

Company Registration No. 2969065

Nampak Holdings (UK) Limited

Report and Financial Statements

30 September 2019



Nampak Holdings (UK) Limited

Report and financial statements 2019

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Nampak Holdings (UK) Limited

Report and financial statements 2019

Officers and professional advisers

Directors

D Tocher
G R Fullerton
A Howie
D L Joubert

Registered Office

Flat 4
Kinnerton Street
London
England
SW1X 8EY

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Legal Advisors

DLA Piper UK LLP
160 Aldersgate Street
London
EC1A 4HT
United Kingdom

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Nampak Holdings (UK) Limited

Strategic report

Principal activities

The company is a wholly owned subsidiary of Nampak Limited, a South African listed company and is the investment holding company for Nampak's UK plastics packaging operations and its beverage can operations in Nigeria. The company sold its investment in Nampak Plastics Europe Limited ("NPE") on 13 December 2019.

Business review

As shown in the company's profit and loss account on page 10, the company's loss before taxation has increased from a loss of \$62.3m in the prior year to a loss of \$113.2m in the current year. During the current year an impairment on investments of \$103.6m was recorded (2018: \$53.3m). This was due to challenging trading conditions affecting NPE including delays in commissioning new equipment and production difficulties at another site, resulting in additional production and transport costs, as well as declining customer volumes. The directors took the difficult decision not to provide further funding to the entity and to seek to dispose of the business, with the impairment reflecting the directors' assessment of fair value less cost to sell. No dividends were received in either reporting period.

The balance sheet on page 11 of the financial statements shows the company's financial position at the year end. Net assets have decreased by \$113.2m to \$35.6m as a result of the reported loss.

Principal risks and uncertainties

As a holding company, Nampak Holdings (UK) Limited is not exposed to significant risks and uncertainties except for the risk that its investment in Nampak Bevcan Nigeria Limited may not be recoverable. The risks facing Nampak Bevcan Nigeria Limited are set out in their own financial statements.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including foreign exchange risk, credit risk, cash flow risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes and no derivatives were entered into in the current or preceding year.

Credit risk

The company's credit risk is limited as it is primarily attributable to inter-company balances.

Cash flow risk

The company is exposed to cash flow risk, principally as a result of interest rate risk on its \$127m USD loans, on which the company pays a variable rate of interest. The company has not hedged the interest rate risk on these borrowings.

Liquidity risk

The company does not generate cash inflows from its own activities and consequently is dependent on cash receipts from its subsidiaries in order to meet its liabilities as they fall due, including the repayment of loan notes issued.

Foreign exchange risk

The Company is exposed to foreign exchange risk, principally as a result of the \$25,276,000 (sterling denominated) intragroup loan due to Nampak Plastics Europe Limited. The Company has not entered into any currency hedges.

Nampak Holdings (UK) Limited

Strategic report (continued)

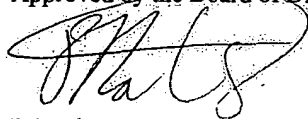
Future developments

The directors do not anticipate any significant changes in the company's activities in the foreseeable future.

Going concern

The directors' consideration of going concern is discussed in note 1 to the financial statements.

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



D Tocher
Director

11 March 2020

Nampak Holdings (UK) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2019.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include such matters of strategic importance to the Company in the strategic report which would otherwise be required to be disclosed in the directors' report, including future developments and financial risk management objectives and policies.

Directors

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

G R Fullerton

A Mitterer (Resigned on 07 October 2019)

D Tocher

L Haggett (Resigned on 07 October 2019)

A De Ruyter (Resigned on 06 January 2020)

A Howie (Appointed on 07 October 2019)

D L Joubert (Appointed on 25 October 2019)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dividends

The company did not pay a dividend in the current year (2018: \$nil).

Financial instruments

Disclosure has been made in the Strategic Report regarding principal risks and uncertainties and the use of financial instruments.

Auditor

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Post balance sheet events

On 13 December 2019 the company sold its shares in Nampak Plastics Europe Limited. Further details of this can be found in note 15.

