

NAMPAK PLC
(formerly Plysu plc)

Report and Financial Statements

18 month period ended 30 September 2000

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR



REPORT AND FINANCIAL STATEMENTS 2000

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 18 month period ended 30 September 2000.

The company was acquired by Nampak Holdings (UK) Plc on 5 December 1999. As a result, the company's accounting period has been extended to 18 months to bring the accounting reference date into line with that of the ultimate parent company, Nampak Limited, a company incorporated in South Africa.

The company changed its name from Plysu plc to Nampak Plc on 1 April 2001.

PRINCIPAL ACTIVITIES

During the period the group's principal activities were in the areas of blow moulded plastic containers for use in the dairy, drinks, food, automotive, agrochemical, personnel care and general industrial markets; the group also has significant interests in the garden and housewares market for plastics products, and in personal protection systems.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The retained profit for the period amounted to £1.1m (1999 – £3.6m).

DIVIDENDS

The Directors do not recommend the payment of a dividend for the period (1999 – £4.2m).

POST BALANCE SHEET EVENT

Management had taken the decision during the period to strategically develop our position in packaging. As such the Brands portfolio was considered to be non-core to our future business. The decision was therefore taken to dispose largely dispose of this interest.

FIXED ASSET VALUATION

Following a valuation on acquisition in December 1999 the directors are of the opinion that the value of the groups' land & buildings at that time was £40.3m, which is in excess of the net book value shown in the current financial statements. The valuation was undertaken by Fuller Peiser using existing use value, depreciated replacement cost and open market value, as appropriate to each of the sites.

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors who held office during the period were as follows:

Executive

SS Nobbs	
ND Templeton Ward	
JWC Sayers	(appointed 28 January 2000)
RI Moore	(appointed 28 January 2000)
GE Bortolan	(appointed 28 January 2000)
T Evans	(appointed 28 January 2000)
RG Tomlinson	(appointed 28 January 2000)
JE Crick	(appointed 28 January 2000)
MVS Macintyre	(resigned 28 January 2000)

Non-executive

DH O'Shaughnessy	(resigned 28 January 2000)
AB Booker	(resigned 13 July 1999)
AAAM Sips	(appointed 1 June 1999, resigned 28 January 2000)
K Hutchings	(appointed 1 April 1999, resigned 1 June 1999)
AG Bruce	(appointed 1 August 1999, resigned 28 January 2000)

The directors who held office at the year had no disclosable interests in the ordinary shares of the company or any other group company, other than those disclosed below.

	2000 Ordinary shares	2000 Ordinary shares under option	2000 Matching shares	1999 Ordinary shares	1999 Ordinary shares under option	1999 Matching shares
D H O'Shaughnessy	-	-	-	8,000	-	-
M V S Macintyre	-	-	-	61,577	104,414	80,075
S S Nobbs	-	-	-	70,058	105,931	66,440
N D Templeton-Ward	-	-	-	43,854	171,348	74815

Matching shares were normally transferred to the directors after a period of five years from the date of the award, in accordance with the terms of the share purchase scheme. As a result of the acquisition of the group all the potential matching shares were cancelled and the cash equivalent amount was paid to the directors, this is included within the bonus amount in the directors emoluments note. The total number of matching shares at the date of acquisition was 387,560.

Options are held by directors under the group's executive share options and savings related share option schemes. Details of this has been disclosed in the table below:

Number of Options

	At 1 April 1999	Granted	Exercised	Cash cancellation	Lapsed	At 30 September 2000
M V S Macintyre	104,414	-	5,931	27,493	70,990	-
S S Nobbs	105,931	4,838	9,479	25,403	75,887	-
N D Templeton-Ward	171,348	7,258	11,348	26,008	141,250	-

The share options were issued at an exercise price of £1.24.

DIRECTORS' REPORT

CREDITOR PAYMENT POLICY

The group does not follow a specific standard or code for the payment of suppliers. It agrees payment terms with its suppliers when it enters into purchase contracts. It then seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with agreed terms and conditions. The average creditor days outstanding at 30 September 2000 was 65 days (1999 – 67 days).

EMPLOYMENT OF DISABLED PEOPLE

The company is an equal opportunity employer and its policy is that disabled persons should be considered for all job vacancies and subsequent career and promotional opportunities, on the basis of aptitude and ability. The company continues to help with the retraining and rehabilitation of staff that become disabled during the course of employment.

EMPLOYEE PARTICIPATION

Staff consultation on issues affecting them and the business has continued to take place through quarterly briefing meetings as well as by formal and informal meetings with management.

