

**M.Y. HEALTHCARE PACKAGING
LIMITED**

Report and Financial Statements

18 month period ended 27 September 2003



M.Y. HEALTHCARE PACKAGING LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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M.Y. HEALTHCARE PACKAGING LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J A Monks
C A Bruce

SECRETARY

C A Bruce

REGISTERED OFFICE

Windlebrook House
Guildford Road
Bagshot
Surrey GU19 5NG

BANKERS

National Westminster Bank Plc
78 Finsbury Pavement
London EC2A 1JA

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

M.Y. HEALTHCARE PACKAGING LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the 18 month period ended 27 September 2003.

RESULTS AND DIVIDENDS

The profit for the 18 month period ended 27 September 2003, after taxation, was £53,885 (loss for the 52 weeks ended 30 March 2002 – £12,444). The directors propose the payment of a dividend for the current period of £97,000 (52 weeks ended 30 March 2002 – £24,000), which leaves a retained loss for the period of £43,115 (52 weeks ended 30 March 2002 – retained loss of £36,444).

The directors do not envisage any change to the business for the foreseeable future.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity is the contract packing of packaging materials primarily for the Healthcare Industry.

The directors consider the level of business and the period end financial position to be satisfactory.

PAST EVENT

On 5 August 2002, the shareholders of the ultimate parent company, Malbak Limited, registered in the Republic of South Africa, voted in favour of a merger with Nampak Limited, a company also registered in the Republic of South Africa. This merger, which has also been approved by Nampak Limited's shareholders, was approved by the court on 14 August 2002 and on 26 August 2002 M.Y. Healthcare Packaging Limited became a wholly owned subsidiary within the Nampak Limited group. As a consequence, the company's accounting period end was changed to September, which was consistent with that of Nampak Limited, hence an 18 month accounting period.

EMPLOYEE INVOLVEMENT

The company operates a positive policy of employee involvement. Well established methods of communications operate throughout the company.

DISABLED EMPLOYEES

The company has a policy of encouraging the employment of disabled persons when their aptitude and abilities allow. Where an employee becomes disabled every effort is made to find a suitable alternative post.

RELATIONSHIP WITH SUPPLIERS

The company has no uniform code or standard on payment practice in respect of payments to suppliers. The company is responsible for agreeing payment terms with its respective suppliers and it is the policy of the company that such arrangements be honoured. The number of days' purchases in creditors as at 27 September 2003 in respect of the company is calculated at 62 days (2002: 65 days).

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were those listed on page 1.

The directors and their families had no beneficial interests in the shares of the company or any other group company during the period.

M.Y. HEALTHCARE PACKAGING LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

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



Secretary

19.03.

2004

M.Y. HEALTHCARE PACKAGING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company 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 company 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF M.Y. HEALTHCARE PACKAGING LIMITED

We have audited the financial statements of M.Y. Healthcare Packaging Limited for the 18 month period ended 27 September 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit 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, 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 the company's affairs as at 27 September 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

24 Nov 2004 2004

M.Y. HEALTHCARE PACKAGING LIMITED

PROFIT AND LOSS ACCOUNT

18 month period ended 27 September 2003

	Note	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
TURNOVER	2	2,800,613	1,702,639
Costs of sales		(2,156,728)	(1,245,061)
GROSS PROFIT		643,885	457,578
Distribution costs		4,092	(24,201)
Administrative expenses		(493,831)	(390,717)
		(489,739)	(414,918)
OPERATING PROFIT	3	154,146	42,660
Interest payable and similar charges	4	(37,225)	(30,981)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		116,921	11,679
Taxation charge on profit on ordinary activities	7	(63,036)	(24,123)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		53,885	(12,444)
Dividend proposed	8	(97,000)	(24,000)
RETAINED LOSS FOR THE PERIOD		(43,115)	(36,444)

All amounts are derived from continuing operations.

There are no recognised gains or losses other than the loss for the current and prior periods. Accordingly, no statement of total recognised gains and losses has been presented.

