreign loan receivables. If foreign exchange rates had been 10% higher/lower and all other variables were held constant, the company's profit for the year would increase/decrease by R1.2 million (2016: increase/decrease by R0.9 million). If interest rates had been 100 basis points higher/lower and all other variables were held constant, the company's profit for the year would decrease/increase by R19.9 million (2016: decrease/increase by R19.4 million).

Management of cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term highly liquid investments which have a maturity of three months or less from the date of acquisition.

Credit risk

The Company's credit risk is mainly confined to the risk of borrowers defaulting on borrowings. In the current and prior financial year, no amount in trade and other receivables was past due. Full disclosure of the Company's maximum exposure to credit risk is presented in the following table:

	2017 R'm	2016 R'm
Exposure to credit risk		
Cash and cash equivalents	**10.7**	0.7
Trade and other receivables (excluding prepayments and accrued income)	**8.3**	1.4
Loans receivable (related parties)	**1,994.4**	1,980.2
Financial asset investment	**49.3**	27.3
Total credit risk exposure	**2,062.7**	2,009.6

Liquidity risk

Liquidity risk is the risk that the Company could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment. The Company manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient reserves, committed borrowing facilities and other credit lines as appropriate. The Company also does not have a signifcant amount of liabilities.

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial assets held by the Company, are settled gross by customers. The Company's financial investments, which are not held for trading and therefore do not comprise part of the Company's liquidity planning arrangements, make up the remainder of the non-derivative financial assets held.

The following table presents the Company's outstanding contractual maturity profile for its non-derivative financial liabilities. The analysis presented is based on the undiscounted contractual maturities of the Company's financial liabilities, including any interest that will accrue, except where the Company is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. Non-interest-bearing financial liabilities which are due to be settled in less than 12 months from maturity equal their carrying values, since the impact of the time value of money is immaterial over such a short duration.

Maturity profile of outstanding financial liabilities

Undiscounted cash flow

	2017 R'm	2016 R'm
Less than one year		
Trade and other payables	**4.6**	5.1
Total	**4.6**	5.1

It has been assumed that, where applicable, interest and foreign exchange rates prevailing at the reporting date will not vary over the time periods remaining for future cash flows.

Financial instruments by category

	Loans and receivables R'm	Total R'm
2017		
Financial assets		
Trade and other receivables	**8.3**	**8.3**
Total	**8.3**	**8.3**
2016		
Financial assets		
Trade and other receivables	1.4	1.4
Total	1.4	1.4

	At amortised cost	Total
2017		
Financial liabilities		
Trade and other payables	**4.6**	**4.6**
Total	**4.6**	**4.6**
2016		
Financial liabilities		
Trade and other payables	5.1	5.1
Total	5.1	5.1

Fair value estimation

The fair value of trade and other receivables and trade and other payables approximate their carrying values due to the short-term maturities of these instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED **for the year ended 31 December 2017**

23. INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT ARRANGEMENTS

	Country of incorporation	Share capital 2017	Share capital 2016	Shareholding 2017 %	Shareholding 2016 %	Cost of investment 2017 R'm	Cost of investment 2016 R'm	Loans 2017 R'm	Loans 2016 R'm
Subsidiary – direct holding									
Mpact Operations (Pty) Limited[1]	RSA	**R20 000**	R20 000	**90**	90	**4,455.8**	4,455.8	**1,985.4**	1,940.0
Shoebill (Pty) Limited	Botswana	**P100**	P100	**100**	100	**–**	–	**9.0**	8.4
Pyramid Holdings (Pty) Limited	Botswana	**P30,592,785**	P30,592,785	**100**	51	**–**	–	**–**	31.8
Sunko Mauritius	Mauritius	**R100**	R100	**100**	100	**–**	–	**–**	–
Embalagens Mpact Limitada	Mozambique	**M1,213,000**	M1,213,000	**90**	90	**0.9**	0.9	**–**	–
Mpact Corrugated (Pty) Limited Namibia	Namibia	**N$100**	N$100	**74**	74	**22.6**	22.6	**–**	–
Subsidiaries – indirect holding									
Mpact Versapak (Pty) Limited	RSA	**R100**	R100	**100**	100				
Mpact Recycling (Pty) Limited	RSA	**R231,741,655**	R203,233,688	**100**	89,5				
Mpact Plastics Containers (Pty) Limited	RSA	**R100**	R100	**66**	66				
Mpact Polymers (Pty) Limited	RSA	**R100**	R100	**79**	79				
Magic Attitude (Pty) Limited	RSA	**R100**	R100	**100**	100				
Detpak South Africa (Pty) Limited	RSA	**R7,143**	R7,143	**51**	51				
Rebel Packaging (Pty) Limited	RSA	**R4,000**	R4,000	**100**	100				
Remade Recycling (Pty) Limited	RSA	**R1,000**	–	**100**	–				
Remade Holdings (Pty) Limited	RSA	**–**	R1,000	**–**	100				
Lenco Corporate Finance (Pty) Limited[2]	RSA	**R35,651**	R35,651	**100**	100				
Lion Packaging Trading 57 (Pty) Limited[3]	RSA	**R100**	R100	**100**	100				
Versapak Holdings (Pvt) Limited[3]	Zimbabwe	**US$1**	US$1	**100**	100				
Associates – indirect holding									
Recyquip Engineering & Manufacturing (Pty) Limited	RSA	**R100**	R100	**30**	30				
West Coast Paper Traders (Pty) Limited	RSA	**R400**	R400	**49**	49				
Box Boyz (Pty) Limited	RSA	**R100**	R100	**44**	44				
Lomina Vyf (Pty) Limited	RSA	**R100**	R100	**49**	49				
Right Corrugated Containers (Pty) Limited	RSA	**R1,000**	R1,000	**49**	49				
Seyfert Corrugated Western Cape (Pty) Limited	RSA	**R15,500,201**	R15,500,201	**49**	49				
Dalisu Holdings (Pty) Limited	RSA	**R100**	R100	**49**	49				
Joint arrangements – indirect holding									
Rusmar Packaging (Pty) Limited	RSA	**R200**	R200	**50**	50				
Pretoria Box Manufacturers	RSA	**–**	–	**50**	50				
						4,479.3	4,479.3	**1,994.4**	1,980.2