AUDITORS

During the year KPMG resigned as auditors and Deloitte & Touche were appointed by the directors to fill the vacancy. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche be appointed as auditors of the Company will be put to the forthcoming Annual General Meeting.

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



S S Nobbs
Secretary

30 July 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial period and of the profit or loss of the company and the group for that period. In preparing those 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 whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and the group and to take reasonable steps for the prevention and detection of fraud and other irregularities.

**NAMPAK PLC
(formerly Plysu plc)**

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 8 to 31 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances and the group's, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2000 and of the profit of the group for the 18 months then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

30 July 2001

NAMPAK PLC
(formerly Plysu plc)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 30 September 2000

	Note	Before exceptional Items £m	Exceptional Items (Note 4) £m	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
TURNOVER	2	240.4	-	240.4	150.0
Cost of sales		(174.8)	(1.3)	(176.1)	(106.6)
Gross profit		65.6	(1.3)	64.3	43.4
Distribution costs		(21.8)	-	(21.8)	(13.7)
Administrative costs		(31.8)	(5.9)	(37.7)	(15.9)
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	12.0	(7.2)	4.8	13.8
Net interest payable	7			(4.1)	(2.5)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				0.7	11.3
Tax credit/(charge) on profit on ordinary activities	8			0.5	(3.5)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION				1.2	7.8
Minority interest				(0.1)	-
PROFIT ATTRIBUTABLE TO MEMBERS				1.1	7.8
Ordinary dividend on equity shares				-	(4.2)
RETAINED PROFIT FOR THE PERIOD				1.1	3.6

There is no material difference between the profit as reported above and that on an historical cost basis.

All figures relate to continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the eighteen months ended 30 September 2000

	Eighteen months to 30 September 2000	Year ended 31 March 1999
Profit on ordinary activities after taxation	1.1	7.8
Exchange (loss)/gain on foreign currency net investments	(2.2)	0.8
Total recognised gains and losses for the financial year	(1.1)	8.6

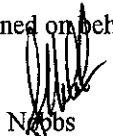
NAMPAK PLC
(formerly Plysu plc)

GROUP BALANCE SHEET
30 September 2000

	Note	30 September 2000 £m	31 March 1999 £m
FIXED ASSETS			
Intangible assets			
Goodwill	10	1.5	1.9
Negative goodwill		(0.3)	(2.9)
		<hr/>	<hr/>
		1.2	(1.0)
Tangible assets	11	78.2	79.4
		<hr/>	<hr/>
		79.4	78.4
CURRENT ASSETS			
Stocks	12	11.7	14.4
Debtors	14	30.5	38.7
Cash		0.6	2.9
		<hr/>	<hr/>
		42.8	56.0
CREDITORS: amounts falling due within one year	15	(37.4)	(51.1)
		<hr/>	<hr/>
NET CURRENT ASSETS		5.4	4.9
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		84.8	83.3
CREDITORS: amounts falling due after more than one year	16	(30.5)	(25.4)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(4.9)	(8.1)
		<hr/>	<hr/>
NET ASSETS		49.4	49.8
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up equity share capital	20	4.9	4.8
Share premium account	21	1.5	1.0
Profit and loss account	22	42.9	44.0
		<hr/>	<hr/>
Shareholders' funds		49.3	49.8
Minority interest		0.1	-
		<hr/>	<hr/>
Equity shareholders' funds		49.4	49.8
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 30 July 2001.

Signed on behalf of the Board of Directors


S S Nibbs
Director


NAMPAK PLC
(formerly Plysu plc)

COMPANY BALANCE SHEET
30 September 2000

	Note	30 September 2000 £m	31 March 1999 £m
FIXED ASSETS			
Goodwill	10	0.3	0.4
Negative goodwill		(0.3)	(2.9)
			(2.5)
Tangible assets	11	56.3	62.0
Investments	12	20.8	22.2
CURRENT ASSETS			
Stocks	13	7.7	10.4
Debtors	14	31.3	33.6
Cash		-	1.1
		39.0	45.1
CREDITORS: amounts falling due within one year	15	(31.5)	(45.5)
NET CURRENT ASSETS / (LIABILITIES)		7.5	(0.4)
TOTAL ASSETS LESS CURRENT LIABILITIES		84.6	81.3
CREDITORS: amounts falling due after more than one year	16	(30.2)	(24.3)
PROVISIONS FOR LIABILITIES AND CHARGES	18	(4.5)	(7.6)
NET ASSETS		49.9	49.4
CAPITAL AND RESERVES			
Called up equity share capital	20	4.9	4.8
Share premium account	21	1.5	1.0
Merger reserve	21	1.7	1.7
Profit and loss account	21	41.8	41.9
Equity shareholders' funds		49.9	49.4

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

30 July 2001.


S S Nobbs
Director

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain land and buildings and in accordance with Companies Act 1985.

