

JOEKELS TEA PACKERS PROPRIETARY LIMITED

(Registration Number 2006/024896/07)

FINANCIAL STATEMENTS

for the year ended 31 March 2017

JOEKELS TEA PACKERS PROPRIETARY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

COMPANY INFORMATION

Registration number:	2006/024896/07
Registered address:	23-33 Hagart Road Pinetown 3610
Postal address:	PO Box 10455 Ashwood 3605
Auditors:	PricewaterhouseCoopers Inc. Durban
Bankers:	Nedbank Limited First National Bank Limited
Preparer of financial statements:	The financial statements were independently compiled under the supervision of Aziza Engar

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JOEKELS TEA PACKERS PROPRIETARY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR THE YEAR ENDED 31 MARCH 2017

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company.

While operating risk cannot be fully eliminated, the company 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 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 company's cash flow forecast for the year 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 5 and 6.

The financial statements set out on pages 7 to 31, which have been prepared on the going concern basis, were approved by the directors on 31 May 2017 and were signed on its behalf by:



JJ Swart

JOEKELS TEA PACKERS PROPRIETARY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report for the year ended 31 March 2017.

1. Review of activities

Main business and operations

The company is engaged in tea blending and packaging and operates principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

Registered office: 22-33 Hagart Road
Pinetown
3610

Postal address: PO Box 10455
Ashwood
3605

2. Events after reporting date

There are no significant events post the reporting period

3. Authorised and issued share capital

There were no changes in the authorised or issued share capital of the company during the year under

4. Dividends

Dividends of R 2 421 896 (2016: R 4 606 350) were declared and paid during the year.

5. Directors

The directors of the company during the year and to the date of this report are as follows:

Name	Nationality
JJ Swart	South African
JM Kelsey	South African
NJS Holland	British

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

6. Holding Company

The company's holding company is Tata Global Beverages Overseas Holdings Limited incorporated in the United Kingdom, which owns 51.67% of the company's shares.

7. Auditors

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Independent auditor's report

To the Shareholders of Joekels Tea Packers Proprietary Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Joekels Tea Packers Proprietary Limited (the Company) as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Joekels Tea Packers Proprietary Limited's financial statements set out on pages 7 to 31 comprise:

- the statement of financial position as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

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).

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, the Company Information and the Statement of Directors' Responsibility. 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 identified above 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, 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.

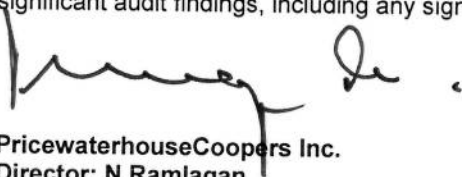
Auditor's responsibilities for the audit of the financial statements

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 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 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 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 directors 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.



PricewaterhouseCoopers Inc.
Director: N Ramlagan
Registered Auditor
Durban
30 May 2017

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Statement of Financial Position as at 31 March 2017

Figures in R	Note(s)	2017	2016
ASSETS			
Non-Current Assets			
Plant and equipment	1	21,564,856	22,261,931
Intangible assets	2	1,968	4,188
Other financial assets	3	23,041	23,424
		<u>21,589,865</u>	<u>22,289,543</u>
Current Assets			
Inventories	4	19,497,804	18,545,940
Current income tax receivable		643,620	203,245
Trade and other receivables	5	43,043,797	33,178,445
Cash and cash equivalents	6	1,686,942	730,720
		<u>64,872,163</u>	<u>52,658,350</u>
Total Assets		<u>86,462,028</u>	<u>74,947,893</u>
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital	7	120	120
Retained earnings		34,935,482	26,815,163
Total equity		<u>34,935,602</u>	<u>26,815,283</u>
LIABILITIES			
Non-Current Liabilities			
Borrowings	8	3,038,274	2,344,311
Deferred income tax liability	9	1,854,158	1,033,150
		<u>4,892,432</u>	<u>3,377,461</u>
Current Liabilities			
Trade and other payables	10	34,489,420	31,416,102
Borrowings	8	1,606,925	1,187,787
Shareholders' loans	11	288,439	297,094
Bank overdraft	6	10,249,210	11,854,166
		<u>46,633,994</u>	<u>44,755,149</u>
Total liabilities		<u>51,526,426</u>	<u>48,132,610</u>
Total Equity and Liabilities		<u>86,462,028</u>	<u>74,947,893</u>

