

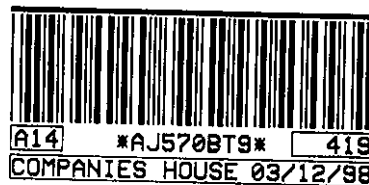


**NAMPAK HOLDINGS (UK) LIMITED**

**Report and Financial Statements**

**30 September 1997**

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



**REPORT AND FINANCIAL STATEMENTS 1997**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Auditors' report</b>	<b>4</b>
<b>Consolidated profit and loss account</b>	<b>5</b>
<b>Consolidated balance sheet</b>	<b>6</b>
<b>Parent company balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>



**REPORT AND FINANCIAL STATEMENTS 1997**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

G E Bortolan  
B P Connellan  
T Evans  
E P Pfaff  
M E Soloman

**SECRETARY**

G J H Shaw

**REGISTERED OFFICE**

Pitfield  
Kiln Farm  
Milton Keynes  
MK11 3LE

**BANKERS**

Standard Bank London Limited  
Cannon Bridge House  
25 Dowgate Hill  
London  
EC4A 2SB

**SOLICITORS**

Maitland & Co  
5th Floor  
44-48 Dover Street  
London  
W1X 3RF

**AUDITORS**

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

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the period ended 30 September 1997.

**PRINCIPAL ACTIVITIES**

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

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

During the year, the company's principal investment was a 100 per cent holding in the ordinary share capital of BlowMocan (Holdings) Limited. This shareholding increased from 50 per cent to 100 per cent during the year.

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

The group has continued to invest for greater efficiencies and is well placed to further strengthen its market position.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the period were as follows:

P L Campbell (resigned 7 May 1997)  
B P Connellan  
G E Bortolan (appointed 7 May 1997)  
T Evans  
E P Pfaff  
M E Soloman

No directors of the company had any interests in the shares of the company, or any other UK group company, at the end, or the beginning of the period.

**DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not propose the payment of a dividend (1996: nil)

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

G E Bortolan

Director

25 NOVEMBER 1998

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of 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 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board of Directors

G E Bortolan

Director

25 November 1998



## AUDITORS' REPORT TO THE MEMBERS OF

### NAMPAK HOLDINGS (UK) LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on pages 8 and 9.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with 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 and the group'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 affairs of the company and the group as at 30 September 1997 and of the loss of the group for the period from 22 September 1996 to 30 September 1997 and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and  
Registered Auditors

30 November 1998


**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

Period ended 30 September 1997

	Note	22 September 1996 to 30 September 1997 £'000	25 September 1995 to 21 September 1996 £'000
<b>TURNOVER - ACQUISITIONS</b>	3	10,617	-
Cost of sales		(9,179)	-
Gross profit		1,438	-
Administrative expenses		(1,722)	(19)
<b>OPERATING LOSS - ACQUISITIONS</b>		(284)	(19)
Share of losses of associated undertaking		(3,954)	(1,464)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		(4,238)	(1,483)
Interest receivable and similar income	4	528	634
Interest payable and similar charges	5	(156)	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	(3,866)	(849)
Tax credit/(charge) on loss on ordinary activities	8	328	(203)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(3,538)	(1,052)
<b>Loss for the financial year</b>		(3,538)	(1,052)
<b>Retained loss for the financial year</b>	17	(3,538)	(1,052)

All results are derived from continuing operations.

There are no recognised gains or losses nor movements in shareholders' funds other than the profit for the year and the previous year.


**CONSOLIDATED BALANCE SHEET**  
**30 September 1997**

	Note	30 September 1997		21 September 1996	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	9	18,526		-	
Investments	10	-		16,566	
<b>CURRENT ASSETS</b>			18,526		16,566
Stocks	11	461		-	
Debtors	12	5,902		45	
Cash at bank and in hand		3,969		310	
		10,332		355	
<b>CREDITORS: amounts falling due within one year</b>	13	(8,786)		(227)	
<b>NET CURRENT ASSETS</b>			1,546		128
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			20,072		16,694
<b>CREDITORS: amounts falling due after more than one year</b>	14		(11,212)		(9,382)
			8,860		7,312
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1,000		1,000
Share premium			11,750		11,750
Goodwill reserves	18		904		(4,182)
Profit and loss account	18		(4,794)		(1,256)
<b>EQUITY SHAREHOLDERS' FUNDS</b>			8,860		7,312

