

NAMPAK HOLDINGS (UK) PLC

Report and Financial Statements

30 September 2001



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

NAMPAK HOLDINGS (UK) PLC

REPORT AND FINANCIAL STATEMENTS 2001

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NAMPAK HOLDINGS (UK) PLC

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2001.

PRINCIPAL ACTIVITIES

Nampak Holdings (UK) plc is an investment holding company.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

On 5 December 1999 the group and company acquired the entire share capital of Nampak plc (formerly Plysu plc), a company incorporated in Great Britain. This was funded from Nampak Holdings (UK) plc's own cash resources and available bank and other facilities.

As part of a reorganisation of the group's European operations on the 31 March 2001 the assets and trade of Blowmopan Polysystems Limited an indirect subsidiary of Nampak Holdings (UK) plc were hived across into Nampak plc.

The company will continue to hold its investment in its subsidiaries and to support its subsidiaries' activities in the manufacture and sale of plastic containers.

The group has continued to invest for greater efficiencies and will continue to look for expansion opportunities.

DIRECTORS AND THEIR INTERESTS

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

B P Connellan	(resigned 30 June 2001)
G E Bortolan	
T Evans	
M E Soloman	
E P Pfaff	(resigned 22 November 2000)
D C S Mathews	(appointed 22 November 2000)

No directors of the company had any interests in the shares of the company or any other UK group company throughout the year.

DIVIDENDS

The directors do not propose the payment of a dividend (2000 – £nil).

RESEARCH AND DEVELOPMENT

Expenditure on research and development amounted to £0.2m in the year (2000 – £0.3m). All costs are written off to the profit and loss account as expenditure is incurred.

CREDITOR PAYMENT POLICY

It is group policy to agree terms and conditions of trade as part of the contractual relationship with suppliers. Invariably these will be standard conditions which include the terms of payment. It is group policy to settle invoices in accordance with agreed terms. Nampak Holdings (UK) plc holds the investments in group companies, does not trade itself and does not have suppliers within the meaning of the Companies Act 1985. However, the directors believe it would be helpful to give the disclosures on a group basis. The average creditor days outstanding at 30 September 2001 was 66 days (2000 – 63 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 who become disabled during the course of their employment.

NAMPAK HOLDINGS (UK) PLC

DIRECTORS' REPORT

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

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

29 May

2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 year 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;
- prepare the financial statements on a 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NAMPAK HOLDINGS (UK) PLC

We have audited the financial statements of Nampak Holdings (UK) plc for the year ended 30 September 2001 which comprise the consolidated profit and loss account, the balance sheets, the consolidated statement of total recognised gains and losses and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

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 and other members of the group is not disclosed.

We read the directors' report contained in the annual report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 circumstances of the company and the group, 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 2001 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte and Touche

Chartered Accountants and
Registered Auditors

Hill House
1 Little New Street
London EC4A 3TR

30 May 2002

NAMPAK HOLDINGS (UK) PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2001

	Note	Before exceptional items £m	Exceptional items (Note 4) £m	Total 2001 £m	Total 2000 £m
TURNOVER	2	166.4	-	166.4	155.0
Cost of sales		(127.9)	(6.4)	(134.3)	(118.9)
Gross profit		38.5	(6.4)	32.1	36.1
Distribution costs		(14.5)	(0.1)	(14.6)	(14.8)
Administrative costs		(17.6)	(2.1)	(19.7)	(17.2)
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	6.4	(8.6)	(2.2)	4.1
Net interest payable	6			(9.3)	(9.7)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION				(11.5)	(5.6)
Tax credit on (loss) on ordinary activities	7			0.7	1.2
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND LOSS FOR THE FINANCIAL YEAR	20			(10.8)	(4.4)

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

All turnover relates to continuing activities.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 September 2001

	2001 £m	2000 £m
Loss on ordinary activities after taxation	(10.8)	(4.4)
Exchange gain/(loss) on foreign currency net investments	0.8	(1.1)
Total recognised gains and losses for the financial year	(10.0)	(5.5)