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Statement of Comprehensive Income for the year ended 31 March 2017

Figures in R	Note(s)	2017	2016
Revenue		238,742,462	198,359,058
Cost of sales		(163,597,573)	(127,446,201)
Gross profit		<u>75,144,889</u>	<u>70,912,857</u>
Other income		562,979	393,656
Distribution costs		(12,542,735)	(11,876,762)
Administration expenses		(50,842,492)	(50,815,745)
Operating profit	15	<u>12,322,641</u>	<u>8,614,006</u>
Finance income	16	4,174,212	32,504
Finance costs	17	(1,632,037)	(1,726,767)
Profit before taxation		<u>14,864,816</u>	<u>6,919,743</u>
Tax expense	18	(4,322,601)	(2,075,950)
Total profit and comprehensive income		<u>10,542,215</u>	<u>4,843,793</u>

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Statement of Changes in Equity for the year ended 31 March 2017

Figures in R	Share capital	Retained earnings	Total
Year ended 31 March 2017			
Balance at 1 April 2016	120	26,815,163	26,815,283
Total profit and comprehensive income for the year	-	10,542,215	10,542,215
Dividends		(2,421,896)	(2,421,896)
Balance at 31 March 2017	<u>120</u>	<u>34,935,482</u>	<u>34,935,602</u>
Year ended 31 March 2016			
Balance at 1 April 2015	120	26,577,720	26,577,840
Total profit and comprehensive income for the year	-	4,843,793	4,843,793
Dividends	-	(4,606,350)	(4,606,350)
Balance at 31 March 2016	<u>120</u>	<u>26,815,163</u>	<u>26,815,283</u>

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Statement of Cash Flows for the year ended 31 March 2017

Figures in R	Note(s)	2017	2016
Cash flow from operating activities			
Cash flows from operating activities	12	8,728,415	13,030,861
Finance income	16	4,174,212	32,504
Finance costs	17	(1,632,037)	(1,726,767)
Tax paid	13	(3,941,969)	(1,872,280)
Net cash generated from operating activities		7,328,621	9,464,318
Cash flow from investing activities			
Purchase of plant and equipment	1	(3,568,020)	(3,783,078)
Proceeds on disposals of plant and equipment		118,027	461,565
Net cash used in investing activities		(3,449,993)	(3,321,513)
Cash flow from financing activities			
Increase/(decrease) in borrowings		1,113,101	(1,350,735)
(Decrease)/increase in shareholders' loans		(8,655)	168,931
Dividends paid		(2,421,896)	(4,606,350)
Net cash (used in) financing activities		(1,317,450)	(5,788,154)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year		(11,123,446)	(11,478,097)
Cash and cash equivalents at end of year	6	(8,562,268)	(11,123,446)

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The financial statements have been prepared on the historical cost basis, except for certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in South African Rands. These accounting policies are consistent with the previous period.

1.1 Plant and Equipment

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

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

Plant and equipment is initially measured at cost.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

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

Item	Average useful life
Plant and machinery	3-31 years
Furniture and fixtures	6 years
Motor vehicles	5 years
IT equipment	3 years
Leasehold improvements	2-4 years

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

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

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.2 Intangible Assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period- end.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Patents, trademarks and other rights	10 years

1.3 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial liabilities at fair value through profit or loss

There are three levels of financial instruments based on valuation method. The different levels have been defined as follows:

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

Initial recognition and measurement

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

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

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Subsequent measurement

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

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise trade and other receivables and cash and cash equivalents. Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in principal repayments;
- it becomes probable that the borrower will enter bankruptcy or other financial re-organisation

The company first assesses whether objective evidence of impairment exists.

