COLEUS PACKAGING PROPRIETARY LIMITED
Registration number: 2001/028289/07

ANNUAL FINANCIAL STATEMENTS
for the year ending 31 December 2022

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CONTENTS	**Page**

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COMPANY INFORMATION

Registration number:	2001/028289/07
Entity domicile:	South Africa
Legal form:	Private Company
Country of incorporation:	South Africa
Address of registered office:	21 Potgieter Street Alrode Alberton 1448
Principal activity:	Manufacture of crowns
Name of holding company:	Astir Vitogiannis Bros Single Member Societe Anonyme
Name of ultimate holding company:	Ideal Holdings A.E.
Director	Phillip Sathekge# Ian Victor* Sivalingam Balakistan* Stylianos Vytogiannis*

*Executive
#Non-Executive

Company secretary:	Rand Corporate Consultants Proprietary Limited

The annual financial statements have been prepared under the supervision of S Balakistan (SAIPA).

These annual financial statements have been audited by our external auditor PricewaterhouseCoopers Inc. in compliance with the applicable requirements of the Companies Act, 2008.

The financial statements have been issued on the 31st March 2023.

COLEUS PACKAGING PROPRIETARY LIMITED
Registration number: 2001/028289/07
STATEMENT OF DIRECTORS' RESPONSIBILITY
for the year ended 31 December 2022

The directors are responsible for preparing the annual financial statements in accordance with applicable laws and regulations. The directors have prepared the annual financial statements in accordance with International Financial Reporting Standards (IFRS). The annual financial statements are required to give a true and fair view of the state of affairs of the company and the profit or loss of the company for that year.

In preparing these annual financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the annual financial statements comply with IFRS;
- Prepare the annual financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the annual financial statements.

The directors are responsible for keeping appropriate accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the annual financial statements comply with the Companies Act of South Africa 2008. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have reviewed the company's budget and cash flow forecasts. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the company is a going concern and have continued to adopt the going concern basis in preparing the annual financial statements.

The annual financial statements, which appear on pages 8 to 40, have been approved and authorised for issue by the board of directors on 31 March 2023. They are signed on their behalf by:

....	....
Director (P Sathekge)	Director (S Balakistan)

The directors have the pleasure of submitting their report, which forms part of the annual financial statements of the company for the year ending 31 December 2022.

Group structure

Coleus Packaging Proprietary Limited is a 75% owned subsidiary of Astir Vitogiannis Bros Single Member Societe Anonyme (Astir Vitogiannis BROS S.A) while the remaining 25% is held by Nokusa Packaging Proprietary Limited.

Principal activities

The company's principal activity is the manufacture of crowns (metal bottle closures) used by the beverage industry in sealing bottles.

Acquisition and sale of Coleus Packaging

South African Breweries Proprietary Limited (SAB) and Nokusa Packaging Proprietary Limited (Nokusa) had each signed agreements with Astir Vitogiannis BROS S.A in which it was agreed that Astir acquired all of SAB's 60% shareholding in Coleus Packaging Proprietary Limited (Coleus) and 15% of the shares in Coleus from Nokusa. All regulatory approvals have been finalised and the sale to Astir Vitogiannis BROS S.A was concluded on 30 June 2022.

Financial Results

New long-term facility loan

On 30 June 2022, Coleus entered into a secured borrowing base facility of R 300 000 000 over a 3 year period and a general short-term funding of R 40 000 000 with Standard Bank Limited South Africa. Coleus utilised part of the facility to repay the loan owing to SABFIN Proprietary Limited of R 111 591 660 on 30 June 2022.

Solvency

At 31 December 2022, the current liabilities exceed the current assets by R 94 920 687. Included in the long-term liabilities is the loan amount of R 127 586 920 owing to Standard Bank Limited of South Africa. The total assets exceed the total liabilities as at 31 December 2022 and the directors are of the view that the company is solvent.

Liquidity

To address the risk of short-term cash pressure, management has prepared forecasts for the next 12 months. The forecasts indicate that the company will be able to meet its short-term debt.

Share capital

South African Breweries (Pty) Ltd's share of 60% holding and 15% of Nokusa Packaging Proprietary Limited (Nokusa) was transferred to Astir Vitogiannis BROS S.A.

Dividends

There were no dividends declared during the year.

Directors

The composition of the board for the year ending 31 December 2022 and up to the date of this report is:

Phillip Sathekge
Ian Victor (Appointed 1 December 2022)
Sivalingam Balakistan* (Appointed 1 July 2022)
Johannes Hendrikus Du Plooy (Appointed 1 July 2022), (Resigned 1 December 2022)
Nkosinaye Mduduzi Ndumiso Pendlebury Nene (Resigned 30 June 2022)

Secretary

The company secretary for the year ending 31 December 2022 was as follows:

Rand Corporate Consultants Proprietary Limited

Going concern

The going concern basis has been adopted in preparing the financial statements. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The total borrowing limit has not been utilized fully as at 31 December 2022 and the cash flow forecast for the next 12 months from commencement of the date of the financial statements indicates that there will be sufficient cash generated through operations to meet the obligations of creditors. The company has made a profit after tax in the current year of R41 026 963 and forecasts to make higher profits in the future. The Company considered scenarios that might impact the group and company's viability, testing the company's business against pertinent factors including global steel price price, rand/US$ exchange rates and economic recovery following the COVID-19 pandemic. After examining the evidence The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts including cash flow forecast and key initiatives taken.