NAMPAK HOLDINGS (UK) PLC

GROUP BALANCE SHEET 30 September 2001

	Note	£m	2001 £m	£m	2000 £m
FIXED ASSETS					
Intangible assets					
Goodwill	8		42.8		45.1
Tangible assets	9		104.7		108.5
			<u>147.5</u>		<u>153.6</u>
CURRENT ASSETS					
Stocks	11	8.0		8.8	
Debtors	12	33.0		31.7	
Investments	13	0.3		1.4	
Cash		8.4		11.5	
		<u>49.7</u>		<u>53.4</u>	
CREDITORS: amounts falling due within one year	14	(42.8)		(42.3)	
NET CURRENT ASSETS			<u>6.9</u>		<u>11.1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			154.4		164.7
CREDITORS: amounts falling due after more than one year	15		(113.8)		(131.2)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(5.5)		(8.4)
NET ASSETS			<u>35.1</u>		<u>25.1</u>
CAPITAL AND RESERVES					
Called up equity share capital	19		1.4		1.0
Share premium account	20		49.4		29.8
Other reserves	20		0.9		0.9
Profit and loss account	20		(16.6)		(6.6)
Equity shareholders' funds			<u>35.1</u>		<u>25.1</u>

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

29 May 2002.


G E Bortolan
Director

NAMPAK HOLDINGS (UK) PLC

COMPANY BALANCE SHEET 30 September 2001

	Note	£m	2001 £m	£m	2000 £m
FIXED ASSETS					
Investments	10		<u>129.9</u>		<u>117.5</u>
CURRENT ASSETS					
Debtors	12	31.8		31.3	
Cash		-		6.4	
		<u>31.8</u>		<u>37.7</u>	
CREDITORS: amounts falling due within one year	14	<u>(11.6)</u>		<u>(4.9)</u>	
NET CURRENT ASSETS			<u>20.2</u>		<u>32.8</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			150.1		150.3
CREDITORS: amounts falling due after more than one year	15		<u>(110.2)</u>		<u>(123.6)</u>
NET ASSETS			<u>39.9</u>		<u>26.7</u>
CAPITAL AND RESERVES					
Called up equity share capital	19		1.4		1.0
Share premium account	20		49.4		29.8
Profit and loss account	20		<u>(10.9)</u>		<u>(4.1)</u>
Equity shareholders' funds			<u>39.9</u>		<u>26.7</u>

These financial statements were approved by the Board of Directors on

29 May 2002

Signed on behalf of the Board of Directors


G E Bortolan
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

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.

Basis of consolidation

The group financial statements incorporate the financial statements of the company and all subsidiaries, except as noted below, for the year ended 30 September 2001. 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.

Excluded from the consolidation is the Brands division within Nampak plc as the division was not considered to be part of the group's core activities at the time Nampak plc was acquired and was subsequently put up for sale. It has been included as a current asset investment (Note 13).

Goodwill

Prior to 1 October 1998, all goodwill arising on acquisitions was written off to reserves. Following the introduction of FRS10, which relates to goodwill and intangible assets, the accounting policy has been changed and goodwill arising on acquisitions is capitalised and amortised over its useful economic life.

Goodwill previously written off is to remain eliminated against reserves. On disposal of the business concerned, this goodwill is included in determining the gain or loss on disposal in the profit and loss account.

Depreciation

Tangible fixed assets are depreciated over their estimated useful lives on a straight line basis as follows:

Short leasehold properties	Period of lease
Freehold buildings	50 years
Plant and machinery	10% to 25%

No depreciation is provided on freehold land or long leasehold properties, as it is the company's policy to maintain long leasehold properties in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation. Any permanent impairment in value is taken to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Engineering stores

Engineering stores are expensed on acquisition.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

1. ACCOUNTING POLICIES (continued)

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.

Operating leases

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.

Research and development

Total costs of the company's research and development programme are written off to the profit and loss account as expenditure is incurred.

Cashflow

The group is not required under Financial Reporting Standard 1 to prepare a cashflow statement as Nampak Holdings (UK) plc is a wholly owned subsidiary of Nampak Limited which publishes a consolidated cashflow statement.

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 2001	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	128.2	(4.1)	124.1	122.5	101.1
Rest of Europe	42.5	(0.2)	42.3	43.4	34.7
Rest of the World	-	-	-	0.5	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Group	170.7	(4.3)	166.4	166.4	135.8
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unallocated net assets					(100.7)
					<hr/>
Total net assets					35.1
					<hr/>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

2. TURNOVER AND OPERATING ASSETS (continued)

Geographical segments 2000	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	124.3	(2.6)	121.7	115.4	116.7
Rest of Europe	33.6	(0.3)	33.3	39.3	28.7
Rest of the World	-	-	-	0.3	-
Group	157.9	(2.9)	155.0	155.0	145.4
Unallocated net assets					(120.3)
Total net assets					25.1

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.

