Company Registration No. 96329

Storey Evans & Co Limited

Report and Financial Statements

For the period 19 December 2008 to 30 September 2009

Storey Evans & Co Limited

Report and financial statements 2009

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Storey Evans & Co Limited

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Officers and professional advisers

Directors

GP Harford
HMT Reid
L Taviansky

Secretary

D T Lovell

Registered office

Windlebrook House
Guildford Road
Bagshot
Surrey GU19 5NG

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds

Storey Evans & Co Limited

Directors' report

The directors present their annual report and the audited financial statements for the period from 19 December 2008 to 30 September 2009 The period is shorter than a year to make the reporting date co-terminous with the other companies in the Nampak group The reporting period of nine months and twelve days is shorter than the comparative period of 2008 which was a period 12 days short of a full year

RESULTS AND DIVIDENDS

The loss after taxation for the period ended 30 September 2009 was £49,000 (2008 – loss of £307,000) There was no dividend paid for the period (2008 – £nil) leaving a retained loss of £49,000 (2008 – loss of £307,000)

BUSINESS REVIEW

The company manufactures a variety of packaging products for the healthcare market

During the period the focus was on integrating the business into the Nampak group We continued to concentrate on the sales of cartons and patient information leaflets to pharmaceutical and healthcare companies This strategy continues to improve our financial performance

We continue to believe that the Nampak integration is extremely positive development for Storey Evans and we believe the benefits will be further seen in financial year 2010

The Nampak group manages its operations on a divisional basis For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the European division of Nampak Limited is discussed in the Nampak Limited annual report, which does not form part of this report

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure is a continuing risk, which could result in losing sales to key competitors The Company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but by dealing with all customer queries expeditiously, and by maintaining strong relationships with customers

ENVIRONMENT AND OTHER MATTERS

The Company recognises the importance of its environmental responsibilities, and designs and implements policies to reduce any damage that might be caused by the group's activities, including improving the Company's energy usage efficiency In Europe, the Nampak Group is a member of Pro-Carton, which is an organisation that promotes soundness and cost effectiveness of folding cartons

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate assistance is provided It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

It is Company policy and practise to keep employees informed on matters relevant to them as employees through regular meetings and emails Employee representatives are consulted regularly on a wide range of matters affecting their interests

Directors' report (continued)

DIRECTORS

The directors, who held office throughout the period and to the date of this report were as follows

G P Harford
H M T Reid
L Taviansky

DIVIDENDS

The directors do not propose the payment of a dividend (2008 nil)

AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed auditors during the current period Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

The financial statements have been prepared in accordance with IFRS for the first time through the application of IFRS1, with an effective date of 1 January 2008 Accordingly the impact of these changes has been presented in Note 22 to the notes in the financial statements

GOING CONCERN

The directors' assessment of going concern is set out in note 1

Approved by the Board of Directors
and signed on behalf of the Board

D T Lovell
Secretary
Windlebrook House
Guildford Road
Bagshot, Surrey
GU19 5NG
14/7/2010

Directors' responsibilities statement

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

Company law requires the directors to prepare such financial statements for each financial year Under that law the directors are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, International Accounting Standard 1 requires that directors

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditors' report to the members of Storey Evans & Co Limited

We have audited the financial statements of Storey Evans & Co Limited for the period ended 30 September 2009, which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 25 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

David Johnson B A, A C A (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Leeds, UK
16 July 2010

Storey Evans & Co Limited

Income statement
Period ended 30 September 2009

	Note	Period to 30 September 2009 £'000	Period to 18 December 2008 £'000
Continuing operations			
Revenue	2	12,033	13,262
Cost of sales		(10,477)	(11,655)
Gross profit		1,556	1,607
Distribution costs		(760)	(659)
Administration costs		(921)	(961)
Operating loss	3	(125)	(13)
Finance costs	6	(141)	(294)
Loss before tax		(266)	(307)
Tax credit	7	217	-
Loss after tax attributable to owners of the company		(49)	(307)