COLEUS PACKAGING PROPRIETARY LIMITED
Registration Number: 2001/028289/07
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COLEUS PACKAGING LIMITED
for the year ending 31 December 2022

We have audited the financial statements of Coleus Packaging Proprietary Limited set out on pages 8 to 38 which comprise the balance sheet, as at 31 December 2022, the income statement, the statements of comprehensive income, the statement of changes in equity and the cash flow statements for the year then ended, and the notes, comprising a summary of significant accounting policies, other explanatory information, and the directors' report.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coleus Packaging Proprietary Limited as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.
Director: Saffiyah Bootha
Registered Auditor
Johannesburg

05 May 2023

COLEUS PACKAGING PROPRIETARY LIMITED
Registration Number: 2001/028289/07
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the year ending 31 December 2022

	Notes	2022	2021
		R'000	R'000
Revenue	2	**703,616**	521,772
Cost of sales		**(553,129)**	(387,648)
Gross profit		**150,487**	134,124
Other operating income	3	**6,152**	7,364
Reversal of credit losses		**-**	375
Selling, marketing and distribution costs		**(6,198)**	(5,612)
Other operating expenses	3&4	**(84,970)**	(81,449)
Operating profit before exceptional items		**65,471**	54,802
Exceptional items	26	**(1,858)**	(8,509)
Operating profit after exceptional items		**63,613**	46,293
Interest expense	5	**(5,508)**	(2,542)
Profit before taxation		**58,105**	43,751
Other taxes		**(348)**	-
Taxation	6&7	**(16,730)**	(14,760)
Profit for the year		**41,027**	28,991
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit		**196**	520
Actuarial gains on Post Retirement Benefits		**272**	721
Tax on items that will not be reclassified subsequently to profit		**(76)**	(201)
Total comprehensive income		**41,223**	29,511

The notes on pages 12 to 40 are an integral part of these financial statements.

COLEUS PACKAGING PROPRIETARY LIMITED
Registration Number: 2001/028289/07
STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Notes	2022 R'000	2021 R'000
ASSETS			
Non-current assets			
Intangible assets	8	**7**	166
Property, plant and equipment	9	**65,041**	71,330
Right of use of asset	10	**76**	59
Deferred tax asset	14	**3,232**	422
		68,356	71,977
Current assets			
Inventories	11	**236,394**	140,172
Trade and other receivables	12	**236,799**	43,527
Derivative financial asset	20	**-**	897
Cash and cash equivalent		**2,157**	-
Intercompany receivables	12	**-**	51,955
		475,350	236,551
Total assets		**543,706**	308,528
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital and share premium	13	**1,501**	1,501
Retained earnings		**93,421**	50,658
Total equity		**94,922**	52,159
Non-current liabilities			
Employee benefit obligations	15	**2,425**	2,452
Provision for long service awards	16	**2,602**	2,398
Long term borrowings	17	**127,587**	-
		132,614	4,850
Current liabilities			
Borrowings	17	**-**	54,505
Trade and other payables	18	**293,210**	196,944
Lease liability	10	**-**	70
Intercompany trade payable	27	**22,960**	-
		316,170	251,519
Total liabilities		**448,784**	256,370
Total equity and liabilities		**543,706**	308,528

The notes on pages 12 to 40 are an integral part of these financial statements.

COLEUS PACKAGING PROPRIETARY LIMITED
Registration Number: 2001/028289/07
STATEMENT OF CHANGES IN EQUITY
for the year ending 31 December 2022

	Share capital and share premium R'000	Retained earnings R'000	Total R'000
Balance at 1 January 2021	1,501	32,067	33,568
Total comprehensive income	-	29,511	29,511
Profit for the year	-	28,991	28,991
Other comprehensive income	-	520	520
Share based payment	-	8,964	8,964
Share based payment cash recharge	-	(19,294)	(19,294)
Divided declared	-	(590)	(590)
Balance at 31 December 2021	1,501	50,658	52,159
Total comprehensive income	-	**41,223**	**41,223**
Profit for the year	-	**41,027**	**41,027**
Other comprehensive income	-	**196**	**196**
Share based payment	-	**1,540**	**1,540**
Balance at 31 December 2022	**1,501**	**93,421**	**94,922**
	Note 13		

The notes on pages 12 to 40 are an integral part of these financial statements.

COLEUS PACKAGING PROPRIETARY LIMITED
Registration Number: 2001/028289/07
STATEMENT OF CASH FLOWS
for the year ending 31 December 2022

	Notes	2022	2021
		R'000	R'000
Cash flow (utilised)/generated from operating activities			
Cash (utilised)/generated from operations	19.1	**(38,125)**	90,909
Interest paid	19.2	**(5,508)**	(2,542)
Taxation paid		**(18,482)**	(13,140)
Share based payment cash recharge		**-**	(19,294)
Net cash (utilised)/ generated from operations		**(62,115)**	55,933
Cash flow from investing activities			
Purchase of property, plant and equipment	9	**(7,818)**	(7,582)
Net cash utilised in investing activities		**(7,818)**	(7,582)
Cash flow from financing activities			
Cash outflow to borrowings		**(484,796)**	(480,607)
Cash inflow from borrowings		**557,878**	433,155
Decrease in borrowings	10.2	**(992)**	(309)
Dividend paid	27	**-**	(590)
Net cash/generated (utilised)/from financing activities		**72,090**	(48,351)
Net increase in cash and cash equivalents		**2,157**	-
Cash and cash equivalent at end of the year		**-**	-
Bank balance/(overdraft) at end of year		**2,157**	-

The notes on pages 12 to 40 are an integral part of these financial statements.

1. Accounting policies

The principal accounting policies adopted in the preparation of the company's annual financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

1.1 Basis of preparation

The financial statements are presented in South African Rand, which is the company's functional currency rounded to the nearest thousand.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards,(IFRIC) interpretations and the requirements of the Companies Act of South Africa.

The annual financial statements are prepared under the historical cost convention, except for the revaluation to fair value of certain financial assets and liabilities, and post-retirement assets and liabilities as described in the accounting policies below. The accounts have been prepared on a going concern basis.