For loans and receivables the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collectability is expected in one year or less, they are classified as current. If not, they are presented as non-current assets.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and other payables

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

1.4 Income tax

Current income tax assets and liabilities

Current income tax for current and prior periods is, to the extent unpaid, recognised as a liability.

If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets and liabilities

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

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

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

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

Income tax expenses

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

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

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

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

1.5 Leases

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

Finance leases - lessee

Finance leases are recognised as assets in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

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

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset/liability.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.6 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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

The cost of inventories is assigned using the first-in, first-out (FIFO) formula.

1.7 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.8 Share capital and equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.9 Employee benefits

Provident fund obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The company has no further payment obligations once the contributions have been paid.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Profit sharing and bonus plan

The company recognises a liability and an expense for bonuses and profit sharing. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.10 Provisions

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

1.11 Revenue

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

a) Sale of goods

The company blends and packages tea predominantly for the major chain stores.

Sales of goods are recognised when a group entity has delivered products to the customer and there is no unfulfilled obligations that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products and all risks and rewards associated with them, the acceptance provisions have lapsed or the company has objective evidence that all criteria for acceptance have been satisfied.

b) Other income

The company generates incidental income in the form recovery of rentals and merchandise expenditure from related parties. These items are accounted for as other income and are not regarded as a core revenue stream.

c) Interest income

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

d) Dividend income

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

1.12 Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the company financial statements in the period in which the dividends are approved by the company's board.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

2. New Standards and Interpretations

2.1 Standards and interpretations not yet effective

Standards, amendments and interpretations effective for the first time for 31 March 2017 year-ends

a. Standards and amendments adopted by the company:

Amendment to IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible assets, on depreciation and amortisation (effective date 1 January 2016): In this amendment the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This amendment has no impact on the group as revenue based methods are not used.

Amendments to IAS 1 - Presentation of financial statements disclosure initiative: In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. These amendments merely clarify the existing requirements, they do not affect the group's accounting policies or disclosures.

b. Standards and amendments not applicable to the company:

- IFRS 14 - Regulatory Deferral Accounts
- Amendment to IFRS 11 - Joint Arrangements on acquisition of an interest in a joint operation
- Amendments to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures on sale or contribution of assets and on applying the consolidation exemption for investment entities and Amendments to IAS 27 - Separate financial statements on equity accounting
- Amendments to IAS 16 - Property, plant and equipment and
- IAS 41 - Agriculture on bearer plants
- Amendments to IAS 27, 'Separate financial statements' on equity accounting

c. Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group:

A number of new standards and amendments to standards and interpretations have been issued and have not been applied in preparing these annual financial statements, as set out below:

Amendment to IAS 12 - Income taxes (effective date 1 January 2017): The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets, including unrealised losses. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets or the groups accounting policies.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

Amendment to IAS 7- Cash flow statements (effective date 1 January 2017): the amendment introduces additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities and responds to requests from investors for information that helps them better understand changes in an entity's debt. Disclosure on significant changes in liabilities arising from financing activities will be expanded, as appropriate.

IFRS 15 – Revenue from Contracts with Customers (effective date 1 January 2018): The FASB and IASB issued their long-awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods or service transfers to a customer rather than the existing notion of the transfer of risks and rewards. We are currently reviewing the effects of the standard.

IFRS 9 – Financial Instruments (2009 & 2010) and amendments on general hedge accounting (effective date 1 January 2018): This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification, measurement and derecognition of financial assets and liabilities. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. We are currently reviewing the effects of the standard.

IFRS 16 – Leases (effective date 1 January 2019): This IFRS is part of the IASB's project to replace IAS 17. The standard applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if IFRS 15, 'Revenue from Contracts with Customers', is also applied. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases (less than 12 months) and leases of low-value assets (such as laptops and office furniture); however, this exemption can only be applied by lessees. We are currently assessing the effects of the standard and will consider adoption when appropriate

d. Standards, amendments and interpretations not yet effective but have been early adopted by the group:

There have been no standards, amendments and interpretations early adopted by the company.