Basis of consolidation

The group financial statements incorporate the financial statements of the company and all subsidiaries for the 18 month period ended 30 September 2000. Results of the subsidiaries are included in the group results from the effective date of acquisition and those of undertakings sold up to the effective date of disposal. Profits or losses on intra-group transactions are eliminated in full.

Goodwill

Up to and including 31 March 1998, purchased goodwill arising on consolidation, representing the excess of the fair value of the consideration over the fair value of the separable net assets acquired, was written off against the merger reserve on acquisition. Goodwill remains written off against reserves.

Since 1 April 1998, following the introduction of FRS10, which relates to goodwill and intangible assets, the accounting policy has been changed and purchased goodwill arising on acquisitions is capitalised and amortised over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition in other periods, if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative goodwill is included in the balance sheet and recognised in the profit and loss account in the period in which the acquired non monetary assets are recovered.

On a subsequent disposal or termination of a previously acquired business, the profit or loss on disposal or termination is calculated after charging the amount of any related goodwill not written off through the profit and loss account, including any previously taken to reserves.

Depreciation

Intangible and tangible fixed assets are depreciated over their estimated useful lives on the following basis:

Straight line basis

Freehold buildings	50 years
Plant and machinery	5 to 10 years
Moulds	2 to 5 years

Reducing balance basis

Motor vehicles	25% to 33%
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No depreciation is provided on freehold land.

Profits and losses on the sale of fixed assets which represent marginal adjustments to depreciation previously charged are included in the profit and loss account in the same place as their related depreciation.

In accordance with FRS 11 the directors consider the carrying value of fixed assets for impairment. Any reduction in value arising from the impairment of fixed assets is charged to the profit and loss account for the year.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

1. ACCOUNTING POLICIES (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of overheads.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rate at which it is expected that tax will arise.

Foreign currencies

Transactions in foreign currency are recorded at the rates ruling at the dates of the transactions.

Monetary assets and liabilities in foreign currencies are translated at the exchange rate ruling at the balance sheet date or at rates specified in forward contracts where these are in place. These translation differences are dealt with through the profit and loss account with the exception of differences on foreign currency borrowing, to the extent that they are used to finance foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Group

For consolidation purposes, attributable profits of overseas subsidiaries are translated into sterling at the average rate for the year and their assets and liabilities are translated at the rate ruling at the balance sheet date. The exchange differences arising are taken directly to reserves.

Pension costs

The group operates both defined benefit and defined contribution schemes, the assets of which are held independently from the group. Contributions paid to the defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' average working lives with the group.

Contributions paid to defined contribution schemes are charged against profits as incurred.

Research and development

The research and development costs of new products and services are written off in the year of expenditure except for projects where recovery is reasonably certain, in which case development costs may be capitalised and amortised over the period expected to benefit from the development.

Government grants

Government grants are credited to the profit and loss account evenly during the development phase of the project to which they relate.

Leased assets

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

2. TURNOVER AND OPERATING ASSETS

Turnover comprises the value of sales (excluding sales taxes and net of discounts) of goods and services in the normal course of business. Turnover is derived from the group's principal activity of the manufacture of plastic containers and other products for industrial and domestic use.

Geographical segments 2000	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	189.8	(4.8)	185.0	174.0	54.2
Rest of Europe	55.9	(0.5)	55.4	65.7	27.0
Rest of the World	-	-	-	0.7	-
	<u>245.7</u>	<u>(5.3)</u>	<u>240.4</u>	<u>240.4</u>	<u>81.2</u>
Group					
	<u>245.7</u>	<u>(5.3)</u>	<u>240.4</u>	<u>240.4</u>	<u>81.2</u>
Unallocated net assets					(33.4)
Total net assets					<u>47.8</u>

Geographical segments 1999	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	121.4	(4.4)	117.0	114.8	57.4
Rest of Europe	33.2	(0.2)	33.0	34.7	20.6
Rest of the World	-	-	-	0.5	-
	<u>154.6</u>	<u>(4.6)</u>	<u>150.0</u>	<u>150.0</u>	<u>78.0</u>
Group					
	<u>154.6</u>	<u>(4.6)</u>	<u>150.0</u>	<u>150.0</u>	<u>78.0</u>
Unallocated net assets					(28.2)
Total net assets					<u>49.8</u>

Results by geographical segment have not been disclosed as, in the opinion of the directors, this would be seriously prejudicial to the interests of the group.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