The preparation of annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Actual results could differ from those estimates.

1.2 New standards

(i) Accounting standards, interpretations and amendments effective

Amendments to IAS 16 'Property, Plant and Equipment' (PPE) on proceeds before intended use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss. The amendments were effective for the entity from 1 January 2022. There was no significant impact.

IFRS 16, 'Leases' COVID-19-related rent concessions amendment

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if there were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment. The amendments were effective for the entity from 1 January 2022. There was no significant impact.

Annual improvements cycle 2018 -2020

These amendments include minor changes to IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for the derecognition of a financial liability. Fees paid to third parties are excluded from this calculation The amendments were effective for the entity from 1 January 2022, and there was no significant impact.

1.2 New standards (continued)

(ii) Accounting standards, interpretations and amendments not yet effective

Amendment to IAS 1, 'Presentation of Financial Statements' on the classification of liabilities as current or non-current

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. The amendments are effective for the entity from 1 January 2023, will be applied retrospectively and are not expected to significantly impact the entity.

Amendments to IAS 12, 'Income Taxes' deferred tax related to assets and liabilities arising from a single transaction

The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for the entity from 1 January 2023, and will not significantly impact the entity.

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendment's aim is to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.
The amendments are effective for the entity from 1 January 2023, and will not significantly impact the entity.

1.3 Significant judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported results or net position of the company, should it later be determined that a different choice be more appropriate.

Management considers the following to be areas of significant judgement and estimation for the company due to greater complexity and/or particularly subject to the exercise of judgement:

(i) Impairment reviews

Impairment reviews are based on future cash flows discounted using the weighted average cost of capital with terminal values calculated by applying the long-term growth rate. The future cash flows are based on business forecasts. The long-term growth rates and the discount rates used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change with a consequent adverse impact on the results and net position of the company.

(ii) Post-retirement benefits

Post-retirement accounting requires certain assumptions to be made in order to value the company's pension and post-retirement obligations in the statement of financial position and to determine the amounts to be recognised in the statement of profit and loss and in other comprehensive income in accordance with IAS 19. The calculations of these obligations and charges are based on assumptions determined by management, which include discount rates, healthcare cost inflation, mortality rates and expected long-term rates of return on assets. The selection of different assumptions could affect the net position of the company and future results.

1.3 Significant judgements and estimates (continued)

(iii) Property, plant and equipment

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The company regularly reviews all of its depreciation rates and residual values to take account of any changes in circumstances, and any changes that could affect prospective depreciation charges and asset carrying values. Refer to note 9.

(iv) Taxation

Significant judgement is required in determining the provision for taxes as the tax treatment is often, by its nature, complex and cannot be finally determined until a formal resolution has been reached with the relevant tax authority, which may take several years to conclude. Amounts provided are accrued based on management's interpretation of specific tax laws and the likelihood of settlement. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the entity. Further significant judgment is required in determining whether a deferred tax asset is recoverable and thus recognised. This is based on management's expectations with regards to taxable temporary differences and the forecast of future taxable profits.

(v) Provision for allowance losses

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

(vi) Provision for inventory losses

The calculation of the net realisable value takes into consideration specific characteristics of each inventory category, such as expiration date, remaining shelf life, and slow-moving indicators, amongst others.

1.4 Foreign exchange

Transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date with the resultant translation differences being included in operating profit in the statement of profit and loss.

1.5 Intangible assets

Cost is usually determined as the amount paid by the company unless the asset has been acquired as part of a business combination. Amortisation is included within net operating expenses in the statement of profit and loss. Internally generated intangibles are not recognised except for software and applied development costs referred to under software below.

Intangible assets are stated at cost less accumulated amortisation, on a straight-line basis and impairment losses. The company regularly reviews all of its amortisation rates and residual values to take account of any changes in circumstances. Management assessments of the useful life of intangible assets are based on the nature of the asset acquired, the durability of the products to which the asset attaches and the expected future impact of competition on the business.

Intangible assets acquired as part of a business combination are recognised separately when they are identifiable, it is probable that economic benefits will flow to the entity and the fair value can be measured reliably.

Software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset.

1.5 Intangible assets (continued)

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs associated with the production of identifiable and unique internally generated software products controlled by the company that will probably generate economic benefits exceeding costs beyond one year are capitalised. Direct costs include software development employment costs (including those of contractors used), capitalised interest and an appropriate portion of overheads.

Capitalised computer software, licence and development costs are amortised over their useful economic lives of three years. Internally generated costs associated with maintaining computer software programmes are expensed as incurred.

1.6 Property, plant and equipment

(i) Recognition and initial measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of profit and loss during the financial period in which they are incurred.

(ii) Subsequent costs

The entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of the item when it is probable that future economic benefits will flow to the entity and the cost can be reliably measured. All other repairs and maintenance costs are recognised as expenses when occurred.

(iii) Assets in the course of construction

Assets in the course of construction are carried at cost less any impairment loss. Cost includes professional fees and borrowing costs for certain qualifying assets. When these assets are ready for their intended use, they are transferred into the appropriate category. At this point, depreciation commences on the same basis as on other property, plant and equipment.

(iv) Depreciation

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other plant, property and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost, less the estimated residual value of each asset over its expected useful life as follows:

- Freehold buildings 50 years
- Plant, and office equipment 3–10 years

The company regularly reviews all of its depreciation rates and residual values to take account of any changes in circumstances. When setting useful economic lives, the principal factors the company takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used.
The profit or loss on the disposal of an asset is the difference between the disposal proceeds and the net book amount.

1.7 Impairment

Impairment reviews are performed by comparing the carrying value of the non-current asset to its recoverable amount, being the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is considered to be the amount that could be obtained on disposal of the asset.

Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the CGU (Cash Generating Unit) using a post-tax discount rate, as this closely approximates to applying pre-tax discount rates to pre-tax cash flows. Where impairment is identified using post-tax cash flows and post-tax discount rates, the impairment review is re-performed on a pre-tax basis in order to determine the impairment loss to be recorded.

Should circumstances or events change and give rise to a reversal of a previous impairment loss, the reversal is recognised in the statement of profit and loss in the period in which it occurs and the carrying value of the asset is increased. The increase in the carrying value of the asset is restricted to the amount that it would have been had the original impairment not occurred. Impairment losses in respect of goodwill are irreversible.

1.8 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, as follows:

- Raw materials and consumables: Purchase cost net of discounts and rebates on a first-in first-out basis (FIFO).
- Finished goods and work in progress: Raw material cost plus direct costs and a proportion of manufacturing overhead expenses on a FIFO basis.
- Engineering spares are measured using weighted average cost.

Net realisable value is based on the estimated selling price less further costs expected to be incurred in order to complete and dispose of the inventory.

1.9 Financial assets and financial liabilities

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the entity, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal, and

- where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch)

1.10 Financial assets and financial liabilities (continued)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the entity are presented below:

(i) Intercompany receivables

Classification
Amounts due from related parties are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these intercompany receivables give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the entity business model is to collect the contractual cash flows on these loans.

Recognition and measurement
Intercompany receivables are recognised when the entity becomes a party to the contractual provisions of the intercompany receivables. The intercompany receivables are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest rate method.

The amortised cost is the amount recognised on the intercompany receivables initially, minus repayments, adjusted for any loss allowance.

Impairment
Historically, there has been no routine material impairment of intercompany balances, nor is there an expectation that there will be impairment of balances in the future due to the intercompany settlements and policies in place. On that basis, no impairment is recorded unless an unforeseen situation arises which would suggest that balances may not be recoverable.

Write off policy
The Company writes off an intercompany receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

1.10 Financial assets and financial liabilities (continued)

(ii) Trade and other receivables

Classification
Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the entity model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement
Trade and other receivables are recognised when the entity becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment
The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic write-offs to the payment profile of the sales population. Details of the credit losses are provided on page 33.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through the use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the entity's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Trade and other payables

Classification
Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the entity becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method.

1.10 Financial assets and financial liabilities (continued)

(iv) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, demand deposits and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at the carrying amount which is deemed to be fair value.

(v) Bank overdrafts

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

(vi) Financial assets and financial liabilities are measured at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss include derivative assets and derivative liabilities not designated as effective hedging instruments.

(vii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently stated at amortised cost and include accrued interest and prepaid interest. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months from the statement of financial position date.

All gains or losses arising from changes in the fair value of financial assets or financial liabilities within this category are recognised in the statement of profit or loss and other comprehensive income.

(viii) Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(ix) Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the entity obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss. When the company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

1.11 Share Capital

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.

1.12 Revenue recognition

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when performance obligations are satisfied, meaning when the company transfers control of a product to a customer.

Specifically, revenue follows the following 5 step approach:

- Identification of the contracts with the customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation in the contracts
- Revenue Recognition when performance obligations are satisfied

Goods Sold

The entity enters into approved agreements with various customers for the sale of goods. The agreement stipulates the goods to be transferred. The payment terms are generally 30 days from the statement date. It is probable that the consideration stated in the agreement will be received.

The agreement states that the entity will deliver the goods to the customer. Revenue from the sale of goods is measured at the amount that reflects the best estimate of the consideration expected to receive in exchange for the goods.

The transport company fetches goods, all the performance obligations are satisfied and revenue is recognised. The customer is allowed to return goods due to defective quality or wrong specifications. Revenue is adjusted when the goods are received by the entity.

1.13 Leases

Leases are recognised as a right–of–use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from the lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

-fixed payments (including substance fixed payments), less any lease incentive lease receivable
-variable lease payments that are based on a rate, initially measured using the rate as at the commencement date
-amounts expected to be payable by the company under residual value guarantees
-the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
-payments of penalties for terminating the lease, if the lease term reflects the company exercising the option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-ofuse asset in a similar economic environment with similar terms security and conditions.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right–of–use assets are measured at cost comprising the following:

-the amount of the initial measurement of the lease liability
-any lease payments made at or before the commencement date less any lease incentives received
-any initial direct costs, and
-restoration costs.

1.13 Leases (continued)

Right–of–use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease terms of the assets are used if the Company is reasonably certain to exercise a purchase option, the right–of–use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.14 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. The company's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is provided in full using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax liabilities are recognised where the carrying value of an asset is greater than its tax base, or where the carrying value of a liability is less than its tax base.

Deferred tax is recognised in full on temporary differences arising from investment in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the entity and it is probable that the temporary difference will not reverse in the foreseeable future.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is probable that future taxable profit will be available against which the temporary differences (including carried forward tax losses) can be utilised.

Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is measured on a non-discounted basis.

Deferred Tax assets and liabilities are offset as they relate to income taxes levied by the same tax authority and the entity has a legal right and intends to settle its current assets and liabilities on a net basis.

1.15 Employee benefits

(i) Wages and salaries

Wages and salaries for current employees are recognised in the statement of profit and loss as the employees' services are rendered.

(ii) Leave and long-term service award costs

The company recognises a liability and an expense for accrued leave pay when such benefits are earned and not when these benefits are paid.

The company also recognises a liability and an expense for long-term service awards where cash is paid to the employee at certain milestone dates in a career with the company. Such accruals are appropriately discounted to reflect the future payment dates at discount rates determined by reference to local high-quality corporate bonds.