3. OPERATING PROFIT

	2001 £m	2000 £m
Stated after charging		
Depreciation on tangible fixed assets – owned	14.8	10.6
Auditors' remuneration:		
Audit fees – company £nil (2000 – £nil)	0.1	0.1
Non-audit fees to the auditors and their associates – company £0.1m (2000 – £0.1m)	0.2	0.1
Rentals under operating leases		
Hire of plant and machinery	0.1	0.1
Other	0.7	0.7
Net exchange movements	-	0.1
Research and development	0.2	0.3
Amortisation of goodwill	2.3	2.0
Exceptional costs	8.6	3.7

4. EXCEPTIONAL

	2001 £m	2000 £m
Costs of reorganisation		
Costs of sales	6.4	1.6
Distribution	0.1	-
Administration	2.1	2.1
	8.6	3.7

The reorganisation of the group's European operations, has continued during the year. Included within provisions at the year end date is £0.5m (2000 - £0.6m).

The tax effect of these exceptional items in 2001 was a deferred tax credit of £0.9m.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

5. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

No directors received any remuneration from Nampak Holdings (UK) plc or its subsidiaries in the year or the prior year.

Information regarding the group's employees is as follows:

	2001	2000
	£m	£m
Wages and salaries	36.8	34.6
Social security costs	4.2	3.9
Other pension costs (see note 25)	1.8	1.3
	<u>42.8</u>	<u>39.8</u>

The average number of employees of the group during the year was 1,880 (2000 – 1881).

6. NET INTEREST PAYABLE

	2001	2000
	£m	£m
Interest payable and similar charges:		
On bank loans and overdrafts	9.5	10.0
	<u>9.5</u>	<u>10.0</u>
Interest receivable	(0.2)	(0.3)
	<u>9.3</u>	<u>9.7</u>

7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£m	£m
Prior year adjustment	0.1	-
Overseas tax	0.1	0.2
	<u>0.2</u>	<u>0.2</u>
Credit for deferred tax	(0.9)	(1.4)
	<u>(0.7)</u>	<u>(1.2)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £m
Cost	
At 1 October 2000 and 30 September 2001	47.1
Amortisation	
At 1 October 2000	2.0
Provided during the year	2.3
At 30 September 2001	4.3
Net book value	
At 30 September 2001	42.8
At 30 September 2000	45.1

Goodwill arising on the acquisition of Nampak plc is being amortised evenly over the directors' estimate of its useful economic life of twenty years.

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Leasehold land and buildings		Plant and machinery	Total
	£m	Long £m	Short £m	£m	£m
Cost or valuation					
At 1 October 2000	45.5	0.7	0.5	76.9	123.6
Exchange rate adjustments	0.4	-	-	0.7	1.1
Additions	0.3	-	-	11.2	11.5
Disposals	(0.5)	-	-	(4.1)	(4.6)
At 30 September 2001	45.7	0.7	0.5	84.7	131.6
Depreciation					
At 1 October 2000	0.7	-	0.5	13.9	15.1
Exchange rate adjustments	-	-	-	0.1	0.1
Charge for year	0.7	-	-	14.1	14.8
Disposals	-	-	-	(3.1)	(3.1)
At 30 September 2001	1.4	-	0.5	25.0	26.9
Net book value					
At 30 September 2001	44.3	0.7	-	59.7	104.7
At 30 September 2000	44.8	0.7	-	63.0	108.5

Freehold land and buildings cumulative cost includes £254,000 (2000 – £254,000) capitalised interest.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2001

9. TANGIBLE FIXED ASSETS (continued)

Included within fixed assets are non depreciable assets:

	2001 £m	2000 £m
Land and buildings	20.5	20.7
Plant and machinery in the process of commissioning	11.7	12.5
	<u>32.2</u>	<u>33.2</u>

10. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
At 1 October 2000	111.0	6.5	117.5
Redemption of loan note	-	(6.5)	(6.5)
Recapitalisation of subsidiary	20.0	-	20.0
Diminuation in value of investment	(1.1)	-	(1.1)
	<u>129.9</u>	<u>-</u>	<u>129.9</u>
At 30 September 2001			

The company has a 100% holding in BlowMocan Holdings Limited which is itself a holding company incorporated in Great Britain and registered in England and Wales.