3. OPERATING PROFIT

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
This is stated after charging/(crediting)		
Depreciation on tangible fixed assets – owned	13.8	10.9
– leased	-	0.3
Auditors' remuneration:		
Audit fees – company £0.1m (1999 – £0.1m)	0.1	0.2
Non-audit fees to the auditors and their associates – company £0.1m (1999 – £0.2m)	0.1	0.3
Non-audit fees to other auditors– company £0.2m (1999 – £nil)	0.3	-
Rentals under operating leases for hire of plant and machinery		
Hire of plant and machinery	0.5	0.4
Research and development	0.6	0.4
Government grants	-	(0.3)
Amortisation of goodwill	0.3	0.1
Amortisation of negative goodwill	(0.1)	(1.3)
Exceptional costs (note 4)	7.2	-
Net exchange movements	-	(0.2)
	<u>7.2</u>	<u>(0.2)</u>

4. EXCEPTIONAL

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
Costs of reorganisation	<u>7.2</u>	

As a result of the group's acquisition of Plysu Plc, a strategic review was performed of the combined operations of Plysu Plc and BlowMocan Polysystems Limited. This has resulted in a reorganisation of the group's operations. Of the charge for the year, £0.2m is included within provisions at the year end date.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

5. DIRECTORS' EMOLUMENTS

	Eighteen months to 30 September 2000 £'000	Year ended 31 March 1999 £'000
The remuneration of the directors was as follows:		
Salary	628	418
Bonus	1,740	392
Benefits	61	26
Pension contributions	98	31
	<hr/>	<hr/>
	2,527	867
Non-executive director fees	129	68
	<hr/>	<hr/>
	2,656	935
	<hr/>	<hr/>
Highest paid Director's emoluments	880	306
Highest paid Director's pension contribution	11	12
	<hr/>	<hr/>
	891	318
	<hr/>	<hr/>

Four Directors are members of a defined benefit scheme (1999 – three).

6. STAFF COSTS

Information regarding the group's employees is as follows:

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
Wages and salaries	57.1	35.3
Social security costs	6.4	4.4
Other pension costs (see note 27)	1.9	1.7
	<hr/>	<hr/>
	65.4	41.4
	<hr/>	<hr/>
	Numbers	Numbers
Average number of employees of the group:		
Production	1,686	1,620
Administration, sales and distribution	429	412
	<hr/>	<hr/>
	2,115	2,032
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

7. NET INTEREST PAYABLE

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
Interest payable and similar charges:		
On bank loans and overdrafts	2.2	2.4
Intergroup loans	1.9	-
Finance leases	-	0.1
	<u>4.1</u>	<u>2.5</u>

8. TAX CREDIT/(CHARGE) ON PROFIT ON ORDINARY ACTIVITIES

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
UK corporation tax at 30% (1999 – 31%)	2.0	(2.8)
Group relief	(1.0)	-
Overseas taxation	(0.5)	(0.2)
Deferred taxation	-	(0.5)
	<u>0.5</u>	<u>(3.5)</u>

9. DIVIDENDS

	Eighteen months to 30 September 2000 £m	Year ended 31 March 1999 £m
Interim dividend paid – nil (1999 – 2.2 pence)	-	1.1
Final dividend proposed – nil (1999 – 6.4 pence)	-	3.1
	<u>-</u>	<u>4.2</u>

NAMPAK PLC
(formerly Plysu plc)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £m	Negative goodwill £m	Total goodwill £m
Cost			
At 1 April 1999	2.0	(4.2)	(2.2)
Revision to estimated goodwill	-	3.6	3.6
Restated 31 March 1999	2.0	(0.6)	1.4
Exchange rate adjustments	(0.1)	-	(0.1)
	<hr/>	<hr/>	<hr/>
At 30 September 2000	1.9	(0.6)	1.3
Amortisation			
At 1 April 1999	(0.1)	1.3	1.2
Revision to estimated goodwill	-	(1.1)	(1.1)
(Released)/provided during the year	(0.3)	0.1	(0.2)
	<hr/>	<hr/>	<hr/>
At 30 September 2000	(0.4)	0.3	(0.1)
Net book value			
At 30 September 2000	<hr/> 1.5	<hr/> (0.3)	<hr/> 1.2
At 31 March 1999	<hr/> 1.9	<hr/> (2.9)	<hr/> (1.0)

Goodwill arising on the acquisition of Nampak plc (formerly Plysu plc) is being amortised evenly over the directors' estimate of its useful economic life of twenty years. Goodwill restatement in both the Group and the Company relate to fair value adjustments made in the respect of the acquisitions made in the prior year which were stated on a provisional basis. The fair value adjustments relate to the acquisition by the group and company of the £10.6m warranted net assets and business of BP Chemicals' Bottles and Closures business (part of BXL Plastics Ltd). The fair value adjustments have been detailed in Note 24.