(iii) Share-based compensation

1.15 Employee benefits (continued)

The company operates a variety of equity-settled, share-based compensation plans. These comprise option plans (with or without non-market performance conditions attached), performance share award plans (with market conditions attached), and awards related to the employee element of the Broad-Based Black Economic Empowerment (BBBEE) transaction. An expense is recognised to spread the fair value of each award granted over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will eventually vest. A corresponding adjustment is made to equity over the remaining vesting period. The estimate of the level of vesting is reviewed at least annually, with any impact on the cumulative charge being recognised immediately. A one-off charge has been recognised based on the fair value at the grant date with a corresponding adjustment to equity. The charge will not be adjusted in the future
.
The charge is based on the fair value of the award as at the date of grant, as calculated by various binomial model calculations and Monte Carlo simulations.

The charge is not reversed if the options are not exercised because the market value of the shares is lower than the option price at the date of grant.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(iv) Other post-employment obligations

The company provides post-retirement healthcare benefits to qualifying employees. The expected cost of these benefits is assessed in accordance with the advice of qualified actuaries and contributions are made to the relevant funds over the expected service lives of the employees entitled to those funds. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are recognised in full as they arise outside the statement of profit and loss are charged or credited to equity in other comprehensive income in the period in which they arise, with the exception of gains or losses arising from changes in the benefits regarding past services, which is recognised in the statement of profit and loss. These obligations are valued annually by independent qualified actuaries.

1.16 Derivative financial instruments

Financial assets and financial liabilities at fair value through profit or loss include all derivative financial instruments. The derivative instruments used by the company, which are used solely for hedging purposes (i.e. to offset foreign exchange and interest rate risks), comprise forward foreign exchange contracts. Such derivative instruments are used to alter the risk profile of an existing underlying exposure of the company in line with the company’s risk management policies. The source of the inputs used affects the reliability and accuracy of the valuations and the company uses Level 1 quoted prices in active markets for identical assets or liabilities.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedging relationship.

1.17 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are calculated on a discounted basis where the effect is material to the original undiscounted provision. The carrying amount of the provision increases in each period to reflect the passage of time and the unwinding of the discount and the movement is recognised in the statement of profit or loss and other comprehensive income within net finance costs.

1.17 Provisions and Contingent Liabilities (continued)

Disputes and Litigations

A provision for the dispute of litigations is recognised when it is more likely than not that the company will be required to make future payments as a result of past events, such items may include but are not limited to, several claims from customers.

Contingent Liabilities

Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes in the financial statements unless the probability of occurrence is remote.

1.18 Cost of Sales

Cost of sales primarily consists of goods sold. Cost of sales includes material cost and direct manufacturing overhead and excludes transport cost.

	2022 R'000	2021 R'000

2. Revenue

	2022 R'000	2021 R'000
Revenue from sale of goods	**703,616**	521,772

3. Operating expenses

	2022 R'000	2021 R'000
Employee benefit costs (see note 4)	**50,825**	46,805
Depreciation-Buildings[1]	**313**	313
Depreciation-Plant, and systems (Refer to note below)	**348**	766
Depreciation-Right of use of asset	**893**	288
Loss on disposal of property, plant and equipment	**278**	104
Amortisation of software	**159**	467
Repairs and maintenance	**9,786**	7,357
Lease rentals maintenance costs	**105**	884
Utilities	**2,991**	2,828
Loss Allowance (see note 20.6)	**100**	-
Audit and assurance related services	**788**	755
Foreign Exchange losses	**533**	15,777
Computer Expenses	**857**	1,499
Other operating expenses	**16,994**	3,606
Operating expenses	**84,970**	81,449

Other Operating Income

Other operating income consists mainly of by-product income.

1.Depreciation Plant and Systems

During the year depreciation on plant and machinery has been allocated to cost of sales. The prior year amount has been restated accordingly. There has been no material impact on prior year numbers.

	2022	2021
	R'000	R'000

4. Employee benefit costs

Wages and salaries	**34,427**	32,009
Bonuses	**2,245**	2,077
Long service awards	**204**	101
Post retirement cost	**8,862**	8,654
Share base payment cost	**1,540**	454
Training	**1,159**	1,231
Other	**2,388**	2,279
	50,825	46,805

The total number of persons employed by the company as at 31 December 2022 is 171 (December 2021: 184). This includes temporary staff.

5. Interest Expense

Interest income/(expense)	**199**	(16)
Intercompany borrowing interest	**(2,101)**	(2,526)
Interest expense Standard Bank loan	**(3,310)**	-
Fees other	**(296)**	-
	(5,508)	(2,542)

6. Income tax expense

South African normal tax		
-Current tax charge for the current year	**(19,540)**	(16,296)
-Prior year adjustment	**-**	-
	(19,540)	(16,296)
Deferred tax		
-Charge for the current year	**2,810**	1,536
-Prior year adjustment	**-**	-
	2,810	1,536
	(16,730)	(14,760)

	2022	2021
	R'000	R'000

7. Income tax expense reconciliation

Reconciliation of rate of tax

	%	%
South African normal tax rate	**28.00**	28.00
Adjusted for:		
Reconciling items below	**(0,20)**	(0,20)
Effective tax rate	**27.80**	27.80
Profit before tax	**58,105**	43,751
Expected tax at nominal rate	**16,268**	12,251
Tax effected reconciling items:	**461**	2,509
Share based payment	**431**	2,509
Other non-deductible expenses	**30**	-
Actuarial gains on post retirement benefits	**-**	-
	16,730	14,760

8. Intangible assets

Software		
Cost:		
Opening Balance	**3,270**	3,270
Additions	**-**	-
Disposals	**-**	-
Closing Balance	**3,270**	3,270
Accumulated amortisation:		
Opening Balance	**(3,104)**	(2,637)
Amortisation	**(159)**	(467)
Disposals	**-**	-
Transfers	**-**	-
Closing Balance	**(3,263)**	(3,104)
Net book value:		
At 31 December 2022	**7**	166

The entity does not have any internally generated assets.