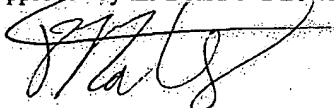
Disclosure of information to auditor

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

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

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

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



D Tocher
Director

11 March 2020

Nampak Holdings (UK) Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Company's Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the member of Nampak Holdings (UK) Limited (continued)

Opinion

In our opinion the financial statements of Nampak Holdings (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of audit approach

Key audit matters	The key audit matter that we identified in the current year concerns the valuation of Nampak Holdings (UK) Limited's investment in subsidiaries.
Materiality	The materiality that we used in the current year was \$4.6 million (2018 - \$6.8 million) which was determined on the basis of 2% (2018 - 2%) of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our audit approach	There were no changes in our audit approach in the current year

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

Independent auditor's report to the member of Nampak Holdings (UK) Limited (continued)

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Valuation of investment in subsidiaries

Key audit matter description	<p>The company has investment in subsidiaries of \$228.1 million as at 30 September 2019 (2018:\$228.1m), valued at cost less provision for impairment. The investment comprises the investment in subsidiary company Nampak Bevcan Nigeria Limited and is material to the company as it accounts for 99.98% of total assets. The company has an additional investment in subsidiary, however, this is of nil value.</p> <p>Judgement is required by the directors as to whether any of the investment in subsidiaries should be impaired based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as the trading performance, the expected revenue growth and discount rates.</p> <p>Further details are included within the strategic report on pages 2 to 3, and the critical accounting estimates and judgements in note 1 to the financial statements. Investment in subsidiaries is note 7 to the financial statements.</p>
How the scope of our audit responded to the key audit matter	<p>We obtained an understanding of the relevant controls related to the valuation of the investment in subsidiaries.</p> <p>We obtained the most recent management forecasts and valuation calculations of the related investment in subsidiaries to determine whether they supported the carrying value.</p> <p>We reviewed and challenged key assumptions used to determine the carrying value and involved valuation specialists to assist in assessing the appropriateness of certain assumptions used to value the investment in subsidiaries, including the discount rate applied and terminal growth rate assumptions. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.</p> <p>We examined the evidence related to the triggering events that led to the impairment recognised in respect of Nampak Plastics Europe Limited, and subsequent evidence from bidders for the Company's investment therein during the sale process to assess the quantum of the impairment recorded and the valuation of the Company's investment in Nampak Plastics Europe Limited at 30 September 2019 of \$nil.</p>
Key observations	<p>Based on the work performed we concluded that the valuation of the investment in subsidiaries is appropriate.</p>

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole to be \$4.6 million (2018: \$6.8 million), using total assets as the benchmark. We determined materiality based on 2% (2018: 2%) of total assets as we assessed this to be the key metric affecting users of the financial statements with shareholder value being driven by total assets value movements.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit (2018: 70%). In determining performance materiality, we considered the quality of the control environment and whether we were able to rely on controls and the level of prior period corrected and uncorrected errors.

We agreed with the directors that we would report to the directors all audit differences in excess of \$228,000 (2018:\$340,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative

Independent auditor's report to the member of Nampak Holdings (UK) Limited (continued)

grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the member of Nampak Holdings (UK) Limited (continued)

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

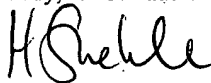
Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Use of our report

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



Hadleigh Shekle FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
11 March 2020

Nampak Holdings (UK) Limited

Profit and loss account Year ended 30 September 2019

	Note	2019 \$'000	2018 \$'000
Administrative costs		(76)	(73)
Other operating expenses		-	-
Operating loss		(76)	(73)
Impairment of investments	7	(103,569)	(53,250)
Loss before interest and taxation		(103,569)	(53,323)
Interest receivable and similar income	3	30	54
Interest payable and similar charges	4	(9,559)	(9,021)
Loss before taxation	2	(113,174)	(62,290)
Taxation	6	-	-
Loss for the financial year		(113,174)	(62,290)

All results are derived from continuing operations.

Other than as set out above, there are no other components of comprehensive income for the current or preceding year and accordingly no separate statement of comprehensive income is presented.

Nampak Holdings (UK) Limited

Balance sheet At 30 September 2019

	Note	2019 \$'000	2018 \$'000
Fixed assets			
Investments in subsidiaries	7	228,092	331,661
Current assets			
Debtors	8	-	2,331
Cash at bank and in hand	9	52	57
		52	2,388
Total assets		228,144	334,049
Creditors: amounts falling due within one year			
Trade and other payables	10	25,276	29,251
Borrowings	11	2,636	2,636
Total current liabilities		27,912	31,887
Non-current liabilities			
Borrowings	11	164,583	153,339
Total non-current liabilities		164,583	153,339
Total liabilities		192,495	176,206
Net assets		35,649	148,823
Capital and reserves			
Called up share capital	13	-	-
Share premium	12	110,000	110,000
Profit and loss account	14	(74,351)	38,823
Total shareholder's funds		35,649	148,823

These financial statements of Nampak Holdings (UK) Limited, registered number 2969065, were approved by the Board of Directors on 11 March 2020.