Company	Goodwill £m	Negative goodwill £m	Total goodwill £m
Cost			
At 1 April 1999	0.5	(4.2)	(3.7)
Revision to estimated goodwill	-	3.6	3.6
Exchange rate adjustments	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 September 2000	0.5	(0.6)	(0.1)
Amortisation			
At 1 April 1999	(0.1)	1.3	1.2
Revision to estimated goodwill	-	(1.1)	(1.1)
(Provided)/released during the year	(0.1)	0.1	-
	<hr/>	<hr/>	<hr/>
At 30 September 2000	(0.2)	0.3	0.1
Net book value			
At 30 September 2000	<hr/> 0.3	<hr/> (0.3)	<hr/> -
At 31 March 1999	<hr/> 0.4	<hr/> (2.9)	<hr/> (2.5)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

10. INTANGIBLE FIXED ASSETS (continued)

Goodwill is being amortised as follows:

- goodwill arising on the acquisition of the fixed assets and business of the bottling and packaging division of Body Shop International is being amortised evenly over the directors' estimate of its useful economic life of six years;
- goodwill arising on the acquisition of Plastica Balear S.A. is being amortised evenly over the directors' estimate of its useful economic life of ten years; and
- negative goodwill arising on the acquisition of net assets and business of BP Chemicals' Bottles and Closures business (part of BXL Plastics Ltd) is being released in line with the depreciation or sale of non monetary assets to which it relates.

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £m	Plant and machinery £m	Total £m
Cost or valuation			
At 1 April 1999	31.5	151.5	183.0
Revision to estimated goodwill	-	(0.6)	(0.6)
Exchange rate adjustments	(1.2)	(4.4)	(5.6)
Additions	0.8	20.2	21.0
Intra-group transfers	-	(0.1)	(0.1)
Disposals	-	(8.2)	(8.2)
At 30 September 2000	31.1	158.4	189.5
Depreciation			
At 1 April 1999	6.6	97.0	103.6
Exchange rate adjustments	0.4	3.5	3.9
Charge for year	(0.9)	(16.7)	(17.6)
Intra-group transfers	-	0.1	0.1
Disposals	-	5.9	5.9
At 30 September 2000	(7.1)	(104.2)	(111.3)
Net book value			
At 30 September 2000	24.0	54.2	78.2
At 31 March 1999	24.9	54.5	79.4

Included within fixed assets are non depreciable assets:

Group	2000 £m	1999 £m
Land and buildings	6.2	6.2
Plant and machinery in the process of commissioning	9.5	11.1
	15.7	17.3

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

11. TANGIBLE FIXED ASSETS (continued)

Company	Freehold land and buildings	Plant and machinery	Total
Cost or valuation			
At 1 April 1999	20.0	117.2	137.2
Revision to estimated goodwill	-	(0.6)	(0.6)
Additions	0.2	11.1	11.3
Intra-group transfers	-	(0.7)	(0.7)
Disposals	-	(8.0)	(8.0)
At 30 September 2000	20.2	119.0	139.2
Depreciation			
At 1 April 1999	3.0	72.2	75.2
Exchange rate adjustments	-	-	-
Charge for year	0.6	13.2	13.8
Intra-group transfers	-	(0.4)	(0.4)
Disposals	-	(5.7)	(5.7)
At 30 September 2000	3.6	79.3	82.9
Net book value			
At 30 September 2000	16.6	39.7	56.3
At 30 September 1999	17.0	45.0	62.0

Included within fixed assets are non depreciable assets:

Company	2000 £m	1999 £m
Land and buildings	4.1	4.1
Plant and machinery in the process of commissioning	3.9	10.8
	8.0	14.9

Details of revalued assets of the group and company are as follows:

Group and company	2000 £m	1999 £m
Land and buildings at 1978 open market valuation	2.9	2.9
Aggregate depreciation thereon	(0.9)	(0.8)
Net book value at 30 September 2000	2.0	2.1
Historical cost and revalued assets	1.4	1.4
Aggregate depreciation based thereon	(0.7)	(0.7)
Net book value based on historical cost at 30 September 2000	0.7	0.7

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

12. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
At 1 April 1999	16.9	5.3	22.2
Recapitalistaion of subsidiary	0.7	-	0.7
Repayments	-	(1.5)	(1.5)
Exchange rate adjustments	-	(0.6)	(0.6)
At 30 September 2000	<u>17.6</u>	<u>3.2</u>	<u>20.8</u>