M.Y. HEALTHCARE PACKAGING LIMITED

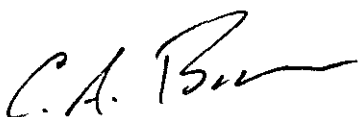
BALANCE SHEET 27 September 2003

	Note	27 September 2003 £	30 March 2002 £
FIXED ASSETS			
Intangible assets	9	584,852	675,377
Tangible assets	10	230,604	330,241
Investments	11	3,174,282	3,174,282
		<u>3,989,738</u>	<u>4,179,900</u>
CURRENT ASSETS			
Stocks	12	47,498	39,202
Debtors	13	7,482,790	7,443,624
Cash at bank and on hand		96	134
		<u>7,530,384</u>	<u>7,482,960</u>
CREDITORS: amounts falling due within one year	14	<u>(8,809,411)</u>	<u>(8,906,479)</u>
NET CURRENT LIABILITIES		<u>(1,279,027)</u>	<u>(1,423,519)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,710,711</u>	<u>2,756,381</u>
Provisions for liabilities and charges	15	<u>(45,648)</u>	<u>(48,203)</u>
TOTAL NET ASSETS		<u>2,665,063</u>	<u>2,708,178</u>
CAPITAL AND RESERVES			
Called up share capital	16	2	2
Profit and loss account		2,665,061	2,708,176
SHAREHOLDER'S FUNDS	17	<u>2,665,063</u>	<u>2,708,178</u>

These financial statements were approved by the Board of Directors on

19.03. 2004.

Signed on behalf of the Board of Directors



Director

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom.

Consolidated accounts

The company is exempt from producing consolidated accounts as it is a wholly owned subsidiary of Nampak Holdings UK plc.

Goodwill

On the acquisition of a business, where the price paid exceeds the fair value of the net tangible assets acquired, the difference is treated as goodwill which is capitalised and amortised over its expected useful life.

Intangible fixed assets

Goodwill is capitalised and amortised over its expected useful life of 20 years.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short-term leasehold	-	over 20 to 50 years
Plant and machinery	-	over 5 to 20 years
Motor vehicles	-	over 2 to 4 years

Taxation

Provision is made for liabilities on all assessable profits to the date of the balance sheet.

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Stock and work in progress

This is valued at the lower of cost and net realisable value. Cost includes, where appropriate, a proportion of overhead expenses.

Pensions

The group operates both defined benefit and defined contribution schemes. Contributions to M.Y. Holdings plc's pension schemes are charged against profit as they become payable in accordance with the rules of the scheme. Differences between contributions payable and amounts actually paid are shown on the balance sheet. The contributions by both the company and employees are held in trustee administered funds independent of the group's finances.

With respect to the defined benefit scheme, the company adopted the transitional disclosures of FRS17 "Retirement benefits" in the prior year. The disclosures required are shown in the notes to the accounts.

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

1. ACCOUNTING POLICIES (continued)

Operating leases

Assets held under finance leases are charged to the profit and loss account on a straight line basis over the lease term.

Statement of cash flow

The company has taken advantage of its exemption from the requirements under Financial Reporting Standard No. 1 "Statement of Cash Flows" (1996 revised) to produce a statement of cash flows.

2. TURNOVER

Turnover represents the amounts charged for goods and services to third parties after deducting credits and excluding Value Added Tax.

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
United Kingdom	2,375,247	1,543,042
Europe	246,117	80,506
Other	179,249	79,091
	<u>2,800,613</u>	<u>1,702,639</u>

All activities are concentrated in contract packing of pharmaceutical products.

3. OPERATING PROFIT

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	119,960	80,668
Amortisation of intangible fixed assets	90,525	60,350
Auditors' remuneration – audit services	11,666	5,357
Profit on disposal of fixed assets	-	(1,800)
Operating lease rentals - plant and machinery	12,434	8,690
- land and buildings	96,219	48,600
	<u>330,804</u>	<u>199,865</u>

The directors received no emoluments for services to the company in the current or prior period.