3 Risk management

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.

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

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the company aims at maintaining flexibility in funding by keeping committed credit lines available.

The following table analyses the company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years
At 31 March 2017		
Shareholders' loans	288,439	-
Instalment sale borrowings	1,606,925	3,038,274
Trade and other payables	19,319,401	-
	<u>21,214,765</u>	<u>3,038,274</u>
At 31 March 2016		
Shareholders' loans	297,094	-
Instalment sale borrowings	1,187,787	2,344,311
Trade and other payables	18,344,549	-
	<u>19,829,430</u>	<u>2,344,311</u>

Interest rate risk

The company's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates exposes the company to fair value interest rate risk.

At 31 March 2017, if interest rates on variable rate borrowings had been 0,5% higher/lower with all other variables held constant, post tax profit for the year would have been R54 658 lower/higher (March 2016: R56 460).

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding trade receivables and committed transactions. For banks and financial institutions, only large well established entities are used. Trade receivables comprise mainly of local major buying groups and retail chain stores where risk of default is considered low. Ongoing evaluations are performed on the financial position of these debtors by monitoring monthly receipts.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

The company holds liquid investments with financial institutions of high quality and standing. The investments hold long term credit ratings of BAA2, as provided by Moody's ratings.

Foreign exchange risk

The company is exposed to foreign exchange risk from the purchase of machine spares and raw tea, the exposure is minimal.

Fair value estimation

The carrying amounts of the financial assets and liabilities in the statement of financial position approximate fair values at the year-end. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Price risk

The company is exposed to commodity price risk arising from the purchase of certain raw materials.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R

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2016

1. Plant and equipment

	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Leasehold improvements	Total
Year ended 31 March 2017						
Opening carrying amount	17,677,733	382,652	1,693,749	435,338	2,072,459	22,261,931
Additions	512,189	36,801	2,789,291	229,739	-	3,568,020
Disposals	(30,216)	-	(79,817)	(3,561)	-	(113,594)
Depreciation charge	(2,574,907)	(138,454)	(661,365)	(266,586)	(510,188)	(4,151,501)
Closing carrying amount	15,584,799	280,999	3,741,858	394,930	1,562,271	21,564,856
At 31 March 2017						
Cost	29,202,372	1,086,049	5,920,547	1,655,582	3,426,849	41,291,398
Accumulated Depreciation	(13,617,573)	(805,050)	(2,178,689)	(1,260,652)	(1,864,578)	(19,726,542)
Closing carrying amount	15,584,799	280,999	3,741,858	394,930	1,562,271	21,564,856

Pledged as security:

Certain items of plant and machinery and motor vehicles with a net book value of R 12 572 262 (2016: R 11 942 636) are pledged as security in terms of note 8 below.

Depreciation expense of R 3 085 095 (2016: R 3 167 695) has been charged to cost of sales and R 1 066 406 (2016: R 941 210) to administration expenses.

	Plant and machinery	Furniture and fixtures	Motor vehicles	IT equipment	Leasehold improvements	Total
Year ended 31 March 2016						
Opening carrying amount	18,594,510	460,906	2,316,260	262,268	1,409,644	23,043,588
Additions	1,797,335	52,822	395,911	420,590	1,116,420	3,783,078
Disposals	(22)	(11)	(455,758)	(38)	-	(455,829)
Depreciation charge	(2,714,090)	(131,065)	(562,664)	(247,482)	(453,605)	(4,108,906)
Closing carrying amount	17,677,733	382,652	1,693,749	435,338	2,072,459	22,261,931
At 31 March 2016						
Cost	28,737,473	1,049,248	3,308,627	1,450,549	3,426,849	37,972,746
Accumulated Depreciation	(11,059,740)	(666,596)	(1,614,878)	(1,015,211)	(1,354,390)	(15,710,815)
Closing carrying amount	17,677,733	382,652	1,693,749	435,338	2,072,459	22,261,931