These financial statements were approved by the Board of Directors on 1998.  
Signed on behalf of the Board of Directors

G E Bortolan  
Director

25 November 1998




**PARENT COMPANY BALANCE SHEET**  
**30 September 1997**

	Note	30 September 1997		21 September 1996	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Investments	10		22,519		22,519
<b>CURRENT ASSETS</b>					
Debtors	11	807		45	
Cash at bank and in hand	12	302		310	
			1,109		355
<b>CREDITORS: amounts falling due within one year</b>	13		(10)		(228)
<b>NET CURRENT ASSETS</b>			1,099		127
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			23,618		22,646
<b>CREDITORS: amounts falling due after more than one year</b>	14		(9,382)		(9,380)
			14,236		13,266
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		1,000		1,000
Share premium	19		11,750		11,750
Profit and loss account			1,486		516
<b>EQUITY SHAREHOLDERS' FUNDS</b>			14,236		13,266

These financial statements were approved by the Board of Directors on

1998.

Signed on behalf of the Board of Directors

G E Bortolan

Director

25th November 1998

**NOTES TO THE ACCOUNTS****Period from 22 September 1996 to 30 September 1997****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 for the period ended 30 September 1997. Profit or losses on intra-group transactions are eliminated in full.

Goodwill arising on consolidation is written off to reserves immediately on acquisition.

**Depreciation**

Depreciation is calculated to write down the cost of intangible and tangible fixed assets other than freehold and leasehold properties by the straight line method over their expected useful lives.

The rates generally applicable are:

Short leasehold properties	Period of lease
Plant and machinery	10% to 20%
Moulds	20%
Small tools	10%
Motor vehicles	25%

No depreciation is provided on freehold or long leasehold properties as it is the group's policy to maintain these assets 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 diminution in value is written off in the profit and loss account.

**Stocks**

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

**Engineering stores**

Engineering stores are expensed to revenue on acquisition.

**Deferred taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

**Foreign currencies**

Monetary assets and liabilities 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. Exchange differences are dealt with through the profit and loss account.

**Pension costs**

Pension costs of the defined contribution scheme are charged against profits as incurred.



**NOTES TO THE ACCOUNTS**

**Period from 22 September 1996 to 30 September 1997**

**1. ACCOUNTING POLICIES (continued)**

**Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**2. ACQUISITIONS**

On 30 April 1997, the 50% of the issued share capital of BlowMocan Holdings Ltd the company did not already own was acquired for a consideration of £1, taking the company's shareholding to 100%. The acquisition has been accounted for by the acquisition method of accounting.

A capital reserve of £5,086,000 arose as a result of acquisition and has been written back to goodwill reserves (see note 18). The BlowMocan Holdings Ltd figures detailed below are after consolidation, with that company's subsidiary.

**Results of BlowMocan Holdings Ltd**

	22 September 1996 to 30 April 1997 £'000
Turnover	16,760
Operating profit	(4,199)
Exceptional items	(3,709)
Tax	-
Profit after tax	(7,908)

The loss after tax for BlowMocan Holdings Ltd for the period from 25 September 1995 to 21 September 1996 was £2,931,000.

**Book / Fair value of acquisition**

	Book / Fair value to the Group £'000
Tangible fixed assets	22,089
Fixed asset write downs	(3,262)
Current assets	10,484
Current liabilities	(6,455)
Provisions for reorganisation	(1,620)
Net borrowings	(13,563)
	<u>7,673</u>

No fair value adjustments arose as a result of the acquisition.


**NOTES TO THE ACCOUNTS**

Period from 22 September 1996 to 30 September 1997

**3. TURNOVER**

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts. All turnover derives from the group's principal activity and arises in the UK.