The company has an indirect 100% investment in BlowMocan Polysystems Limited, a company incorporated in Great Britain and registered in England and Wales.

On the 5 December 1999 the company acquired a 100% investment in the entire share capital of Nampak plc (formerly Plysu plc) a company incorporated in Great Britain and registered in England and Wales. Since acquisition the Brands division of Nampak plc has not been consolidated as it is not considered to be part of the group's core activities and was put up for sale. It has been included as a current asset investment (Note 13).

Nampak plc owns a number of subsidiary undertakings. The principal subsidiary undertakings of Nampak plc were:

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

10. INVESTMENTS HELD AS FIXED ASSETS (continued)

All companies are wholly owned and operate principally in their country of incorporation. All non-UK subsidiaries are owned by Nampak Continental Holdings B.V. with the exception of Nampak Montpont S.A. which is owned by Nampak France S.A.. All companies draw up their accounts to 30 September with the exception of Menshen Packaging Limited, which draws up accounts to 31 March.

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

Φ There is a 4% minority interest in Plysu Envases Alimentarios S.L.

11. STOCKS

	2001 £m	2000 £m
Raw materials and consumables	3.4	4.2
Work in progress	0.2	0.2
Finished goods	4.4	4.4
	<u>8.0</u>	<u>8.8</u>

12. DEBTORS

	Group		Company	
	2001 £m	2000 £m	2001 £m	2000 £m
Trade debtors	26.7	26.9	-	-
Amounts owed by group undertakings	-	-	31.8	30.2
Other debtors	3.1	2.1	-	-
Prepayments and accrued income	2.1	1.7	-	-
Corporation tax receivable	1.1	1.0	-	1.1
	<u>33.0</u>	<u>31.7</u>	<u>31.8</u>	<u>31.3</u>

Included within group other debtors and group prepayments are amounts due after more than one year of £0.2m (2000 - £0.2m) and £0.9m (2000 - £0.1m) respectively.

13. INVESTMENTS

	Group		Company	
	2001 £m	2000 £m	2001 £m	2000 £m
Current asset investment	<u>0.3</u>	<u>1.4</u>	<u>-</u>	<u>-</u>

The current asset investment represents the net expected proceeds from the disposal of the Brands division of Nampak plc. This division was not considered to be part of the groups' core activities, and has not been consolidated since acquisition. The disposal process is expected to be completed during the current year. The net assets of the division at the 30 September 2001 were £0.9m (2000 - £4.1m) and losses incurred in the year were £4.3m (2000 - £1.5m).

The brands division has been operating indepently of the groups other operations, other than the ongoing management and financing of the disposal process.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001 £m	2000 £m	2001 £m	2000 £m
Loan note	-	2.4	-	2.4
Trade creditors	27.4	25.8	-	-
Amounts due to group undertakings	-	-	11.3	2.1
Other taxes and social security	3.8	4.2	-	-
Corporation tax	4.1	3.5	-	-
Other creditors and accruals	7.5	6.4	0.3	0.4
	<u>42.8</u>	<u>42.3</u>	<u>11.6</u>	<u>4.9</u>

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

	Group		Company	
	2001 £m	2000 £m	2001 £m	2000 £m
Loan note	1.2	2.4	1.2	2.4
Bank loans	106.5	119.4	97.4	112.0
Loans from parent undertaking	6.1	9.2	11.6	9.2
Other creditors and accruals	-	0.2	-	-
	<u>113.8</u>	<u>131.2</u>	<u>110.2</u>	<u>123.6</u>

16. ANALYSIS OF LOANS

	2001 £m	2000 £m
Within one year		
Loan notes	-	2.4
After one and within two years		
Bank loans	107.1	-
After two and within five years		
Bank loans	-	120.4
Loan notes	1.2	-
After five years		
Loan notes	-	2.4
Loan from parent undertakings	6.1	9.2
	<u>114.4</u>	<u>134.4</u>
Less: issue costs	(0.6)	(1.0)
	<u>113.8</u>	<u>133.4</u>
Less: included in creditors amounts falling due within one year (note 14)	-	(2.4)
	<u>113.8</u>	<u>131.0</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

16. ANALYSIS OF LOANS (continued)

The floating rate unsecured guaranteed loan notes 2000/2005 were issued at par for £4.8m and can be repaid bi-annually on the interest payment dates in multiples of £1,000. On the 29 December 2000 £2.4m were redeemed at par with a further £1.2m being redeemed at par on the 30 June 2001. The contracted repayment date is 31 December 2005.