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
2. Intangible assets		
<i>Patents, trademarks and other rights</i>		
Opening balance	4,188	6,409
Amortisation	(2,220)	(2,221)
	1,968	4,188
Cost	2,450,575	2,450,575
Accumulated amortisation	(2,448,607)	(2,446,387)
Carrying value	1,968	4,188

3. Other financial assets

The following table presents the company's financial assets that are measured at fair value at 31 March 2017:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Trading securities				
- Insurance industry	23,041	-	-	23,041

The following table presents the company's financial assets that are measured at fair value at 31 March 2016:

Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Trading securities				
- Insurance industry	23,424	-	-	23,424

4. Inventories

Raw materials, components	1,849,943	6,565,376
Finished goods	14,600,419	8,810,845
Production supplies	3,047,442	3,169,719
	19,497,804	18,545,940

The cost of inventories recognised as expense and included in 'cost of sales' amounted to R146 758 279 (2016: R111 863 179).

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
5. Trade and other receivables		
Trade receivables	39,204,449	29,225,214
Impairment of trade receivables	(149,589)	-
	39,054,860	29,225,214
Deposits	187,381	184,500
VAT	38,889	842,589
Other receivables	2,848,515	822,396
Prepayments	914,152	2,103,746
	43,043,797	33,178,445

In order to obtain a credit facility, the company has entered into an agreement with a financial institution for the discounting of its debtors invoices up to a maximum of R 50 000 000 (2016: R 50 000 000). At year end, R 10 249 210 of the facility was utilised (2016: R11 854 166).

The carrying amounts of the trade and other receivables approximate their fair values.

As at 31 March 2017, trade receivables of R 27 033 565 (2016: R16 474 183) were fully performing.

As at 31 March 2017, trade receivables of R 12 021 295 (2016: R 12 751 031) were past due but not impaired. These relate to independent customers for whom there is no previous non-payment history.

The ageing of amounts past due but not impaired is as follows:

30-60 days	11,200,585	10,760,847
61-90 days	383,809	1,524,077
90+ days	586,490	466,107
Impairment	(149,589)	-
	12,021,295	12,751,031

Trade and other receivables impaired

The amount of the provision was R 149 589 as of 31 March 2017 (2016: Nil).

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at reporting date is the fair value of each class of receivable mentioned above. The company does not hold any collateral as security.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R

2017

2016

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	1,686,942	730,720
Bank overdraft	(10,249,210)	(11,854,166)
	<u>(8,562,268)</u>	<u>(11,123,446)</u>

The company has the following facilities with Nedbank Limited:

Discounting facility	50,000,000	50,000,000
Nedfleet	70,000	45,000
Revolving credit facility	3,000,000	3,000,000

The company has a guarantee facility of R500 000 (2016: R500 000).

7. Share capital

Authorised

1 000 ordinary shares of R1 each	<u>1,000</u>	<u>1,000</u>
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Issued

120 Ordinary shares of R1 each	<u>120</u>	<u>120</u>
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JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R 2017 2016

8. Borrowings

Secured:

Instalment sale creditors	4,645,199	3,532,098
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Repayable in equal monthly instalments of R 338 259 (2016: R 272 387) including interest over periods ranging between 13 and 56 months. (Secured over assets (note 1) with a net book value of R12 572 262 (2016: R11 942 636)).

It is company policy to lease certain motor vehicles and equipment under finance leases.

Non-current liabilities

At amortised cost	3,038,274	2,344,311
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Current liabilities

At amortised cost	1,606,925	1,187,787
	4,645,199	3,532,098

The exposure of the company's borrowings to interest rate changes at the end of the reporting period are as follows:

Within one year	1,606,925	1,187,787
Between 2 and 5 years	3,038,274	2,344,311
Over 5 years	-	-
	4,645,199	3,532,098

9. Deferred income tax liability

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 28% (2016: 28%).