The Mpact Group does not have any significant restrictions on its ability to access/use assets, or settle liabilities in any of its subsidiaries. The above associates and joint ventures are not considered material to the Group.

1 The remaining 10% is held by Mpact Foundation Trust. The trust is controlled by Mpact Limited.

2 In the process of deregistration.

3 Ceased trading and in the process of being wound up.

24. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant or material subsequent events which would require adjustment to or disclosure of in the consolidated financial statements.

25. DIRECTORS' REMUNERATION

Executive directors' remuneration

The remuneration of the executive directors, all of which are paid by Mpact Limited Group, who served during the period under review was as follows:

	Guaranteed package (TGCOE)[1] Rands	Short-term incentive bonus[2] Rands	Other[3] Rands	Cash-based remuneration Rands	Grant value of bonus share awarded[4] Rands	Intrinsic value of performance shares vesting[5] Rands	Total remuneration Rands
2017							
Executive directors							
BW Strong	**5,023,050**	**1,092,212**	**164,282**	**6,279,544**	**682,633**	**738,559**	**7,700,736**
BDV Clark	**3,818,148**	**846,713**	**124,836**	**4,789,697**	**529,195**	**333,987**	**5,652,879**
Total	**8,841,198**	**1,938,925**	**289,118**	**11,069,241**	**1,211,828**	**1,072,546**	**13,353,615**
2016							
Executive directors							
BW Strong	4,738,727	1,480,757	166,900	6,386,384	925,473	1,734,616	9,046,473
BDV Clark	3,602,026	1,148,902	77,548	4,828,476	718,064	1,331,735	6,878,275
Total	8,340,753	2,629,659	244,448	11,214,860	1,643,537	3,066,351	15,924,748

1 *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*

2 *Short-term incentive (STI) earned on performance for the 2017 financial year, to paid in March 2018 (2016: STI earned on 2016 performance, paid in March 2017).*

3 *Other cash incentive includes dividend equivalent bonus based on actual bonus shares that vested.*

4 *Value of the bonus shares granted on 2 April 2018 based on 2017 performance and vesting in three years (2016: Value of the bonus share granted on 1 April 2017 based on 2016 performance achieved and vesting in three years).*

5 *Intrinsic value is calculated by taking the number of Performance share plan shares expected to vest in March 2018 based on performance over the 3 year period ended 31 December 2017 by the closing Mpact share price at 31 December 2017 (2016: Performance share plan shares expected to vest in March 2017 based on Performance over the three-year period ended 31 December 2016).*

25. DIRECTORS' REMUNERATION CONTINUED

Share awards granted to executive directors

The following tables set out the share award grants to the executive directors. Market values of the shares granted are disclosed in the Remuneration Report.

Executive directors

2017

BW Strong

	Type of award[1,2]	Date of award	Release date	Number of awards held at beginning of the year	Number of awards granted during the year	Number of awards vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of awards held as at 31 December 2017
	BSP	Jun 14	Mar 17	56,649	–	(56,649)	–	–
	PSP	Jun 14	Mar 17	84,377	–	(84,377)	–	–
	BSP	Apr 15	Mar 18	41,098	–	–	–	41,098
	PSP	Apr 15	Mar 18	95,185	–	–	(64,916)	30,269
	BSP	Apr 16	Mar 19	35,949	–	–	–	35,949
	PSP	Apr 16	Mar 19	88,387	–	–	(44,194)[8]	44,193
	BSP	Apr 17	Mar 20	–	31,172	–	–	31,172
	PSP	Apr 17	Mar 20	–	225,585	–	(112,793)[8]	112,792
Total number of shares				401,645	256,757	(141,026)	(221,903)	295,473