Manufacture and sale of moulded plastics containers	Country of incorporation	Sale of moulded Plastics containers	Country of incorporation
Plysu Halfweg B.V.	Netherlands	Plysu Containers Limited	Great Britain
Plysu Kerkrade B.V.	Netherlands	Plysu Belgium N.V.	Belgium
Plysu Gent N.V.	Belgium	Plysu France S.A.	France
Plysu Montpont S.A.	France	Plysu Deutschland VmbH	Germany
Plysu Envases Alimentarios, S.L. Φ	Spain		
Iplast S.A.	Spain		
Sale of plastics protection system	Country of incorporation	Overseas holding company	Country of incorporation
Plysu Protection Systems Limited	Great Britain	Plysu Continental Holdings B.V.	Netherlands
Sale of moulded plastics, housewares and garden products	Country of incorporation	Dormant companies	Country of incorporation
Plysu Brands Limited	Great Britain	AMK Plastics Limited	Great Britain
		Thermakeep Plastics Limited	Great Britain
Sale of plastics closures	Country of Incorporation	Paklite Limited	Great Britain
Menshen Packaging Limited□	Great Britain	Simon Renfrew Containers Limited*	Great Britain

All companies are wholly owned and operate principally in their country of incorporation except were noted below. All non-UK subsidiaries are owned by Plysu Continental Holdings B.V. with the exception of Plysu Montpont S.A. which is owned by Plysu France S.A., and Iplast S.A. and Plastica Balear S.A. which are owned by Plysu Envases Alimentarios, S.L. All companies draw up their accounts to 30 September 2000.

□ The group owns 50% of the ordinary share capital of Menshen Packaging UK Limited.

Φ There is a 5% minority interest in Plysu Envases Alimentarios S.L.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

13. STOCKS

	Group		Company	
	30 September	31 March	30 September	31 March
	2000	1999	2000	1999
	£m	£m	£m	£m
Raw materials and consumables	6.2	7.6	3.9	5.2
Work in progress	0.5	0.5	0.5	0.5
Finished goods	5.0	6.3	3.3	4.7
	<u>11.7</u>	<u>14.4</u>	<u>7.7</u>	<u>10.4</u>

14. DEBTORS

	Group		Company	
	30 September	31 March	30 September	31 March
	2000	1999	2000	1999
	£m	£m	£m	£m
Trade debtors	25.7	29.6	4.1	6.5
Amounts owed by group undertakings	-	-	23.3	19.5
Other debtors	3.1	7.9	2.6	6.5
Prepayments and accrued income	1.7	1.2	1.3	1.1
	<u>30.5</u>	<u>38.7</u>	<u>31.3</u>	<u>33.6</u>

Included within group other debtors £0.2m (1999 – £0.8) and group prepayments £0.1m (1999 – £0.1m), are amounts due after more than one year.

Included within company other debtors are nil (1999: £0.3m) and prepayments £0.1m (1999: 0.1m), are amounts due after more than one year.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Bank loans and overdrafts	2.6	4.1	3.1	3.6
Trade creditors	21.9	29.3	14.5	22.9
Amounts due to group undertakings	2.3	-	5.6	3.8
Other taxes and social security	3.7	3.2	3.1	2.8
Corporation tax	1.3	2.2	0.8	2.2
Other creditors and accruals	5.6	9.0	4.4	6.9
Finance lease creditors	-	0.2	-	0.2
Proposed dividends	-	3.1	-	3.1
	<u>37.4</u>	<u>51.1</u>	<u>31.5</u>	<u>45.5</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2000 £m	1999 £m	2000 £m	1999 £m
Bank loans	0.3	24.0	-	23.9
Loans from parent undertaking	30.0	-	30.0	-
Other creditors and accruals	0.2	1.4	0.2	0.4
	<u>30.5</u>	<u>25.4</u>	<u>30.2</u>	<u>24.3</u>

17. ANALYSIS OF LOANS

	Group		Company	
	2000 £m	1999 £m	2000 £m	1999 £m
Within one year				
Bank loans and overdrafts	2.6	4.1	3.1	3.6
After one and within two years				
Bank loans	0.3	19.2	-	23.9
After two and within five years				
Bank loans	-	4.8	-	4.8
Other loans	30.0	-	30.0	-
	<u>32.9</u>	<u>28.1</u>	<u>33.1</u>	<u>32.3</u>

The group has no secured borrowings (1999 – £nil).