The movement on the deferred income tax account is as follows:

At beginning of year	(1,033,150)	(894,178)
Current year charge	(821,008)	(138,972)
	(1,854,158)	(1,033,150)

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
Deferred income tax liability may be analysed as follows:		
Accelerated capital allowances for tax purposes	(241,037)	(165,512)
Property, plant and equipment	(2,851,122)	(2,437,980)
Provisions	1,238,001	1,570,342
	<u>(1,854,158)</u>	<u>(1,033,150)</u>

10. Trade and other payables

Trade payables	19,319,401	18,344,549
Accrued expenses	10,980,779	7,563,190
Operating lease payables	2,844,096	3,179,240
Provisions	1,345,144	2,329,123
	<u>34,489,420</u>	<u>31,416,102</u>

11. Shareholders' loans

Unsecured:

JJ Swart	(6,698)	(7,586)
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This indefinite period, fluctuating loan has no fixed terms of repayment.
No interest is charged on this balance.

JM Kelsey	3,264	(4,503)
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This indefinite period, fluctuating loan has no fixed terms of repayment.
No interest is charged on this balance.

Tata Global Beverages Overseas Holdings Limited	(285,005)	(285,005)
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This indefinite period, fluctuating loan has no fixed terms of repayment.
No interest is charged on this balance.

	<u>(288,439)</u>	<u>(297,094)</u>
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JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
12. Cash flow from operating activities		
Operating profit	12,322,641	8,614,006
Adjusted for:		
Depreciation and amortisation	4,153,722	4,111,127
Profit on sale of assets	(4,433)	(5,737)
Unrealised loss on share investment	383	3,379
Changes in working capital		
Inventories	(951,864)	(3,079,143)
Trade and other receivables	(9,865,352)	(5,347,858)
Trade and other payables	3,073,318	8,735,087
	8,728,415	13,030,861
13. Tax paid		
Balance at beginning of the year	203,245	267,942
Current tax for the year recognised in profit or loss	(3,501,594)	(1,936,977)
Balance at end of the year	(643,620)	(203,245)
	(3,941,969)	(1,872,280)
14. Staff costs		
Salaries	16,319,875	15,089,703
Provident Fund	2,207,656	2,027,236
Medical Aid	633,852	561,363
	19,161,383	17,678,302

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R

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2016

15. Operating profit

Expenses by nature:

Cost of goods sold	163,597,573	127,446,201
Advertising costs	2,237,848	5,287,687
Depreciation, amortisation and impairments	1,066,406	941,319
Employee costs	19,161,383	17,678,302
Administration and management fees	3,241,198	3,556,631
Delivery expenses	12,542,735	11,876,762
Commission paid	11,003,651	9,330,957
Lease rentals on operating lease	776,523	770,328
Other expenses	13,355,483	13,250,521
Total cost of sales, distribution costs and administrative expenses	226,982,800	190,138,708

16. Finance income

Finance income

South African Revenue Service	6,371	24,564
Bank	3,725	7,940
Other	2,843	-
Debtor financing	4,161,273	-
	4,174,212	32,504

17. Finance costs

Bank overdraft	1,257,249	1,030,337
Borrowings	374,788	696,430
	1,632,037	1,726,767

18. Tax

Current income tax		
- current year provision	3,501,594	1,936,977
- prior year (over)/under provision	-	-
	3,501,594	1,936,977
Deferred income tax		
- current year provision	821,007	138,973
	4,322,601	2,075,950

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:		
Profit before tax	14,864,816	6,919,743
Tax calculated at a tax rate of 28% (2016: 28%)	4,162,148	1,937,528
Non-deductible expenditure	159,604	138,422
Tax on taxable capital gain	849	-
	4,322,601	2,075,950

19. Commitments

Operating leases- as lessee (expense)

Minimum lease payments due

- Within one year

- Between 2 and 5 years

7,163,551	6,141,591
3,079,871	16,876,340
10,243,422	23,017,931

Operating lease payments represent rentals payable by the company for its premises. No contingent rent is payable.