Signed on behalf of the Board of Directors



D Tocher
Director

Nampak Holdings (UK) Limited

Statement of changes in equity Year ended 30 September 2019

	Called up share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total \$'000
Balance at 30 September 2017	-	110,000	101,113	211,113
Loss for the year	-	-	(62,290)	(62,290)
Balance at 30 September 2018	-	110,000	38,823	148,823
Loss for the year	-	-	(113,174)	(113,174)
Balance at 30 September 2019	-	110,000	74,351	35,649

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

1. Accounting policies

The company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements are presented in US Dollars because that is the currency to which the company is principally exposed through the transactions, events and conditions that affect the company.

Group accounts exemption

The financial statements are separate financial statements. The company is exempt from the presentation of consolidated financial statements because it is included in the consolidated financial statements of Nampak Limited. The consolidated financial statements of Nampak Limited are available to the public and can be obtained as set out in note 13.

Basis of accounting

The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures have been given in the consolidated financial statements of Nampak Limited which are available to the public and can be obtained as set out in note 13.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 and 3.

The company is in a net current liability position as a result of amounts due to other group companies. The directors have received a letter of support from the parent company, Nampak International Limited, confirming that it will not call for repayment any amounts due to it should such repayment result in the company being unable to meet its liabilities as they fall due within the next 12 months. As a result the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Recoverability of investments in subsidiaries

Determining the recoverability of investments in subsidiaries requires estimation as to whether the investment could be realised for consideration at or in excess of the carrying value or will generate a return to the Company through cumulative dividend income in excess of the carrying value. In making such estimations, management has regard to the value in use calculations of those investments. An impairment of \$103,569,000 was required in the current year (2018: \$53,250,000). Investments in the balance sheet totalled \$228,092,000 (2018: \$331,661,000).

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

1. Accounting policies (continued)

Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

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

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

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

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

Foreign currencies

Transactions in foreign currency are recorded at the rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date, or at rates specified in forward contracts where these are in place. These translation differences are recognised in profit and loss.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

1. Accounting policies (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

All of the company's financial liabilities are classified as other financial liabilities.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Investments

Investments in subsidiaries are stated at cost, less where appropriate, provision for impairment.

Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

2. Loss before taxation

Loss for the year is stated after charging/(crediting):

	2019 \$'000	2018 \$'000
Auditors' remuneration:		
- Fees payable to the company's auditors for the audit of the company accounts	30	33
- Fees payable for taxation compliance services	15	6
Impairment of investment in subsidiary	103,569	53,250
Net foreign exchange (gains)/ losses	(1,684)	(882)

3. Interest receivable and similar income

	2019 \$'000	2018 \$'000
Interest receivable on intragroup loans	30	54

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

4. Interest payable and similar charges

	2019 \$'000	2018 \$'000
Interest payable on intragroup loans	11,243	9,843
Foreign exchange (gains)/ losses on intragroup loans	(1,684)	(822)
	<u>9,559</u>	<u>9,021</u>

5. Information regarding directors' remuneration and transactions

The company had no employees during either the current or previous year.

The directors received no remuneration for their services in either the current or previous year.

6. Taxation

	2019 \$'000	2018 \$'000
Current tax		
UK corporation tax at a rate of 19.0% (2018: 19%)	-	-
Over provision in previous years	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting the tax credit for the current year

The tax credit for the year is different to that resulting from applying the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%) and this is due to the factors set out below:

	2019 \$'000	%	2018 \$'000	%
Loss before tax	<u>(113,174)</u>		<u>(62,290)</u>	
Tax credit at the standard tax rate of tax 19.0% (2018: 19.0%)	(21,503)	19.0	(11,835)	19.0
Tax effect of expenses that are not deductible in determining taxable loss:	21,064	(18.6)	11,835	(19.0)
Current year losses not recognised	<u>439</u>	<u>(0.4)</u>	<u>-</u>	<u>-</u>
Income tax credit and effective tax rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The UK corporation tax rate was reduced to 19% effective from 1 April 2017. A further reduction to 17% effective from 1 April 2020 was enacted in the Finance (No.2) Act 2016 which received Royal Assent on 15 September 2016. The reduction was enacted at the balance sheet date and the effect thereof is therefore reflected in these financial statements. The UK government has announced that it intends to reverse this corporation rate reduction, but this has yet to be enacted.