18. PROVISIONS FOR LIABILITIES AND CHARGES

Group	Deferred taxation provisions £m	Pensions £m	Other £m	Total £m
At 1 April 1999	3.5	0.7	3.9	8.1
Revision to estimated goodwill	-	-	(1.0)	(1.0)
Released to profit and loss account	-	0.2	(2.4)	(2.2)
At 30 September 2000	<u>3.5</u>	<u>0.9</u>	<u>0.5</u>	<u>4.9</u>
Company	Deferred taxation provisions £m	Pensions £m	Other £m	Total £m
At 1 April 1999	3.3	0.4	3.9	7.6
Restatement	-	-	(1.0)	(1.0)
Released to profit and loss account	-	0.3	(2.4)	(2.1)
At 30 September 2000	<u>3.3</u>	<u>0.7</u>	<u>0.5</u>	<u>4.5</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2000

18. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

Pensions provision relates to SSAP24 (note 27).

Other provisions relate to contractually committed losses and a provision for costs of disposal and the closure of the Brands division held as current asset investment until its disposal.

19. DEFERRED TAXATION

Group	2000		1999	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	3.5	-	3.5	1.6
<hr/>				
Company	2000		1999	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	3.3	-	3.3	1.6

No provision is made for taxation, which would arise in the event of the distribution of the retained profits of overseas subsidiaries unless such a distribution is proposed.

20. CALLED UP SHARE CAPITAL

	2000 £m	1999 £m
Authorised		
54,000,000 (1999 – 54,000,000) ordinary shares of 10 pence each	5.4	5.4
<hr/>		
Allotted, called up and fully paid		
48,610,280 (1999 – 48,254,551) ordinary shares of £0.1 each	4.9	4.8
<hr/>		
	Nominal value per share	Total nominal value
	No.	£
Shares issued during the year were:		
Ordinary shares	355,729	0.1
	<hr/>	<hr/>
		35,573

As a result of the company's acquisition during the period all share options were either issued as shares or cancelled. The company's adjusted share price for the capital gains tax purposes on 31 March 1982 was 35.97p before indexation.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

21. RESERVES

Group	Share premium account £m	Merger reserve £m	Profit and loss account £m	Total £m
At 1 April 1999	1.0	-	44.0	45.0
Retained profit for the year	-	-	1.1	1.1
Issue of ordinary shares	0.5	-	-	0.5
Currency translation differences on foreign currency	-	-	(2.2)	(2.2)
At 30 September 2000	1.5	-	42.9	44.4
Company	Share premium account £m	Merger reserve £m	Profit and loss account £m	Total £m
At 1 April 1999	1.0	1.7	41.9	44.6
Retained profit for the year	-	-	0.1	0.1
Issue of ordinary shares	0.5	-	-	0.5
Exchange movement on loans	-	-	(0.2)	(0.2)
	1.5	1.7	41.8	45.0

The cumulative amount of goodwill written off resulting from acquisitions made up until 31 March 1998 was £13.1m of which the amount relating to subsidiary undertakings was £10.4m. Goodwill on acquisitions made after 31 March 1998 is carried in the balance sheet and dealt with as set out in the goodwill accounting policy note.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £m	1999 £m
Profit on ordinary activities after taxation	1.1	7.8
Dividends paid	-	(4.2)
Other recognised gains and losses related to the year (net)	(2.2)	0.8
New share capital issued including share premium	0.6	0.1
Net (reduction)/addition to shareholders' funds	(0.5)	4.5
Opening shareholders' funds	49.8	45.3
Closing shareholders' funds	49.3	49.8

23. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's result for the financial year amounted to a loss of £5.9m (1999 – £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

24. ACQUISITIONS

Acquisitions in the prior year

Company and Group

The directors have considered the fair value adjustments made in the respect of the acquisitions made in the prior year which were stated on a provisional basis. No changes have been made relating to the acquisition of Plastica Balear S.A. or the fixed assets and business of bottle manufacturing of The Body Shop International plc. The acquisition by the group and company of the £10.6m warranted net assets and business of BP Chemicals' Bottles and Closures business (part of BXL Plastics Ltd) for consideration of £1 has been restated as follows:

	Fair value adjustments				Fair value of net assets £m	Restatement of fair value £m	Fair value net assets £m
	On acquisition £m	Accounting policy alignments £m	Revaluations £m	Other significant adjustment £m			
Net assets acquired							
Tangible fixed assets	6.9	(0.1)	(3.7)	-	3.1	(0.6)	2.5
Stocks	1.5	(0.4)	0.1	-	1.2	-	1.2
Debtors	5.0	(0.5)	(0.1)	-	4.4	(0.1)	4.3
Creditors	(2.5)	(0.8)	(0.2)	(3.9)	(7.6)	1.0	(6.6)
Net assets	10.7	(1.8)	(3.9)	(3.9)	1.1	0.3	1.4
Negative goodwill					(4.2)	3.6	(0.6)
Purchase consideration					(3.1)	3.9	0.8
The purchase consideration was financed as follows:							
Cash					(3.5)	3.9	0.4
Costs associated with acquisition					0.4	-	0.4
					(3.1)	3.9	0.8

In respect of the acquisitions described above, adjustments have been made to restate the cost and accumulated depreciation of fixed assets, and the carrying values of stock, debtors and creditors, to bases consistent with the groups' accounting policies.