20. Related party transactions

The following transactions were carried out with related parties:

Relationships

Tata Global Beverages Overseas Holdings Limited

A related party relationship exists due to this company being the major shareholder of Joekels Tea Packers Proprietary Limited.

JJ Swart

A related party relationships exists due to Mr JJ Swart being a shareholder and director of Joekels Tea Packers Proprietary Limited.

JM Kelsey

A related party relationships exists due to Mr JJ Swart being a shareholder and director of Joekels Tea Packers Proprietary Limited.

Tata Global Beverages GB Limited

A related party relationship exists due to this company being a fellow group company.

JOEKELS TEA PACKERS PROPRIETARY LIMITED

Notes to the Annual Financial Statements for the year ended 31 March 2017

Figures in R	2017	2016
Related party balances		
Loan accounts - owing to related parties		
JJ Swart	(6,698)	(7,586)
JM Kelsey	3,264	(4,503)
Tata Global Beverages Overseas Holdings Limited	(285,005)	(285,005)
	(288,439)	(297,094)
Related party transactions		
Assets purchased		
Printers purchased from directors at independent market value	-	160,000
Inter-company receivable		
Tata Global Beverages GB Limited	2,662,700	109,100
Directors' emoluments		
Executive		
- Kelsey Jonathan Mortimore	4,095,672	3,567,169
- Swart Johannes Jakobus	4,084,973	3,411,909
	8,180,645	6,979,078

JOEKELS TEA PACKERS PROPRIETARY LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

Figures in R	2017	2016
Revenue	238,742,462	198,359,058
Cost of Sales	(163,597,573)	(127,446,201)
Gross profit	75,144,889	70,912,857
Other Income	562,979	393,656
Gains on disposal of assets	4,433	5,737
Sundry income	558,546	387,919
Distribution costs	(12,542,735)	(11,876,762)
Administrative expenses	(50,842,492)	(50,815,745)
Operating profit	12,322,641	8,614,006
Finance income	4,174,212	32,504
Finance costs	(1,632,037)	(1,726,767)
Profit before taxation	14,864,816	6,919,743
Tax expense	(4,322,601)	(2,075,950)
Profit for the year	10,542,215	4,843,793

The supplementary information presented does not form part of the annual financial statements and is unaudited

JOEKELS TEA PACKERS PROPRIETARY LIMITED

DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

Figures in R	2017	2016
Administrative expenses		
Administration and management fees	3,241,198	3,556,631
Advertising	2,237,848	5,287,687
Auditors' remuneration	327,022	316,500
Bank charges	286,812	237,405
Category market data	359,478	47,333
Cleaning	474,126	463,934
Commission paid	11,003,651	9,330,957
Computer expenses	345,346	272,457
Council levies	283,350	310,560
Depreciation, amortisation and impairments	1,066,406	941,319
Donations	10,480	5,000
Employee costs	19,161,383	17,678,302
Entertainment	439,524	335,379
Factory expenses	1,785,456	1,721,142
Hygiene, Health & Safety	228,610	223,664
Insurance	503,670	486,983
Legal expense	32,237	20,692
Lease rental on operating lease	776,523	770,328
Marketing	15,637	-
Motor vehicle expense	1,004,021	962,384
Other expenses	349,523	59,012
Printing and stationery	195,430	187,608
Professional fees	40,466	25,700
Promotion expenses	3,937,222	4,609,443
Protective clothing	3,799	3,633
Postage and Courier	37,056	38,700
Repairs and maintenance	289,276	306,798
Research	375,465	3,635
Security	357,314	376,287
Subscriptions	72,978	55,711
Telephone and communications	569,378	523,846
Training	27,007	109,479
Travel	853,751	1,213,361
Utilities	91,050	81,534
Website development	60,000	252,341
	<u>(50,842,492)</u>	<u>(50,815,745)</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited