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	22 September 1996 to 30 September 1997 £'000	25 September 1995 to 21 September 1996 £'000
Bank interest	528	634
	<u>528</u>	<u>634</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	22 September 1996 to 30 September 1997 £'000	25 September 1995 to 21 September 1996 £'000
On bank loans, overdrafts and other loans		
Repayable within five years	88	-
Repayable wholly or partly in more than five years	48	-
Finance charges in respect of hire purchase contracts	20	-
	<u>156</u>	<u>-</u>

**6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	22 September 1996 to 30 September 1997 £'000	25 September 1995 to 21 September 1996 £'000
Loss on ordinary activities before taxation is after charging		
Auditors' remuneration	28	28
Other fees payable to auditors	6	12
Depreciation of tangible fixed assets:	799	
Rentals under operating leases:		
Hire of plant and machinery	32	-
Other	51	-
	<u></u>	<u></u>


**NOTES TO THE ACCOUNTS**
**Period from 22 September 1996 to 30 September 1997**
**7. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

No directors received any remuneration from Nampak Holdings (UK) Limited in the period or the prior period.

The company employed no staff and incurred no staff costs in the period or the prior period.

**8. TAX CREDIT/(CHARGE) ON LOSS ON ON ORDINARY ACTIVITIES**

	22 September 1996 to 30 September 1997 £'000	25 September 1995 to 21 September 1996 £'000
United Kingdom corporation tax credit/(charge) at 33% (1996 - 33%) based on the loss for the period	328	(203)

The current year tax credit relates to prior year corporation tax provisions which are no longer required due to group relief claims.

**9. TANGIBLE FIXED ASSETS**

GROUP	Leasehold land and buildings			Plant and machinery £'000	Total £'000
	Freehold land and buildings £'000	Long £'000	Short £'000		
Cost:					
At 22 September 1996	-	-	-	-	-
Subsidiaries acquired	5,107	689	552	18,447	24,795
Additions	54	-	-	464	518
Disposals	-	-	-	(71)	(71)
At 31 March 1997	5,161	689	552	18,840	25,242
Accumulated depreciation:					
At 22 September 1996	-	-	-	-	-
Subsidiaries acquired	-	-	430	5,538	5,968
Charge for the period	-	-	33	766	799
Disposals	-	-	-	(51)	(51)
At 30 September 1997	-	-	463	6,253	6,716
Net book value:					
At 30 September 1997	5,161	689	89	12,587	18,526
At 21 September 1996	-	-	-	-	-


**NOTES TO THE ACCOUNTS**

Period from 22 September 1996 to 30 September 1997

**9. TANGIBLE FIXED ASSETS (continued)**

Freehold land and buildings cumulative cost includes £254,000 (1996 - £254,000) capitalised interest. Included in the above are assets held under hire purchase agreements as follows:

	Plant and machinery	
	1997	1996
	£	£
Net book amount at end of period	888	-
Depreciation provided in the period	251	-

**10. INVESTMENTS HELD AS FIXED ASSETS**

GROUP	Interests in associate company £'000
Cost	
At 22 September 1996	16,566
Transfer to subsidiary	(16,566)
At 30 September 1997	-

COMPANY	Shares in subsidiary company £'000	Loans to subsidiary £'000	Shares in associate company £'000	Loans to associate £'000	Other investments £'000	Total £'000
Cost						
At 22 September 1996	-	-	12,493	10,025	1	22,519
Transfer to subsidiary	12,493	10,025	(12,493)	(10,025)	-	-
At 30 September 1997	12,493	10,025	-	-	1	22,519

**11. STOCKS**

	Group	
	30 September 1997 £'000	21 September 1996 £'000
Raw materials and consumables	172	-
Finished goods and goods for resale	289	-
	461	-


**NOTES TO THE ACCOUNTS**

Period from 22 September 1996 to 30 September 1997

**12. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>30 September</b>	<b>21 September</b>	<b>30 September</b>	<b>21 September</b>
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	5,123	-	-	-
Amount due from parent undertaking	430	-	430	-
Amounts due from subsidiary:	-	-	339	-
Prepayments and accrued income	311	45	-	45
Corporation tax receivable	38	-	38	-
	<u>5,902</u>	<u>45</u>	<u>807</u>	<u>45</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>30 September</b>	<b>21 September</b>	<b>30 September</b>	<b>21 September</b>
	<b>1997</b>	<b>1996</b>	<b>1997</b>	<b>1996</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	1,838	-	-	-
Other loan	53	-	-	-
Trade creditors	4,901	-	-	-
Amounts owed to group undertakings	-	8	-	8
Other creditors including taxation and Social security (note 15)	567	215	-	216
Other creditors	15	-	-	-
Accruals and deferred income	976	4	10	4
Hire purchase creditors	436	-	-	-
	<u>8,786</u>	<u>227</u>	<u>10</u>	<u>228</u>