There is no other income or expense for the period other than that presented above, therefore no Statement of recognised income and expense is presented

Storey Evans & Co Limited

Balance sheet
30 September 2009

	Note	30 September 2009 £'000	18 December 2008 £'000
Non-current assets			
Property, plant and equipment	8	3,749	2,543
Investments in subsidiaries	9	24	24
Deferred tax asset	14	136	-
		3,909	2,567
Current assets			
Inventories	10	1,298	1,364
Trade and other receivables	11	4,629	3,086
Cash and cash equivalents	12	112	89
		6,039	4,539
Total assets		9,948	7,106
Non-current liabilities			
Borrowings	13	644	902
Deferred tax liabilities	14	-	81
Total non-current liabilities		644	983
Current liabilities			
Trade and other payables	16	3,747	2,654
Borrowings	13	5,273	3,136
Total current liabilities		9,020	5,790
Total Net Liabilities		284	333
Equity			
Share capital	17	1,030	1,030
Capital redemption reserve		29	29
Retained earnings		(775)	(726)
Total equity		284	333
Total liabilities and equity		9,948	7,106

These financial statements (for Company Registration number 96329) were approved by the Board of Directors on 14/7/2010

Signed on behalf of the Board of Directors

Director
Leon Taviansky

Storey Evans & Co Limited

Statement of changes in equity
For the period ended 30 September 2009

	Note	Share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2008 under previous GAAP	22	30	29	34	93
Effect of the adoption of IFRS		-	-	(453)	(453)
As restated at 1 January 2008		30	29	(419)	(360)
Increase in share capital		1,000	-	-	1,000
Loss for the period		-	-	(307)	(307)
Balance at 19 December 2008		1,030	29	(726)	333
Loss for the period		-	-	(49)	(49)
Balance at 30 September 2009		1,030	29	(775)	284

Cash flow statement
Period ended 30 September 2009

	Note	Period to 30 September 2009 £'000	Period to 18 December 2008 £'000
Net cash utilised by operating activities	23	(260)	(1,551)
Investing activities			
Proceeds on disposal of property, plant and equipment		-	256
Purchases of property, plant and equipment		(1,600)	(415)
Repayment of loan from fixed asset investment		-	172
Net cash used in investing activities		(1,600)	13
Financing activities			
Increase in external loans		1,883	499
Increase in share capital		-	1,000
Net cash from financing activities		1,883	1,499
Net increase / (decrease) in cash		23	(39)
Cash at the beginning of the period		89	128
Cash at the end of the period		112	89

1. **Accounting policies**

The company is incorporated in the United Kingdom under the Companies Act The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS's) as adopted for use in the European Union The accounting policies have been applied consistently in the current and preceding periods except that IFRS has been applied for the first time using IFRS1 (First-time Adoption of International Financial Reporting Standards)

Comparative figures have been restated to reflect these changes The impact of these changes on equity and earnings have been disclosed in note 22

Adoption of new and revised international financial reporting standards

In the current period, the company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to the company and effective at the reporting date

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

IFRS 1 (amended)/IAS 27 (amended)	*Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 3 (revised 2008)	*Business Combinations*
IFRS 7 (revised 2009)	*Financial Instruments Disclosures – Amendments enhancing disclosures about fair value and liquidity risk*
IFRS 8	*Operating Segments*
IAS 1 (revised 2007)	*Presentation of financial statements*
IAS 24 (revised 2009)	*Related Party Disclosures*
IAS 27 (revised 2008)	*Consolidated and Separate Financial Statements*
IAS 32 (amended)	*Financial Instruments Pesentation – Amendments relating to puttable instruments*
IFRIC 17	*Distributions of Non-cash Assets to Owners*

Improvements to IFRSs (April 2009)

The directors do not expect that the adoption of these Standards and Interpretations in future periods will have a material impact on the financial statements of the company