	Type of award[1,2]	Date of Award	Award price basis (cents)	Market value at grant date[3]	Grant value of awards granted during the year[4]	Cumulative effects of share price movement gain/loss[5]	Value of awards vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value at 31 December 2017[7]
	BSP	Jun 14	2,684	1,520,459	–	215,833	(1,736,292)	–	–
	PSP	Jun 14	2,684	2,264,679	–	321,483	(2,586,162)	–	–
	BSP	Apr 15	4,243	1,743,788	–	(740,997)	–	–	1,002,791
	PSP	Apr 15	4,243	4,038,700	–	(1,716,191)	–	(1,583,950)	738,559
	BSP	Apr 16	4,825	1,734,539	–	(857,383)	–	–	877,156
	PSP	Apr 16	4,825	4,264,673	–	(2,108,030)	–	(1,078,334)[8]	1,078,309
	BSP	Apr 17	2,969	–	925,473	(164,876)	–	–	760,597
	PSP	Apr 17	2,969	–	6,697,400	(1,193,126)	–	(2,752,149)[8]	2,752,125
Total market value of shares				15,566,838	7,622,873	(6,243,287)	(4,322,454)	(5,414,433)	7,209,537

1 *Bonus share plan (BSP).*
2 *Performance share plan (PSP).*
3 *Market value at grant date is the number of shares granted and/or awarded at the grant or award price.*
4 *During the year share grants and awards were made at R29.69 per share.*
5 *Cumulative effects of share price gains and losses represents the market value change between the share value at grant dates, the value of each at vesting, the value of shares lapsing or expected to lapse and the closing market value at year-end.*
6 *During the year share awards were vested at a share price of R30.65 per share.*
7 *Market value at 31 December 2017 is the closing share price which was R24.40 per share.*
8. *Assumed a 50% achievement of PSP target.*

25. DIRECTORS' REMUNERATION CONTINUED

Executive directors CONTINUED

2017

BDV Clark

	Type of award[1,2]	Date of award	Release date	Number of awards held at beginning of the year	Number of awards granted during the year	Number of awards vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of awards held as at 31 December 2017
	BSP	Jun 14	Mar 17	43,047	–	(43,047)	–	–
	PSP	Jun 14	Mar 17	63,595	–	(63,595)	–	–
	BSP	Apr 15	Mar 18	30,674	–	–	–	30,674
	PSP	Apr 15	Mar 18	43,044	–	–	(29,356)	13,688
	BSP	Apr 16	Mar 19	27,600	–	–	–	27,600
	PSP	Apr 16	Mar 19	40,311	–	–	(20,156)[8]	20,155
	BSP	Apr 17	Mar 20	–	24,186	–	–	24,186
	PSP	Apr 17	Mar 20	–	128,605	–	(64,303)[8]	64,302
Total number of shares				248,271	152,791	(106,642)	(113,815)	180,605

	Type of award[1,2]	Date of Award	Award price basis (cents)	Market value at grant date[3]	Grant value of awards granted during the year[4]	Cumulative effects of share price movement gain/loss[5]	Value of awards vested during the year[6]	Value of shares lapsed or expected to lapse at vesting date	Market value at 31 December 2017[7]
	BSP	Jun 14	2,684	1,155,381	–	164,010	(1,319,391)	–	–
	PSP	Jun 14	2,684	1,706,889	–	242,306	(1,949,195)	–	–
	BSP	Apr 15	4,243	1,301,498	–	(553,052)	–	–	748,446
	PSP	Apr 15	4,243	1,826,357	–	(776,084)	–	(716,286)	333,987
	BSP	Apr 16	4,825	1,331,700	–	(658,260)	–	–	673,440
	PSP	Apr 16	4,825	1,945,006	–	(961,418)	–	(491,806)[8]	491,782
	BSP	Apr 17	2,969	–	718,064	(127,926)	–	–	590,138
	PSP	Apr 17	2,969	–	3,818,148	(680,187)	–	(1,568,993)[8]	1,568,968
Total market value of shares				9,266,831	4,536,212	(3,350,611)	(3,268,586)	(2,777,085)	4,406,761

1 Bonus share plan (BSP).

2 Performance share plan (PSP).

3 Market value at grant date is the number of shares granted and/or awarded at the grant or award price.

4 During the year share grants and awards were made at R29.69 per share.

5 Cumulative effects of share price gains and losses represents the market value change between the share value at grant dates, the value of each at vesting, the value of shares lapsing or expected to lapse and the closing market value at year end.

6 During the year share awards were vested at a share price of R30.65 per share.

7 Market value at 31 December 2017 is the closing share price which was R24.40 per share

8. Assumed a 50% achievement of PSP target.

Non-executive directors' remuneration

	2017		2016	
	Fees paid as non-executive director	Fees paid as Trustee to the Mpact Foundation Trust	Fees paid as non-executive director	Fees paid as Trustee to the Mpact Foundation Trust
AJ Phillips	946,593	–	917,921	–
AM Thompson	475,655	63,536	473,298	60,017
M Makanjee[1]	448,253	–	101,951	–
NP Dongwana	475,655	127,071	473,298	120,033
NB Langa-Royds	529,812	63,536	605,863	60,017
TDA Ross	587,254	–	578,620	–
Total	**3,463,222**	**254,143**	3,150,951	240,067

1 From date of appointment to the Board on 5 September 2016.

2 The above amounts exclude VAT.

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