The interest rate on the loan notes is 1.5% below the arithmetic mean of the rates offered by any two London clearing banks on a six month sterling deposit of £1m.

Included with bank loans is a £98m (2000 - £113m) unsecured syndicated loan used to finance the acquisition of Nampak plc, this loan has a contracted repayment date of 21 October 2002 and a peseta loan facility provide by Barclays Bank of £9.1m (2000 - £7.1m), this is unsecured and is repayable in full by December 2002.

The repayments of the syndicated loan made in the year were funded by the ultimate parent company Nampak Limited, further repayments of £20m have been made during October 2001.

The loan from the parent undertaking is interest free and not repayable within five years.

Details of loans not wholly repayable within five years are as follows:

	Group		Company	
	2001	2000	2001	2000
	£m	£m	£m	£m
Loan notes	-	2.4	-	2.4

17. PROVISIONS FOR LIABILITIES AND CHARGES

Group	Deferred taxation provisions £m	Pensions £m	Other £m	Total £m
At 1 October 2000	3.5	0.9	4.0	8.4
Charged / (released) to profit and loss account	(0.9)	0.8	0.5	0.4
Utilised	-	-	(3.3)	(3.3)
At 30 September 2001	2.6	1.7	1.2	5.5

Pensions provisions relate to SSAP 24 (note 25).

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2001

18. DEFERRED TAXATION

Group	2001		2000	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	2.6	-	3.5	0.8
<hr/>				
Company	2001		2000	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	-	-	-	-
<hr/>				

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.

19. CALLED UP SHARE CAPITAL

	2001 £m	2000 £m
Authorised		
2,000,000 ordinary shares of £1 each	2.0	2.0
<hr/>		
Allotted, called up and fully paid		
1,401,000 (2000 – 1,001,000) ordinary shares of £1 each	1.4	1.0
<hr/>		
	Nominal value £	Consideration £
No.		
Shares issued during the year were:		
Ordinary shares	400,000	20,000,000
<hr/>		

On the 31 October 2001 a further issue of 283,692 ordinary shares was made to the company's parent company Nampak International Limited, for consideration of £28,369,299.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2001

20. RESERVES

Group	Shares premium account £m	Other reserve £m	Profit and loss account £m	Total £m
At 1 October 2000	29.8	0.9	(6.6)	24.1
Retained loss for the year	-	-	(10.8)	(10.8)
Issue of ordinary shares	19.6	-	-	19.6
Currency translation differences on foreign currency	-	-	0.8	0.8
At 30 September 2001	<u>49.4</u>	<u>0.9</u>	<u>(16.6)</u>	<u>33.7</u>

Company	Share premium account £m	Profit and loss account £m	Total £m
At 1 October 2000	29.8	(4.1)	25.7
Retained loss for the year	-	(6.8)	(6.8)
Issue of ordinary shares	19.6	-	19.6
At 30 September 2001	<u>49.4</u>	<u>(10.9)</u>	<u>38.5</u>

The cumulative amount of positive and negative goodwill arising from acquisitions of subsidiaries written off prior to 30 September 1999 was £4.2m for the group and £5.1m for the company.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001 £m	2000 £m
Loss on ordinary activities after taxation	(10.8)	(4.4)
Other recognised gains and losses related to the year (net)	0.8	(1.1)
New share capital issued including share premium	<u>20.0</u>	<u>18.0</u>
Net addition to shareholders' funds	10.0	12.5
Opening shareholders' funds	<u>25.1</u>	<u>12.6</u>
Closing shareholders' funds	<u>35.1</u>	<u>25.1</u>

22. 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 £6.8m (2000 – £5.9m).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

23. CAPITAL COMMITMENTS

	Group		Company	
	2001	2000	2001	2000
	£m	£m	£m	£m
Contracted for but not provided for in the financial statements	5.7	7.3	-	-