IFRS Conversion and prior year restatements

For the period ended 18 December 2008, the company prepared its financial statements in accordance with United Kingdom statements of Generally Accepted Accounting Practice ("UK GAAP") For the period ended 30 September 2009, the directors have decided to prepare the financial statements in accordance with IFRS and have restated the comparatives

Transitional IFRS arrangements

The date of transition to IFRS for the company was 1 January 2008 and in terms of IFRS1 – *First-time Adoption of International Financial Reporting Standards ("IFRS1")*, the company's opening balance sheet at 1 January 2008 has been restated to reflect all existing IFRS statements applicable at that date

The key principle of IFRS1 is full retrospective application of the standards The statement recognises that due to cost and/or practical considerations, retrospective application is not always possible In this respect certain exemptions or transitional elections are allowed on first-time adoption of IFRS The company's transitional elections are set out below

1. **Accounting policies (continued)**

Transitional IFRS arrangements (continued)

- Property, plant and equipment The company has elected to measure certain individual items of property, plant and equipment at fair value at the transition date Fair value is then deemed to be cost at that date

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2 The Directors have set out the financial position of the company as set out in the balance sheet and its cash flows as set out in the cash flow statement In addition notes 11 to 16 to the financial statements include the details of the company's financial instruments, and its exposures to credit risk and liquidity risk

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, are strong and profitable and the directors have considered these, together with the ongoing support provided by the Nampak group and consequently they believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Group accounts

The company has taken the exemption from preparing group accounts as permitted under section 401 of the Companies Act 2006 as consolidated financial statements are prepared by its parent company Nampak Holdings (UK) PLC Accordingly these financial statements present information about the company as an individual undertaking and not its Group

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts and related disclosures. Actual results may differ from these estimates

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

Critical judgements in applying the company's accounting policies

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

- **Estimates of asset lives, residual lives and depreciation methods**

  Property, plant and equipment are depreciated on a straight line basis over their useful lives, taking into account residual values Useful lives and residual values are assessed annually Useful lives are affected by technology innovations, maintenance programmes and future productivity In addition, future market conditions determine the residual values and as depreciation is calculated on a straight line basis, this may not represent the actual usage of the asset

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below

- **Impairment tests of assets**

  Impairment tests on property, plant and equipment are only done if there is an impairment indicator Future cash flows are based on management's estimate of future market conditions These cash flows are then discounted and compared to the current carrying value, and if lower, the assets are impaired to the present value of the cash flows Impairment tests are based on information available at the time of testing These conditions may change after year-end

1. **Accounting policies (continued)**

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses

All costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are included in the carrying value of the asset. Costs also include an estimate of costs of dismantling and removing the item and restoring the site on which it is located Where parts of an item of property, plant and equipment have different useful lives or residual values, they are accounted for as separate items (major components)

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

Depreciation commences when the assets are ready for their intended use Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method Depreciation is not provided in respect of land Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease

Plant and machinery	–	Over 4 to 10 years
Motor vehicles	–	Over 4 years
Computer equipment	–	Over 2 to 10 years
Fixtures and fittings	–	Over 3 to 10 years

Depreciation methods, useful lives and residual values are reassessed annually or when there is an indication that they will have changed

Impairment of tangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs

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

If the recoverable amount of an asset is estimated to be less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

1. **Accounting policies (continued)**

Inventories

Inventories are valued at the lower of cost and net realisable value Cost includes, where appropriate, a proportion of overhead expenses Cost incurred in bringing each product to its present location and condition is as follows

Raw Materials	-	Purchase cost on a first-in, first-out basis
Work in progress	-	Cost of direct materials and labour plus overheads based on the normal level of activity

Taxation

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary 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 the taxable profit nor the accounting profit

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

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

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

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

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

Foreign currencies

The individual financial statements of the company are expressed in pounds sterling, which is the functional currency of the company

Transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date

Exchange differences arising on the settlement and retranslation of monetary items are included in the profit or loss for the period

1. **Accounting policies (continued)**

Retirement benefits

The company operates two defined contribution pension schemes and makes contributions to personal money purchase schemes

Financial instruments

Financial assets and liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

Cash and cash equivalents

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

Bank and intra-group borrowings

Interest bearing bank loans, overdrafts and intra-group loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings

Trade payables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of sales related taxes Revenue is measured net of cash discounts, settlement discounts and rebates given to customers

Sales of goods are recognised when goods are delivered and title has passed

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount

1 **Accountıng polıcıes (contınued)**

Leasıng

Leases are classıfied as finance leases whenever the terms of the lease transfer substantıally all the rısks and rewards of ownershıp to the lessee All other leases are classıfied as operatıng leases

Assets held under finance leases are recognısed as assets of the company at theır faır value or, ıf lower, at the present value of the mınımum lease payments, each determıned at the ınceptıon of the lease The correspondıng lıabılıty to the lessor ıs ıncluded ın the balance sheet as a finance lease oblıgatıon Lease payments are apportıoned between finance expenses and reductıon of the lease oblıgatıon so as to achıeve a constant rate of ınterest on the remaınıng balance of the lıabılıty Fınance expenses are recognısed ımmedıately ın profit or loss, unless they are dırectly attrıbutable to qualıfyıng assets, ın whıch case they are capıtalısed

Rentals payable under operatıng leases are charged to profit or loss on the straıght-lıne basıs over the term of the relevant lease Benefits receıved and receıvable as an ıncentıve to enter ınto an operatıng lease are also spread on a straıght-lıne basıs over the lease term

2. **Revenue**

	2009 £'000	2008 £'000
Packagıng products	12,033	13,262

Revenue represents the amounts charged for goods and servıces to customers after deductıng credıts and excludıng VAT All actıvıtıes relate to the manufacturıng and sale of packagıng materıals

	2009 £'000	2008 £'000
UK	11,680	12,218
Other Europe	353	648
Rest of the World	-	396
	12,033	13,262

Storey Evans & Co Limited

Notes to the financial statements
Period ended 30 September 2009

3. Operating loss

	2009 £'000	2008 £'000
Operating loss is stated after taking the following items into account:		
Depreciation of property, plant and equipment	394	434
Net foreign exchange gains	(17)	(10)
Operating lease rentals		
- rent	190	201
- other	18	49
Profit on disposal of property, plant and equipment	-	3
Staff costs (see note 5)	4,194	4,658
Cost of inventories recognised as expense	5,418	5,994

The analysis of auditors' remuneration is as follows

	2009 £'000	2008 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	34	18
Fees payable to the company's auditors and their associates for other services to the group		
–The audit of the company's subsidiaries pursuant to legislation	-	-
Total audit fees	34	18
Total non- audit fees	-	-

Storey Evans & Co Limited

Notes to the financial statements
Period ended 30 September 2009

4. Directors' emoluments

	2009 £'000	2008 £'000
Emoluments	86	368
Company contributions paid to money purchase pension schemes	4	16
	90	384

	No.	No
Members of money purchase pension schemes	1	2

	£'000	£'000
The amounts paid in respect of the highest paid director	86	103
Company contributions paid to money purchase pension schemes	4	7
	90	110

5. Staff costs including directors' emoluments

The average number of employees including those working part-time, during the year was made up as follows

	2009 No.	2008 No.
Manufacturing	173	156
Administration	20	18
	193	174
	£'000	**£'000**
Wages and salaries	3,831	4,214
Social security costs	349	415
Other pension costs	14	29
	4,194	4,658

6. Finance costs

	2009 £'000	2008 £'000
Interest on bank overdrafts and loans	117	294
Intercompany interest	24	-
Total interest	141	294