As a result of the completion of negotiations on the consideration to be paid, goodwill has been revised. These negotiations resulted in the provision for contractually committed losses to be funded by Nampak PLC (formerly Plysu plc) rather than BP as previously stated.

25. CAPITAL COMMITMENTS

	Group		Company	
	2000 £m	1999 £m	2000 £m	1999 £m
Contracted for but not provided for in the financial statements	6.8	4.8	4.8	3.1

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2000

26. OPERATING LEASE COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Plant and machinery which expire:				
Between two and five years	0.1	0.1	0.1	0.1
Land and buildings which expire:				
Within one year	0.1	0.4	0.1	0.4
Between two and five years	0.3	0.2	0.3	0.2
	0.4	0.6	0.4	0.6

27. PENSIONS COSTS

The total cost to the group of its pensions arrangements was £1.3m (1999 – £0.2m). These costs arose as follows:

UK defined benefit schemes

Costs have been assessed in accordance with SSAP24. The contributions and pension cost are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit credit method of valuation. The most recent valuations were at 1 April 1997. The assumptions which have the most significant effect on the results of the valuations are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed for the purpose of the pension cost calculations that investment returns would exceed the rate of increase in salaries by 2.5% per annum for members of the Plysu plc Pension Plan and by 2.0% per annum for members of the Plysu plc Staff Pension Plan and that investment returns would exceed the rate of increase in pensions by 4.5% per annum.

Dividends were assumed to increase by 0.5% per annum more than the rate of pension escalation.

The most recent actuarial valuations for SSAP24 purposes showed that the aggregate market value of the schemes' assets was £34.2m and that the actuarial value of those assets (£32.5m) represented 133% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The pension cost for the period since acquisition for the two plans amounted to £1.5m (1999 – £1.2m). Contributions of £1.2m (1999 – £0.8m) were made by the group for these two plans. Amounts included in respect of pensions are £0.7m (1999 – £0.4m) in provisions for liabilities and charges.

UK defined contribution schemes

The group continues to operate the money purchase pension schemes with UK insurance companies acquired with AMK Plastics Limited and Thermakeep Plastics Limited, which are closed to new members. Their pension costs were £nil (1999 – £0.1m).

Overseas defined benefit schemes

There are five overseas schemes in force, providing benefits based upon final pensionable pay, with contributions being charged to the profit and loss account in order to spread the cost of pensions over the employees' average working lives with the group.

Costs have been assessed by qualified actuaries in accordance with SSAP24. Assumptions have been made about the future experience of the investment return, wage and price inflation, and on the expected mortality within the group schemes. The main assumptions adopted in arriving at the cost are investment returns of 7% per annum and general wage inflation of 2.5% per annum adjusted for career progression increases averaging a further 2.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2000

27. PENSIONS COSTS (continued)

Overseas defined benefit schemes (continued)

The guaranteed benefits are funded through insurance contracts. Any future surpluses which arise from these benefits will be used to reduce the group's contributions. The pension cost for these schemes was £0.2m (1999 – £0.4m). Amounts included in respect of pensions are £0.2m in provisions (1999 – £0.3m) for liabilities and charges.

Group

Amounts included in the balance sheet in respect of pensions are £0.9m (1999 – £0.7m) in provisions for liabilities and charges.

28. SHARE OPTION SCHEMES

The group operated an Executive Share Option Schemes and a SAYE related Share Option Scheme.

The Executive Schemes allowed for the grant of both approved and unapproved options to employees who are considered by the board to be making a key contribution to the success of the business.

The SAYE Scheme was an all employee scheme (but applicable to the UK only) which allowed contracts to be entered into over 3, 5, or 7 years.

As a result of the acquisition of the company by Nampak Holdings (UK) PLC, all outstanding options have been redeemed.

29. RELATED PARTY DISCLOSURE

The company has taken advantage of the exemption granted by paragraph 3 (c) of Financial Reporting Standard 8 not to disclose related party transactions with Nampak group companies.

30. ULTIMATE PARENT COMPANY

The immediate parent company and controlling entity, and the parent of the smallest group is Nampak Holdings (UK) PLC, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company and controlling entity, and the parent of the largest group is Nampak Limited, a company incorporated in South Africa. Copies of the group financial statements are available from Nampak Limited, PO Box 784324, Sandton 2146, South Africa.