24. OPERATING LEASE COMMITMENTS

	Group		Company	
	2001	2000	2001	2000
	£m	£m	£m	£m
Plant and machinery which expire:				
Between two and five years	0.1	0.1	-	-
Land and buildings which expire:				
Within one year	-	0.1	-	-
Between two and five years	0.3	0.4	-	-
After five years	0.1	0.4	-	-
	0.4	0.5	-	-

25. PENSIONS COSTS

The total cost to the group of its pensions arrangements was £1.8m (2000 – £1.3m). 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 2000. 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. The following assumptions were used for the purpose of the pension cost calculations;

	Nampak plc Staff Pension Plan	Nampak plc Pension Plan
Rate of increases in salaries	5.0%	4.5%
Rate of increase in pensions in payment	3.0%	3.0%
Rate of revaluation of deferred pensions in excess of the GMP	3.0%	3.0%
Discount rate	6.25%	6.25%
Inflation assumption	3.0%	3.0%

The most recent actuarial valuations for SSAP24 purposes showed that the aggregate market value of the schemes' assets was £54.5m and that the actuarial value of those assets (£46.9m) represented 125% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The pension cost for the year for the two plans amounted to £1.3m (2000 – £0.8m). Contributions of £0.5m (2000 £0.7m) were made by the group for these two plans. Amounts included in respect of pensions are £1.5m (2000 £0.7m) in provisions for liabilities and charges.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

25. PENSION COST (continued)

FRS 17 disclosure requirements:

The assets in the scheme and the expected rate of return as required under FRS 17:

	Expected rate of return	Total £m
Equities	7.5%	30.2
Bonds	5.0%	8.1
Other	4.5%	3.8
Total market value of assets		42.1
Present value of scheme liabilities		(49.2)
Net pension deficit		(7.1)
Related deferred tax asset		2.1
Net pension deficit		(5.0)

If FRS 17 had been adopted in these financial statements, the Group's net assets and profit and loss reserve as at 30 September 2001 would have been as follows:

	£m
Net assets excluding pension liability	35.1
Pension liability	(5.0)
	30.1
Less: SSAP 24 items included in net assets that will be reversed on implementation of FRS 17	1.5
Net assets on FRS 17 basis	31.6
	£m
Profit and loss reserve excluding pension liability	(16.6)
Pension liability	(5.0)
	(21.6)
Less: SSAP 24 items included in net assets that will be reversed on implementation of FRS 17	1.5
Profit and loss reserve on FRS 17 basis	(20.1)

The disclosed pension scheme liability of £7.1m has been calculated in accordance with the requirements of the accounting standard FRS 17 as published by the Accounting Standards Board in December 2000. This standard requires pension scheme funding levels to be assessed using a number of prescribed assumptions. The disclosed position is specific to the accounting date and the same calculation carried out on a different date (even in close proximity), can lead to volatile funding level differences. Given the exact date of these calculations and the position of stock markets at the end of September 2001, we believe that the figures must be viewed against this background.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2001

25. PENSION COST (continued)

This volatility arises because, like many other pension schemes, the Trustees invest predominantly in equities, in the expectation that, over the long term, superior returns can be obtained compared to investment in, say, bonds. However the liabilities are assessed having regard to the returns available on high quality corporate bonds. This means that the assets and liabilities can often behave very differently leading to volatile funding level changes (up and down) at successive accounting dates. The latest accounting year was one where equities performed very poorly compared to corporate bonds.

The company, in conjunction with the Trustees of both pension plans, regularly reviews investment performance and strategy to ensure these have regard to appropriate funding objectives.

UK defined contribution schemes

The group continues to operate defined contribution schemes for the benefit of the employees. The assets of the scheme are held in a fund independent from those of the company. The pension costs were £0.2m (2000 – £0.3m).

Overseas schemes

There are five overseas schemes in force, targeting 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.

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 £0.3m (2000 - £0.2m). Amounts included in respect of pensions are £0.2m (2000 – £0.2m) in provisions for liabilities and charges.

Group

Amounts included in the balance sheet in respect of pensions are £1.7m (2000 - £0.9m) in provisions for liabilities and charges.

26. 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.

27. ULTIMATE PARENT COMPANY

The immediate parent company and controlling entity, and the parent of the smallest group is Nampak International Limited, a company incorporated in the Isle of Man.

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.