7. Tax credit

	2009 £'000	2008 £'000
Current tax		
Corporation tax charge/(credit)	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred taxation		
Current period	(191)	-
Adjustments in respect of prior periods	(26)	-
Total deferred tax	(217)	-
Total tax credit for the period	(217)	-

Factors affecting the tax credit for the current period

Following a change in the UK statutory tax rate from 30% to 28% on 1st April 2008, domestic income tax in the UK is calculated at 28% of the estimated assessable profit for the year The tax credit for the period is different to that resulting from applying the standard rate of corporation tax in the UK of 28% (2008 28%) and this is due to the factors set out below

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	(266)	(307)
Tax credit at standard rate of tax 28% (2008 28%)	(74)	(86)
Expenses not deductible for tax purposes	(117)	9
Losses not provided in deferred tax	-	77
Adjustment to tax credit in respect of previous periods	(26)	-
Total tax credit	(217)	-

8 Property, plant and equipment

	Plant, machinery and equipment £'000	Capitalised leased assets £'000	Total £'000
Cost:			
At 1 January 2008	2,849	5,578	8,427
Effect of the adoption of IFRS	(449)	-	(449)
As restated at 1 January 2008	2,400	5,578	7,978
Additions	415	-	415
Disposals	(529)	-	(529)
At 19 December 2008	2,286	5,578	7,864
Additions	1,600	-	1,600
At 30 September 2009	3,886	5,578	9,464
Depreciation			
At 1 January 2008	2,095	3,065	5,160
Effect of the adoption of IFRS	-	-	-
As restated at 1 January 2008	2,095	3,065	5,160
Provided during the period	161	273	434
Eliminated on disposal	(273)	-	(273)
At 19 December 2008	1,983	3,338	5,321
Provided during the period	146	248	394
At 30 September 2009	2,129	3,586	5,715
Net book value			
At 30 September 2009	1,757	1,992	3,749
At 18 December 2008	303	2,240	2,543
At 1 January 2008	305	2,513	2,818

The effect of the adoption of IFRS relates to the policy of measuring certain individual items of property, plant and equipment at fair value at the transition date Fair value is then deemed to be cost at that date

9. Investments in subsidiaries

The company owns 100% of the share capital of Storey Evans Holdings B V and Spruyt & Co Holding B V, which are incorporated and registered in the Netherlands and acts as a holding company There were no changes to the fixed asset investments for the period ended 30 September 2009

	£'000
Cost.	
At 19 December 2008 and 30 September 2009	24
Net book value	
At 19 December 2008 and 30 September 2009	24

Storey Evans & Co Limited

Notes to the financial statements
Period ended 30 September 2009

10. Inventory

	2009 £'000	2008 £'000
Raw materials and consumables	367	216
Work in progress	931	1,148
	1,298	1,364

11. Trade and other receivables

	2009 £'000	2008 £'000
Trade receivables	4,605	3,262
Allowance for doubtful debts	(200)	(265)
	4,405	2,997
Amounts owed by other group undertakings	63	-
Other receivables	107	1
Prepayments and accrued income	54	88
	4,629	3,086

The directors consider that the carrying amount of trade and other receivables approximates their fair value Interest penalties can be levied on outstanding overdue amounts at the discretion of the directors Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience

Movement in the allowance account for bad and doubtful debts	2009 £'000	2008 £'000
Brought forward	265	315
Impairment losses reversed	(65)	(50)
Balance at end of period	200	265

Credit risk

The company's credit risk is primarily attributable to its trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables The company has no significant concentration of credit risk, with exposure spread over a large number of customers

The company's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the company deploys in order to mitigate this risk are discussed in note 25 Credit periods offered to customers vary according to the credit risk profiles of, and invoicing conventions established in, the various markets in which the company operates

To the extent that recoverable amounts are estimated to be less than their associated carrying values, impairment charges have been recorded in the income statement and the carrying values have been written down to their recoverable amounts The total gross carrying value of these impaired trade receivables as at the reporting date is £ 0 2 million (2008 £0 3 million) and the associated aggregate impairment is £0 2 million (2008 £0 2 million)