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

4. INTEREST PAYABLE AND SIMILAR CHARGES

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
Bank loans and overdrafts	37,225	30,981

5. EMPLOYEES (INCLUDING DIRECTORS)

The average weekly number of employees during the period was made up as follows:

	18 month period ended 27 September 2003 No.	52 weeks ended 30 March 2002 No.
Administration, management and production	49	50
	£	£
Staff costs during the period amounted to:		
Wages and salaries	941,260	673,418
Social security costs	93,824	47,011
Other pension costs	25,423	11,203
	1,060,507	731,632

6. PENSIONS

The company participates in a funded pension scheme in the UK (the MY Holdings Group Pension Scheme) providing benefits on a defined benefit basis based on final pensionable salary and on a defined contribution basis. The assets are held in an independent, trustee administered fund.

The pension cost in respect of members accruing benefits on the defined benefit basis is assessed in accordance with SSAP 24 on the advice of the qualified Scheme Actuary. For the defined benefit section the pension cost is assessed using the projected unit method. This method looks at the value of benefits accruing over the year following the valuation date based on projected salary to date of termination of service. The actuarial assumptions that have the most significant effect on the pension cost disclosure are:

rate of return on investments	6.25% p.a.
rate of increase in salaries	4.00% p.a.
rate of future pension increases	
Pre 1991	3.00% p.a.
Post 1991	2.50% p.a.

Assets were taken at market value.

The group pension cost is calculated in accordance with SSAP 24 was £2.1 million (2002 - £1.5 million). However, contributions to the scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

The total pension cost for the company was £25,423 (2002 - £11,203).

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

6. PENSIONS (continued)

The latest actuarial valuation was conducted as at 5 April 2001. The valuation showed that on the assumptions appropriate for funding, the value of the assets represented 98% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The market value of the assets in respect of the MY Holdings Group Pension Scheme as at 5 April 2001 was £32.8 million.

The total deficit of the scheme under FRS 17 is £10.5 million (2002 – deficit of £1.7 million).

Under the transitional arrangements of FRS 17, the company is required to disclose information about the scheme and the figures that would have been shown in the company balance sheet if FRS 17 applied in full today. However as the scheme is a multi-employer scheme the company is unable to identify its share of the underlying assets and liabilities. Full details of the pension schemes are given in the accounts of Nampak Holdings UK plc.

7. TAXATION

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
Corporation tax at 30% (2002 – 30%)	65,591	17,109
Adjustment in respect of prior periods	-	7,720
	<u>65,591</u>	<u>24,829</u>
Deferred tax – current period	(2,555)	34
– prior periods	-	(740)
	<u>(2,555)</u>	<u>(706)</u>
Tax charge	<u>63,036</u>	<u>24,123</u>

Factors affecting the tax charge for the current period:

The tax charge for the period is higher than that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below:

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
Profit on ordinary activities before tax	116,921	11,679
Tax at 30% thereon	35,076	3,504
Effects of:		
Expenses not deductible for tax purposes	27,960	13,639
Capital allowances in excess of depreciation	2,555	(34)
Adjustments to tax charge in respect of previous periods	-	7,720
	<u>65,591</u>	<u>24,829</u>
Current tax charge for the period	<u>65,591</u>	<u>24,829</u>

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

8. DIVIDENDS

	18 month period ended 27 September 2003 £	52 weeks ended 30 March 2002 £
Final dividend – proposed	97,000	24,000

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
At 31 March 2002 and 27 September 2003	1,181,177
Amortisation:	
At 31 March 2002	505,800
Provided during the period	90,525
At 27 September 2003	596,325
Net book value	
At 27 September 2003	584,852
At 30 March 2002	675,377