9. Property, plant and equipment

	Assets in course of construction R'000	Land and buildings R'000	Plant and office Equipment R'000	Total R'000
Cost:				
1 January 2021	3,902	16,385	168,931	189,218
Additions	7,582	-	-	7,582
Disposals	-	-	(3,016)	(3,016)
Transfers	(9,973)	-	9,973	-
31 December 2021	1,511	16,385	175,888	193,784
Additions	**6,902**	**-**	**-**	**6,902**
Disposals	**-**	**-**	**(1,407)**	**(1,407)**
Transfers	**(5,416)**	**229**	**5,187**	**-**
31 December 2022	**2,997**	**16,614**	**179,668**	**199,279**

	Assets in course of construction R'000	Land and buildings R'000	Plant and office equipment R'000	Total R'000
Accumulated Depreciation:				
1 January 2021	-	(4,778)	(107,821)	(112,599)
Depreciation		(313)	(12,454)	(12,767)
Disposals	-	-	2,912	2,912
Transfers to Other Assets	-	-	-	-
At 31 December 2021	**-**	(5,091)	(117,363)	(122,454))
Depreciation		**(313)**	**(12,600)**	**(12,913)**
Disposals	**-**	**-**	**1,129**	**1,129**
Transfers to Other Assets Disposals	**-**	**-**	**-**	**-**
31 December 2022	**-**	**(5,404)**	**(128,834)**	**(134,238)**
Net book value:				
31 December 2022	**2,997**	**11,210**	**50,834**	**65,041**
31 December 2021	1,511	11,294	58,525	71,330

Details of freehold properties are available at the company's registered office. Included in the land and buildings is a balance of R755 000 (December 2021:R755 000) of freehold land which is not depreciated. The entity has no title restrictions to any of the assets disclosed.

	2022	2021
	R'000	R'000

10. Leases

10.1 Right -of -Use Assets

Movements in the carrying value of right-of use assets:

	2022	2021
Opening balance	**1,152**	1,152
Additions	**910**	-
Closing balance	**2,062**	1,152
Accumulated Depreciation:		
Opening balance	**(1,093)**	(805)
Depreciation	**(893)**	(288)
Closing balance	**(1,986)**	(1,093)
Net book value:		
Balance at end of year	**76**	59

The company entered into leases for plant and machinery and the lease of a warehouse building. The leases are depreciated over 4 years and one year respectively.

10.2 Lease liabilities –IFRS 16

Movement in Lease Liabilities

	2022	2021
Opening balance	**70**	379
Additions	**909**	-
Interest paid	**13**	17
Lease payments	**(992)**	(326)
Closing balance	**0**	70
Lease liabilities categories		
Short term portion disclosed in current liabilities	**-**	70
Long term portion disclosed in non-current liabilities	**-**	-
Balance at year end	**-**	70

There are no significant leasing arrangements or restrictions on the leases.

11. Inventories

	2022	2021
Raw materials	**164,885**	92,391
Work in progress	**13,600**	13,067
Finished goods	**33,396**	9,753
Engineering spares	**24,513**	24,961
	236,394	140,172

	2022	2021
	R'000	R'000

12. Trade and other receivables

	2022	2021
Financial Instruments at amortised cost		
Intercompany receivables (Note 27)	**-**	51,955
Trade receivables	**225,641**	30,056
Less Loss Allowance (Note 20.6)	**(100)**	-
Net trade receivables	**225,541**	82,011
Non-Financial Instruments		
Prepayments and accrued income	**126**	115
SARS provisional tax	**-**	-
Vat receivables	**10,112**	12,549
	10,238	12,664
Other receivables at amortised cost		
Other receivables	**876**	688
Staff receivables	**144**	119
	1,020	807
	236,799	95,482

The net carrying values of trade and other receivables are considered a close approximation of their fair value.

13. Share capital and share premium

	2022	2021
Share capital		
Authorised		
1 025 000 Ordinary shares of R0.001 each		
All shares are fully paid up	**1**	1
Issued		
1 025 000 Ordinary shares of R0.001 each	**1**	1
Share capital	**1**	1
Share premium	**1,500**	1,500
	1,501	1,501

14. Deferred tax liability/(asset)

Net deferred tax liability/(asset)

	2022	2021
Fixed asset allowances	**(1970)**	3,587
Provisions	**2,714**	(3,228)
Prepayments	**(35)**	32
Leases	**(4)**	(19)
Income received in advance	**2,527**	(794)
	(3,232)	(422)

14. Deferred tax liability/(asset) continued

Movement in deferred tax balance

	2022 R'000	2021 R'000
1 January 2021	**(422)**	1,113
Amount recognised in statement of profit and loss	**(2,734)**	(1,333)
Other comprehensive income charge	**(76)**	(202)
31 December 2022	**(3,232)**	(422)

15. Employee benefit obligations

Post-employment benefits

Health care benefits of retired employees (and in some cases their beneficiaries and eligible dependants) are, at the option of the retired employees, provided through participation by employees in the South African Breweries Medical Aid Society (SABMAS). The plan covers medical, dental and optical benefits to members by SABMAS. The company has in the past recognised these liabilities on an accrual basis over the working life of eligible employees using the projected unit credit method. The latest actuarial valuation was performed on 31 December 2022.

