

Company Registration No. 2969065

Nampak Holdings (UK) PLC

Report and Financial Statements

30 September 2003

Deloitte & Touche LLP
London



Nampak Holdings (UK) PLC

Report and financial statements 2003

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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 2003.

Principal activities

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

Review of developments and future prospects

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.

During the year the entire interest held in two subsidiaries, Plysu Protection Systems Limited and Nampak Iberica S.L., were sold by way of management buy-out. The effective dates of the respective disposals were 8 January 2003 and 18 March 2003.

On 5 March 2003, Nampak Holdings (UK) PLC acquired the entire ordinary share capital of Fission Holdings Limited and Malbak UK Limited for £87.0m and £86.5m respectively.

On 6 March 2003, Nampak Holdings (UK) PLC acquired the entire share capital of MY Holdings Plc for £102.9m.

With the exception of the Fission Holdings Limited transaction, all acquisitions have been funded through group loans. Nampak Holdings (UK) PLC funded the acquisition of Fission Holdings Limited through the issue of an additional 200,000 ordinary shares of £1 each at a premium of £434 per share.

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

The results of the group are shown on page 6.

Directors and their interests

The directors who held office throughout the year - unless otherwise stated - and to the date of the report were as follows:

G E Bortolan	
R P Becker	(appointed 4 August 2003)
T Evans	
M E Soloman	
J D Oesch	(appointed 4 August 2003)
J W C Sayers	(appointed 4 August 2003 and resigned 1 October 2003)
J A Monks	(appointed 4 August 2003)
D C S Mathews	

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 (2002 - £nil).

Research and development

Expenditure on research and development amounted to £0.2m (2002 - £0.2m). All costs are written off to the profit and loss account as expenditure is incurred.

Nampak Holdings (UK) PLC

Directors' report

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 2003 was 50 days (2002 – 66 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.

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

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

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



J D Oesch
Director

120 Station Road
Woburn Sands
Milton Keynes
MK17 8SE

27 April 2004

Nampak Holdings (UK) PLC

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Nampak Holdings (UK) PLC

We have audited the financial statements of Nampak Holdings (UK) PLC for the year ended 30 September 2003 which comprise the consolidated profit and loss account, the consolidated statement of recognised gains and losses, the balance sheets, and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We read the directors' report for the above 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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 September 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

27.4. 2004

Nampak Holdings (UK) PLC

Consolidated profit and loss account Year ended 30 September 2003

	Note	2003 £m	2002 £m
Continuing operations		156.6	148.6
Acquisitions		119.5	-
Discontinued operations		6.4	14.5
Group turnover	2	282.5	163.1
Cost of sales		(222.9)	(127.3)
Gross profit		59.6	35.8
Distribution costs		(18.3)	(14.1)
Administrative costs		(28.8)	(19.1)
Continuing operations		5.2	3.6
Acquisition		6.9	-
Discontinued operations		0.4	(1.0)
Operating profit	3	12.5	2.6
Loss on disposal of fixed assets		(2.7)	-
Loss on sale of operations	18	(4.7)	-
Profit on ordinary activities before interest		5.1	2.6
Net interest payable	5	(6.4)	(6.5)
Loss on ordinary activities before taxation		(1.3)	(3.9)
Tax (charge)/credit on loss on ordinary activities	6	(2.2)	0.3
Loss on ordinary activities after taxation		(3.5)	(3.6)
Retained loss for the financial year		(3.5)	(3.6)

The analysis of items between continuing and discontinued operations in the 2002 comparatives above has been restated to reflect operations discontinued during 2003. This has been done to ensure comparability with 2003 in the profit and loss account.

Nampak Holdings (UK) PLC

Consolidated statement of total recognised gains and losses Year ended 30 September 2003

	2003 £m	2002 £m
Loss for the financial year	(3.5)	(3.6)
Exchange gain on foreign currency net investments	0.4	0.3
Unrealised gain on retranslation of foreign subsidiary undertakings	2.2	-
Total recognised gains and losses for the financial year	(0.9)	(3.3)

Nampak Holdings (UK) PLC

Consolidated balance sheet As at 30 September 2003

	Note	£m	2003 £m	£m	2002 £m
Fixed assets					
Intangible assets	7		85.7		40.5
Tangible assets	8		149.4		101.3
			<u>235.1</u>		<u>141.8</u>
Current assets					
Stocks	10	29.1		8.3	
Debtors	11	68.4		30.5	
Cash at bank and in hand		29.9		10.0	
		<u>127.4</u>		<u>48.8</u>	
Creditors: amounts falling due within one year	12	(84.7)		(56.6)	
Net current assets/(liabilities)			<u>42.7</u>		<u>(7.8)</u>
Total assets less current liabilities			<u>277.8</u>		<u>134.0</u>
Creditors: amounts falling due after more than one year	13		(109.7)		(66.9)
Provisions for liabilities and charges	15		(19.8)		(6.9)
Net assets			<u>148.3</u>		<u>60.2</u>
Capital and reserves					
Called up equity share capital	19		1.9		1.7
Share premium account	20		164.3		77.5
Other reserves	20		0.9		0.9
Profit and loss account	20		(18.8)		(19.9)
Equity shareholders' funds			<u>148.3</u>		<u>60.2</u>

These financial statements were approved by the Board of Directors on 27 April 2004.