11. Trade and other receivables (continued)

Credit risk (continued)

Included within the company's aggregate trade receivables balance are specific debtor balances with customers totalling £ 0 9 million (2008 £0 8 million) which are past due as at the reporting date The company has assessed these balances for recoverability and believes that their credit quality remains intact An ageing analysis of these past due trade receivables is provided as follows

Trade receivables past due by:

£'000	Less than 1 month	1-2 months	2-3 months	More than 3 months	Total
Carrying value at 30 September 2009	574	255	41	12	**882**
Carrying value at 18 December 2008	496	162	72	49	779

12. Cash and cash equivalents

	2009 £'000	2008 £'000
Cash at bank and on hand	112	89

Bank balances and cash comprise cash held by the company and short term bank deposits with an original maturity of three months or less The carrying amount of these assets approximates their fair value

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies

13. Borrowings

	2009 £'000	2008 £'000
Unsecured borrowing at amortised cost		
Amounts owed to other group undertakings	2,019	-
Secured borrowing at amortised cost		
Bank overdrafts	2,919	2,828
Finance leases	979	1,210
	3,898	4,038
	5,917	**4,038**

Presented within·	2009 £'000	2008 £'000
Current liabilities	5,273	3,136
Non-current liabilities	644	902
	5,917	**4,038**

The borrowings are repayable as follows	2009 £'000	2008 £'000
On demand or within one year	5,273	3,136
In the second to fifth year	622	827
After five years	22	75
	5,917	**4,038**

All loans are sterling denominated and are secured against the assets they relate to

The other principal features of the company's borrowings are as follows

(i) Bank overdrafts are repayable on demand Overdrafts of £2 9 million (2008 £2.8 million) have been secured by a charge over the companies trade receivables

(ii) Amounts repayable to other group undertakings carry interest of 2 53% (2008 nil) per annum charged on the outstanding loan balances

(iii) Included in external borrowings above are secured finance leases of £979,000 Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of a default All leases are on a fixed repayment basis and no arrangement has been entered into for contingent rental payments Interest rates are fixed at the contract date The fair value of the company's lease obligations approximates the carrying amount

The weighted average interest rates paid were as follows

	2009 %	2008 %
Bank overdrafts	2 60	6 36
Finance leases	4 50	4 75

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group, and the movements thereon during the current and prior periods

	Accelerated tax depreciation £'000	Short-term timing differences £'000	Other £'000	Tax losses £'000	Total £'000
At 18 December 2008	304	(23)	49	(249)	81
Charge/(credit) relating to the origination and reversal of temporary differences	(236)	(7)	51	(25)	(217)
At 30 September 2009	68	(30)	100	(274)	(136)

Certain deferred tax assets and liabilities have been offset The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes

	2009 £'000	2008 £'000
Deferred tax liabilities	-	(81)
Deferred tax assets	136	-
	136	**(81)**

15 Obligations under finance leases

	Minimum lease payments		
	2009 £	2008 £	2007 £
Amounts payable under finance leases:			
Within one year	409	409	188
In the second to fifth years inclusive	686	948	363
After five years	22	77	-
	1,117	1,434	551
Less future finance charges	(138)	(224)	(73)
Present value of lease obligations	979	1,210	478

	Present value of minimum lease payments		
	2009 £	2008 £	2007 £
Amounts payable under finance leases:			
Within one year	335	308	164
In the second to fifth years inclusive	622	827	314
After five years	22	75	-
Present value of lease obligations	979	1,210	478
Analysed as:			
Amounts due for settlement within 12 months	335	308	164
Amounts due for settlement after 12 months	644	902	314
	979	1,210	478