	2022 R'000	2021 R'000
Balance at 1 January 2022	**2,452**	2,863
Contributions paid	**(91)**	(82)
Other expenses included in staff cost	**336**	392
- current service cost	**52**	60
- interest cost	**284**	332
Actuarial (gain)/loss	**(272)**	(721)
	2,452	2,452

	2022 R'000	2021 R'000
Opening net liability	**2,452**	2,863
Expenses recognised	**336**	392
Actuarial (gain)/loss	**(272)**	(721)
Contributions	**(91)**	(82)
Closing net liability at 31 December 2022	**2,425**	2,452

The principal actuarial assumptions for accounting purposes were as follows:

	2022	2021
Health care cost inflation	**9.40%**	8.80%
Discount rate	**12.70%**	11.60%
Normal retirement age	**63 years**	63 years
Expected retirement age	**63 years**	63 years
Continuation at retirement age	**65%**	65%
Proportion married at retirement	**75%**	75%

	2022	2021
	R'000	R'000

16. Provision for long service awards

The entity pays its employees a long service benefit. The benefit is paid when employees reach pre-determined years of service. The method used to value the liabilities is the projected unit credit method. The latest actuarial valuation was performed on 31 December 2022. Actuarial losses are recognised in the statement of profit and loss.

	2022	2021
Balance at 1 January 2022	**2,398**	2,298
Contributions paid	**(104)**	(169)
Other expenses included in staff cost	**441**	394
- current service cost	**174**	168
- Interest cost	**267**	226
Actuarial gain	**(133)**	(125)
Closing net liability at 31 December 2022	**2,602**	2,398
Non-current liabilities	**2,602**	2,398
	2,602	2,398

The principal actuarial assumptions for accounting purposes were as follows:

	2022	2021
Discount rate	**12.20%**	10.60%
Inflation rate	**6.8%**	7.10%
Salary inflation rate	**7.8%**	7.10%
Mortality rate	SA85-90 (light) ultimate mortality tables	

	2022	2021
	R'000	R'000

17. Borrowings

	2022 R'000	2021 R'000
Long term		
Long-term Borrowings:	**127,587**	-
Standard bank borrowing base facility	**127,587**	-
Current		
Short-term borrowings:	**-**	54,505
SABFIN Proprietary Limited	**-**	54,505

On 30 June 2022 Coleus entered into a secured borrowing base facility of R 300 000 000 over a 3 year period and a general short-term funding of R 40 000 000 with Standard Bank Limited South Africa. Coleus utilised part of the facility to repay the loan owing to SABFIN Proprietary Limited of R 111 591 660 as at 30 June 2022. The interest rate is charged at the prime interest rate. The prime interest rate at 31 December 2022 was 10.5% and the average interest rate was 9.48% for the year. The loan is repayable in full by no later than the termination date of 30 June 2025.

18. Trade and other Payables

	2022 R'000	2021 R'000
Trade payables	**191,374**	163,800
Accruals	**97,891**	30,333
SARS	**3,945**	2,811
	293,210	196,944

The fair value of trade and other payables approximate their carrying values. The accruals consist mainly of accruals for goods in transit and for goods and services incurred but not paid at year-end.

19. Cash flow information

19.1 Cash generated from operations

	2022 R'000	2021 R'000
Operating Profit	**63,613**	46,293
Adjusted for:		
Depreciation	**13,806**	13,055
Amortisation	**159**	467
Loss on disposal of property, plant and equipment	**278**	104
Share based payment	**1,540**	8,964
(Decrease) in employee benefit obligation	**(27)**	(411)
Actuarial (gains) transferred to other comprehensive income	**(272)**	(520)
Movement in derivative financial instrument	**897**	(13,496)
Movement in provision for long service awards	**205**	101
	80,199	54,557
Movement in net working capital		
(Decrease) in inventories	**(96,222)**	(32,202)
(Increase) in trade and other receivables	**(141,317)**	(19,229)
Increase in trade and other payables	**119,215**	87,783
	(118,324)	36,352
Cash generated from operations	**(38,125)**	90,909

19.2 Interest paid

	2022 R'000	2021 R'000
Interest paid	**(5,508)**	(2,542)
	(5,508)	(2,542)

	2022	2021
	R'000	R'000

20. Financial instruments

20.1 Fair value of derivative financial instruments

	2022 R'000	2021 R'000
Financial assets		
Forward foreign exchange contracts	**-**	897
	-	897

The company entered into forward foreign currency contracts to manage short-term foreign currency exposures of expected future trade imports. The gains and losses arising from the forward exchange contracts are taken to the statement of profit and loss.

20.2 Financial instruments by category

Financial assets at amortised costs

	2022 R'000	2021 R'000
Trade receivables	**225,541**	82,011
Other receivables at amortised cost	**1,020**	806
	226,561	82,817
Non–financial Instruments	**10,238**	12,644

20.3 Financial instruments by category

	2022 R'000	2021 R'000
Financial liabilities		
Financial liabilities measured at amortised cost		
Borrowings	**127,587**	54,505
Trade and other payables	**293,210**	196,944
Intercompany payable	**22,960**	-
Leases	**-**	70
	443,757	251,519
Financial (liabilities)/assets measured at fair value through profit/loss		
Derivative financial instrument	**-**	897

20.4 Financial Instruments at amortised cost

The company's activities expose it to a variety of financial risks, specifically credit risk, liquidity risk and market risk (including foreign currency exchange).