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

7. Investments

	Shares in subsidiary undertakings \$'000
Cost	
At 1 October 2018	510,115
Additions during the year	-
At 30 September 2019	<u>510,115</u>
Provisions for impairment	
At 1 October 2018	(178,454)
Impairment of investment	(103,569)
At 30 September 2019	<u>(282,023)</u>
Net book value at 30 September 2019	<u>228,092</u>
Net book value at 30 September 2018	<u>331,661</u>

The Company's investment balance at 30 September 2019 comprises its investment in Nampak Plastics Europe Limited and Nampak Bevcn Nigeria Limited, all of which are wholly owned subsidiaries in which Nampak Holdings UK Limited owns 100% of the nominal value of the ordinary share capital. The investment in Nampak Plastics Europe Limited was sold on 13 December 2019 and had been impaired to nil as at 30 September 2019. This was due to challenging trading conditions affecting Nampak Plastics Europe Limited including delays in commissioning new equipment and production difficulties at another site, resulting in additional production and transport costs, as well as declining customer volumes. The directors took the difficult decision not to provide further funding to the entity and to seek to dispose of the business, with the impairment reflecting the directors' assessment of fair value less cost to sell.

Subsidiary	Activity	Country of Incorporation
Nampak Plastics Europe Limited	Plastic blow-moulding	United Kingdom
Nampak Bevcn Nigeria Limited	Metal can manufacturer	Nigeria

The registered office of Nampak Plastics Europe Limited is Jenna Way, Interchange Park, Newport Pagnell, Buckinghamshire, MK16 9QJ and the registered office of Nampak Bevcn Nigeria Limited is Opic Industrial Estate, Area 5, Kilometer 32, Lagos-Badagry Expressway, Agbara, Nigeria.

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

8. Debtors

	2019 \$'000	2018 \$'000
Amounts owed by group undertakings	-	2,331

9. Cash at bank and in hand

	2019 \$'000	2018 \$'000
Cash at bank and in hand	52	57

10. Trade and other payables

	2019 \$'000	2018 \$'000
Amounts owed to group undertakings	25,276	29,190
Other payables and accruals	-	61
	25,276	29,251

11. Borrowings

	2019 \$'000	2018 \$'000
Unsecured borrowings at amortised cost:		
Non-interest bearing loan – Nampak International Limited	2,636	2,636
Interest bearing loan – Nampak International Limited	164,583	153,339
Total borrowings	167,219	155,975
Amount due for settlement within twelve months	2,636	2,636
Amount due for settlement after more than five years	164,583	153,339
Total borrowings	167,219	155,975

Interest on the interest bearing loan, which is unsecured, is charged at 3 month USD LIBOR plus a margin of + 4.5% per annum and is payable quarterly. The loan is repayable in full on 24 April 2021.

Nampak Holdings (UK) Limited

Notes to the financial statements Year ended 30 September 2019

12. Share premium

	\$'000
At 1 October 2018 and 30 September 2019	<u>110,000</u>
The share premium account contains the premium arising on issue of equity shares, net of issue costs.	

13. Called up share capital

	No. of Shares	\$'000
Authorised, issued and fully paid £1 ordinary shares: At 1 October 2018 and 30 September 2019	<u>111</u>	<u>-</u>

The Company has one class of ordinary shares which carry no right to fixed income.

14. Parent undertaking and controlling party

The immediate parent company and controlling entity, is Nampak International Limited, a company incorporated in the Isle of Man, whose registered office is Prospect Hill, Douglas, Isle of Man IM1 1EQ.

The ultimate parent company and controlling entity, and the parent of the smallest and largest group that prepares consolidated financial statements that includes the company, is Nampak Limited, a company incorporated in South Africa whose registered office is Nampak House, Hampton Office Park, 20 Georgian Crescent East, Bryanston, Sandton, 2191, South Africa. Copies of the consolidated financial statements are available from Nampak Limited, PO Box 69983, Bryanston 2021, South Africa.

15. Post balance sheet events

Sale of Nampak Plastics Europe

On 13 December 2019, the Company entered into an agreement with Bellcave Limited for the sale of all of its shares in NPE for consideration of £1. The sale was unconditional and effective immediately. As part of the sale, the Company contractually agreed to pay pension contributions of £2,900,000 (approximately \$3,799,000) and to waive amounts due of £1,800,000 (approximately \$2,357,800). Additionally, the Company incurred additional costs of approximately \$3,050,000 arising from the sale.