16. Trade and other payables

	2009 £'000	2008 £'000
Trade payables	2,117	1,456
Amounts owed to other group undertakings	102	70
Other taxation and social security	221	444
Other payables	91	-
Accruals and deferred income	1,216	684
	3,747	**2,654**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs The directors consider that the carrying amount of trade and other payables approximates their fair value

17. Share capital

Authorised	**2009 Number**	**2008 Number**
'A' Ordinary £1	30,000	30,000
'B' Ordinary £1	1,000,000	1,000,000
	1,030,000	**1,030,000**
Allotted, issued and fully paid:	**£'000**	**£'000**
'A' Ordinary £1	30	30
'B' Ordinary £1	1,000,000	1,000,000
	1,030,000	**1,030,000**

The company has two classes of ordinary shares, neither of which carry any right to fixed income The 'B' ordinary shares have the same dividend and voting rights as the A' ordinary shares and rank before the 'A' ordinary shares in the instance of a winding up

18. Retirement benefit plans

The company operates two defined contribution pension schemes for its directors and employees The assets of the schemes are held separately from those of the company in independently administered funds There were no contributions outstanding at the balance sheet date

	2009 £'000	2008 £'000
Retirement benefit costs	14	29

19. Capital expenditure and operating lease commitments

At the respective period ends the company had the following capital expenditure commitments

	2009 £'000	2008 £'000
Authorised but not contracted	190	-

At the respective period ends the company had future minimum lease payments under non-cancellable operating leases as set out below

	2009 £'000	2008 £'000
Within one year	208	192
Within two to five years	771	782
After five years	1,744	1,934
	2,723	2,908

The operating lease relates to the factory and offices at our Bradford premises

20. Related party transactions

During the period the company entered into the following trading transactions with related parties, which are members of the Nampak Limited group of companies

	Sales of goods		Purchases of goods	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Nampak Cartons and Healthcare Limited	139	-	-	-

	Other services rendered to related parties		Other services provided by related parties	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Nampak Paper Holdings Ltd	-	-	39	-

Sales and purchases of goods are at arms length price and services are on a cost-plus basis

	Amounts owed by related parties		Amounts owed to related parties	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At period end, the company had the following balances owing by/to related parties				
Nampak Holdings (UK) Plc	-	-	2,019	-
Nampak Paper Holdings Limited	-	-	39	-
Nampak Cartons & Healthcare Limited	63		63	
Storey Evans Holdings BV	-	-	-	70
	63	**-**	**2,121**	**70**

The amounts outstanding are unsecured and will be settled in cash No guarantees have been given or received

21. Remuneration of key management personnel

IAS 24 defines key management personnel as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity' The remuneration of the directors, who are considered to be the key management personnel of the company, is set out below in aggregate for each of the categories specified in IAS 24 Further information about the remuneration of directors is provided in Note 4

	2009 £'000	2008 £'000
Short-term employee benefits	86	368
Post-employment benefits	4	16
	90	384

22. Impact of implementation of IFRS 1 (First-time Adoption of International Financial Reporting Standards)

The company has adopted International Financial Reporting Standards with a transition date of 1 January 2008 Previously, the company prepared its financial statements under Generally Accepted Accounting Practice in the United Kingdom ("UK GAAP") The adoption of IFRS does not affect the cashflows of the company

Balance Sheet

Reconciliation of equity at 1 January 2008

The effect of the transition from UK GAAP to IFRS is to reduce the net assets of the company as detailed below

	£'000
Equity as at 1 January 2008 per UKGAAP statutory accounts	93
Adjustments to property, plant and equipment – fair valuation of certain fixed assets and re-assessment of useful lives and residual values under IFRS1	(449)
Adjustment to lease creditor under adoption of IAS 17	(4)
Total effect of adoption of IFRS	(453)
Equity restated under IFRS	(360)

Reconciliation of equity at 18 December 2008

The effect of the transition from UK GAAP to IFRS is to reduce the net assets of the company as detailed below