10. TANGIBLE FIXED ASSETS

	Short-term leasehold £	Plant machinery and equipment £	Motor vehicles £	Total £
Cost:				
At 31 March 2002	-	846,605	28,140	874,745
Additions	-	20,323	-	20,323
Reclassification	214,395	(214,395)	-	-
At 27 September 2003	214,395	652,533	28,140	895,068
Depreciation:				
At 31 March 2002	-	536,542	7,962	544,504
Charge in the period	19,749	95,167	5,044	119,960
Reclassification	174,479	(174,479)	-	-
At 27 September 2003	194,228	457,230	13,006	664,464
Net book value:				
At 27 September 2003	20,167	195,303	15,134	230,604
At 30 March 2002	-	310,063	20,178	330,241

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

11. INVESTMENTS

	27 September 2003 £	30 March 2002 £
Investment in subsidiary	<u>3,174,282</u>	<u>3,174,282</u>

The only investment the company holds is a 100% holding in TWG Packaging Limited.

12. STOCKS

	27 September 2003 £	30 March 2002 £
Raw materials	47,023	32,660
Work in progress	475	6,542
	<u>47,498</u>	<u>39,202</u>

13. DEBTORS

	27 September 2003 £	30 March 2002 £
Trade debtors	330,303	287,926
Owed by group undertakings	7,140,986	7,143,982
Other debtors	1,835	4,068
Prepayments and accrued income	9,666	7,648
	<u>7,482,790</u>	<u>7,443,624</u>

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 September 2003 £	30 March 2002 £
Bank loans and overdrafts	1,042	506,947
Trade creditors	127,022	88,132
Owed to group undertakings	8,541,261	8,210,316
Other taxes and social security costs	56,597	49,077
Corporation tax	25,991	13,509
Accruals and deferred income	57,498	38,498
	<u>8,809,411</u>	<u>8,906,479</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	27 September 2003 £	30 March 2002 £
Accelerated capital allowances	50,297	52,852
Other timing differences	(4,649)	(4,649)
	<u>45,648</u>	<u>48,203</u>

The movement during the period in the provision for deferred taxation was:

	27 September 2003 £	30 March 2002 £
Opening balance	48,203	48,909
Current period credit to profit and loss account	(2,555)	(706)
	<u>45,648</u>	<u>48,203</u>

16. SHARE CAPITAL

	27 September 2003 £	30 March 2002 £
Authorised:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share Capital £	Profit and loss account £	Total 27 September 2003 £	Total 30 March 2002 £
At beginning of period (2002: as previously stated)	2	2,708,176	2,708,178	5,792,678
Less: Dividend in specie		-	-	(3,048,056)
At beginning of period (2002: restated)	2	2,708,176	2,708,178	2,744,622
Loss for the period	-	(43,115)	(43,115)	(36,444)
At end of period	2	2,665,061	2,665,063	2,708,178

The only investment the company holds is a 100% holding in TWG Packaging Limited. In a prior year, the trading assets and liabilities of TWG Packaging Limited were transferred to another group company. Management therefore felt it appropriate in the prior year to reduce the value of the investment as a dividend in specie as a prior year adjustment.

18. OPERATING LEASE COMMITMENTS

At 27 September 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Plant and machinery	
	27 September 2003 £	30 March 2002 £	27 September 2003 £	30 March 2002 £
In two to five years	55,750	48,600	7,987	8,690

19. CONTINGENT LIABILITIES

The guarantee to National Westminster Bank plc was terminated during the period. At 30 March 2002 this guarantee amounted to £16,817,035.

The guarantee to the Royal Bank of Scotland plc in respect of the indebtedness of the M.Y Holdings plc Group was also terminated during the period. At 30 March 2002 the term loan under the guarantee amounted to £50,000,000.

20. RELATED PARTIES

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 Holdings UK plc companies.

M.Y. HEALTHCARE PACKAGING LIMITED

NOTES TO THE ACCOUNTS

18 month period ended 27 September 2003

21. ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is M.Y. Holdings plc. 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.