(i) Credit risk

The carrying amount of financial assets above represents the maximum credit exposure. The entity considers its maximum exposure per geographical class to be:

	2022	2021
	R'000	R'000
National customers	**225,641**	82,011
	225,641	82,011

The ageing of the gross trade receivables for the company is as follows:

Less than 30 days	**91,025**	52,402
31-60 days	**71,631**	18,925
61-90 days	**61,995**	6,654
More than 90 days	**990**	4,030
	225,541	82,011

The gross amount of trade receivables is as follows:

Trade receivables	**225,641**	30,056
Intercompany receivable	**-**	51,955
Loss allowance	**(100)**	-
	225,541	82,011

Loss allowance for the year ending 31 December 2022

The loss allowance provision is determined as follows**:**

	Estimated gross carrying amount	**Loss allowance (lifetime expected credit loss)**
Less than 30 days	**91,025**	**-**
31-60 days	**71,631**	**-**
61-90 days	**61,995**	**-**
More than 90 days	**990**	**(100)**
	225,641	**(100)**

There has been no historic write-off of debts and therefore there is minimal risk on the recoverability of the Company's trade receivables.

Loss allowance for year ending 31 December 2021

	Estimated gross carrying amount	**Loss allowance (lifetime expected credit loss)**
Less than 30 days past due	-	-
31-60 days past due	-	-
61-90 days past due	-	-
More than 90 days past due	-	-
	-	-

	2022 R'000	2021 R'000

20.5 Fair value of derivative financial instruments

Reconciliation of Loss Account

Balance at the beginning of the year	-	375
Reversal during the year	-	(375)
Provision during the year	**(100)**	-
Balance at the end of the year	**(100)**	-

Expected credit losses
The entity has the following financial assets subject to the ECL model:
● Trade receivables;

● Intercompany receivables;
Application of the ECL model had an immaterial impact on all financial assets.

Included in intercompany receivables are amounts receivable from related parties and historically there has been no routine material impairment of balances in the future due to intercompany settlements and policies in place. The entity has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic write offs to the payment profile of the sales population. Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date.

20.6. Financial Risk factors

(i) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through adequate credit facilities.The company maintains credit facilities with the top 5 banks through group companies to manage liquidity risk and minimise credit concentration risk.

The table below analyses the company's maturity of its financial liabilities which will be settled on a net basis into the relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances, as the impact of discounting is not considered significant.

31 December 2022	**Due within one year R'000**	**Total R'000**
Borrowings	**127,587**	**127,587**
Trade and other payables	**293,210**	**293,210**
Intercompany payables	**22,960**	**22,960**
Lease liabilities	**-**	**-**
Balance at the end of the year	**443,757**	**443,757**

31 December 2021	Due within one year R'000	Total R'000
Derivative financial instruments	12,599	12,599
Borrowings	101,957	101,957
Trade and other payables	107,187	107,187
Lease Liabilities	379	379
Balance at the end of the year	221,122	221,122

31 December 2022	**Due between 2 and 5 year R'000**	**Total R'000**
Borrowings	**127,587**	**127,587**

20.7. Financial Risk factors (continued)

Forward foreign exchange contracts (inflow)/ outflow

The table below analyses and company's derivative financial instruments which will be settled on a net basis into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances, as the impact of discounting is not considered significant.

	Due within one year R'000	Due between two and five years R'000	Total R'000
31 December 2022	**(897)**	**-**	**(897)**
31 December 2021	(13,496)	-	(13,496)

(ii) Interest rate risk

Financial instruments affected by interest rate risks include borrowings and leases. A change of 1% in the prevailing interest rate in that region at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax.

	2022 R'000	2021 R'000
1% increase	**(328)**	(464)
1% decrease	**328**	464

21. Capital risk management

The company defines its capital as comprising share capital, share premium and other distributable reserves.

The company's objective when managing capital is 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.

The company does not utilise gearing ratios as a basis to manage its capital structure as this is managed on a global basis by the ultimate holding company Anheuser-Busch InBev SA/NV.

	2022 R'000	2021 R'000
22. Commitments		
Lease commitments relate to warehouse rentals		
Not later than a year	**86**	445
Later than a year and not later than 5 years	**-**	-
Later than 5 years	**-**	-
	86	445

23. Events after Statement of financial position date

There was no events identified after financial position date

24. Impact of Covid-19

In 2022 there was no impact of Covid 19 on the financial statements.

25. Going Concern

The going concern basis has been adopted in preparing the financial statements. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The total borrowing limit has not been utilized fully as at 31 December 2022 and the cash flow forecast for the next 12 months from commencement of the date of the financial statements indicates that there will be sufficient cash generated through operations to meet the obligations of creditors. The company has made a profit after tax in the current year of R41 026 963 and forecasts to make higher profits in the future. The Company considered scenarios that might impact the group and company's viability, testing the company's business against pertinent factors including global steel price,rand/US$ exchange rates and economic recovery following the COVID-19 pandemic. After examining the evidence The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts including cash flow forecast and key initiatives taken.

26. Exceptional Items

The company incurred acquisition costs as well as legal and administration costs relating to the long-term borrowing facility.

27. Related Parties

Holding Company	% Holding	Fellow Subsidiary
IDEAL HOLDINGS AE	100%	Astir Vitogiannis BROS S.A
Astir Vitogiannis BROS S.A	75%	Coleus Packaging (Proprietary) Limited

27. Related Parties (Continued)

	2022	2021
	R'000	R'000

Related party balances and transactions for the company:

All transactions with the below entities are concluded on an arm's length basis.

	2022	2021
Intercompany receivables from related parties for the sale of finished goods		
The South African Breweries Proprietary Limited	**-**	29,669
Mubex		22,286
	-	
Intercompany Payable to related parties for the purchase of finished goods		
Astir Vitogiannis BROS S.A	**22,960**	29,669
SABFIN Proprietary Limited	**-**	54,505
Interest paid (received) from related parties		
SABFIN Proprietary Limited	**-**	2,525
Sale of finished goods to related parties		
The South African Breweries Proprietary Limited	**128,102**	128,102
Mubex	**302,018**	302,018
Dividends paid		
The South African Breweries Proprietary Limited	**-**	354
Nokusa Packaging Proprietary Limited.	**-**	236

28. Directors Remuneration