	£'000
Equity as at 18 December 2008 per UKGAAP statutory accounts	786
Adjustments to property, plant and equipment – fair valuation of certain fixed assets and re-assessment of useful lives and residual values under IFRS1	(449)
Adjustment to lease creditor under adoption of IAS 17	(4)
Total effect of adoption of IFRS	(453)
Equity restated under IFRS	333

22. Impact of implementation of IFRS 1 (First-time Adoption of International Financial Reporting Standards) (continued)

Income Statement

The effect of the transition from UK GAAP to IFRS does not have a significant impact on the income statement for the period ended 18 December 2008 and therefore no reconciliation has been presented

23. Notes to the cash flow statement

	2009 £'000	2008 £'000
Loss after tax for the year	(49)	(307)
Adjustments for		
Finance costs	141	294
Tax credit	(217)	-
Depreciation of property, plant and equipment	394	434
Foreign exchange movements	(5)	(2)
Operating cash flows before movements in working capital	264	419
Decrease / (increase) in inventories	66	(6)
(Increase) / decrease in receivables	(1,543)	435
Increase / (decrease) in creditors	1,094	(2,105)
Cash utilised in operations	(119)	(1,257)
Interest paid	(141)	(294)
Net cash utilised by operating activities	(260)	(1,551)

24. Ultimate parent undertaking

The company's immediate parent company is Storey Evans Holdings Limited The company's ultimate parent company and controlling party at the date of signing is Nampak Limited, a company incorporated in South Africa and the largest of such group undertakings of which the company is a member and for which group accounts are prepared The smallest company in the group for which group accounts are prepared is Nampak Holdings UK plc, this company's ultimate UK parent company Copies of both financial statements are publicly available from Nampak Centre, 114 Dennis Road, Atholl Gardens, Sandton, 2196, South Africa

25. Financial instruments

All of the company's financial assets are loans and receivables All of the company's financial liabilities are measured at amortised cost The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while seeking to return dividends to its parent company The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and cash equivalents and equity comprising issued capital, reserves and retained earnings

Financial risk management

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

The principles, practices and procedures governing the financial risk management have been approved by the board of directors The board have delegated authority to a central treasury function ("Group treasury") for the practical implementation of the financial risk management process across the Nampak Group and for ensuring that the company adheres to specified risk management policies Group treasury continually reassesses and reports on the financial risk environment, identifying and evaluating financial risks

Market risk

The company's activities expose it primarily to cash flow interest rate risk Both risks are actively monitored on a continuous basis Although the company's cash flows are exposed to movements in key input and output prices, such movements represent economic rather than residual financial risk inherent in commodity payables and receivables Consequently the company is not substantively exposed to commodity price risk as defined in IFRS 7 The company is not exposed to material foreign exchange risk in the normal course of business given the level of sales made across various national boundaries

Interest rate risk

The company is exposed to interest rate risk in relation to its borrowings The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole period The sensitivity analysis represents management's assessment of the reasonably possible change in interest rates

If interest rates had been 1 per cent higher and all other variables were held constant, the company's profit and net assets for the period ended 30 September 2009 would decrease by £50,000 (2008 decrease by £38,000) This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings

Liquidity risk management

The company manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows and managing the maturity profiles of financial assets and liabilities

25 Financial instruments (continued)

Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay The table includes both interest and principal cash flows The contractual maturity is based on the earliest date on which the company may be required to pay

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	5+ years	Total
	%	£'000	£'000	£'000	£'000	£'000	£'000
30 September 2009							
Finance lease liability	4 50%	28	56	251	622	22	979
Variable interest rate instruments	2 57%	-	-	4,938	-	-	4,938
		28	56	5,189	622	22	5,917
18 December 2008							
Finance lease liability	4 75%	26	51	231	827	75	1,210
Variable interest rate instruments	6 36%	-	-	2,828	-	-	2,828
		26	51	3,059	827	75	4,038