**NOTES TO THE ACCOUNTS**

Period from 22 September 1996 to 30 September 1997

**14. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR**

	Group		Company	
	30 September 1997 £'000	21 September 1996 £'000	30 September 1997 £'000	21 September 1996 £'000
Bank loans (see below)	1,625	-	-	-
Other loans	116	-	-	-
Hire purchase creditors	89	-	-	-
Loans from parent undertaking	9,382	9,382	9,382	9,380
	<u>11,212</u>	<u>9,382</u>	<u>9,382</u>	<u>9,380</u>
Bank loans (excluding current instalments):	£'000	£'000	£'000	£'000
Repayable by instalments over more than five years:				
At 1% above 3 months LIBOR repayable in equal instalments terminating in 2009	1,199	-	-	-
At 1% above 3 months LIBOR repayable in equal instalments terminating in 2013	426	-	-	-
	<u>1,625</u>	<u>-</u>	<u>-</u>	<u>-</u>

The bank loans are secured by fixed and floating charges over all the assets of a subsidiary company Blowmogan Polysystems Limited which include specific charges over freehold land and buildings with a net book amount of £5,161,000.

Other loans include a loan of £135,000 (1996 - £180,000) secured on the assets of this subsidiary with an interest rate of 10.75%.

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

**15. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY**

	Group		Company	
	30 September 1997 £'000	21 September 1996 £'000	30 September 1997 £'000	21 September 1996 £'000
This heading includes:				
Corporation tax	-	216	-	216




**NOTES TO THE ACCOUNTS**

Period from 22 September 1996 to 30 September 1997

**16. CALLED UP SHARE CAPITAL**

	30 September 1997 £'000	21 September 1996 £000
Authorised: 2,000,000 ordinary shares of £1 each	2,000	2,000
Called up, allotted and fully paid: 1,000,002 ordinary shares of £1 each	1,000	1,000

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30 September 1997 £'000	21 September 1996 £'000
Retained loss for the period	(3,538)	(1,052)
Capital reserve (note 2)	5,086	-
Net addition to shareholders' funds	1,548	(1,052)
Opening shareholders' funds	7,312	8,364
Closing shareholders' funds	8,860	7,312

**18. RESERVES**

	Share Premium	Goodwill Reserves	Profit and loss account
<b>The Group</b>			
At 1st October 1996	11,750	(4,182)	(1,256)
Capital reserve (see note 2)	-	5,086	-
Retained loss for the period	-	-	(3,538)
	11,750	904	(4,794)
<b>The Company</b>			
At 1st October 1996	11,750	-	516
Retained profit for the period	-	-	970
	11,750	-	1,486

**19. 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 loss for the financial year amounted to £18,000.

**NOTES TO THE ACCOUNTS**

**Period from 22 September 1996 to 30 September 1997**

**20. CAPITAL COMMITMENTS**

	Group		Company	
	30 September 1997 £'000	21 September 1996 £'000	30 September 1997 £'000	21 September 1996 £'000
Authorised by directors but not contracted for	-	206	-	-
Contracted for but not provided in the financial statements	613	354	-	-
	<u>613</u>	<u>560</u>	<u>-</u>	<u>-</u>

**21. OPERATING LEASE COMMITMENTS**

At 30 September 1997 the group was committed to making the following payments during the period in respect of operating leases:

	Land and building £'000	Other £'000
<b>Leases which expire:</b>		
Within one year	-	7
Within two to five years	85	53
	<u>85</u>	<u>60</u>

**22. 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.

**23. ULTIMATE PARENT COMPANY**

The ultimate parent company and controlling entity 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.