Signed on behalf of the Board of Directors



J D Oesch
Director

Nampak Holdings (UK) PLC

Company balance sheet As at 30 September 2003

	Note	£m	2003 £m	£m	2002 £m
Fixed assets					
Investments	9		232.9		129.9
Current assets					
Debtors	11	37.8		20.7	
Cash at hand and at bank		1.8		-	
		<u>39.6</u>		<u>20.7</u>	
Creditors: amounts falling due within one year	12	<u>(16.6)</u>		<u>(7.0)</u>	
Net current assets			<u>23.0</u>		<u>13.7</u>
Total assets less current liabilities			255.9		143.6
Creditors: amounts falling due after more than one year	13		<u>(106.8)</u>		<u>(78.3)</u>
Net assets			<u>149.1</u>		<u>65.3</u>
Capital and reserves					
Called up equity share capital	19		1.9		1.7
Share premium account	20		164.3		77.5
Profit and loss account	20		<u>(17.1)</u>		<u>(13.9)</u>
Equity shareholders' funds			<u>149.1</u>		<u>65.3</u>

These financial statements were approved by the Board of Directors on 27 April 2004.

Signed on behalf of the Board of Directors



J D Oesch
Director

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom 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 year ended 30 September 2003. Results of the subsidiaries are included in the group results from the effective date of acquisition and those of undertakings sold to the effective date of disposal. Profits or losses on intra-group transactions are eliminated in full.

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.

Investments

Investments are stated at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Tangible fixed assets are depreciated over their estimated useful lives on a straight line basis as follows:

Short leasehold properties	Period of lease
Long leasehold properties	0% to 5%
Freehold buildings	40-50 years
Plant and machinery	5% to 33%

No depreciation is provided on freehold land or certain long leasehold properties, as it is the company's policy to maintain such 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.

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

1. Accounting policies (continued)

Deferred taxation

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

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

Group

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

Pension costs

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

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

Research and development

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

Leased assets

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

Cash flow

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

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

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

	Sales by origin 2003 £m	Sales by destination 2003 £m	Sales by origin 2002 £m	Sales by destination 2002 £m
United Kingdom	195.3	187.9	117.1	115.5
Rest of Europe	87.2	93.2	46.0	47.1
Rest of the World	-	1.4	-	0.5
Group	<u>282.5</u>	<u>282.5</u>	<u>163.1</u>	<u>163.1</u>

The directors believe that disclosure of additional segmental information would be prejudicial to the interests of the group.

3. Operating profit on ordinary activities

	2003 £m	2002 £m
Operating profit on ordinary activities is stated after charging:		
Depreciation on tangible fixed assets – owned	19.5	13.4
Auditors' remuneration:		
Audit fees – company £nil (2002 – £nil)	0.4	0.1
Non-audit fees to the auditors and their associates – company £nil	0.4	0.1
Rentals under operating leases (2002 – £nil)		
Hire of plant and machinery	0.6	0.1
Other	0.3	0.7
Amortisation of goodwill	3.9	2.3
Exceptional costs	-	4.0

The reorganisation of the group's European operations was completed during the year. Included within provisions at the year end date is £nil (2002 – £0.5m).

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

4. Staff costs including directors' emoluments

Information regarding the group's employees is as follows:

	2003 £m	2002 £m
Wages and salaries	61.6	37.2
Social security costs	6.9	4.1
Other pension costs (see note 25)	3.7	1.7
	<u>72.2</u>	<u>43.0</u>

The average number of employees of the group during the year was 3,753 (2002 – 1,823). One director was a member of the group's contribution pension scheme (2002: none).

No directors received any remuneration from Nampak Holdings (UK) PLC for their services to the company in the current and prior year. The emoluments of directors of Nampak Holdings (UK) PLC for their services to the group's subsidiaries are shown below. In the prior year no directors received any remuneration for their services to the group's subsidiaries.

	2003 £'000
The remuneration of the directors was as follows:	
Salary	228
Bonus	40
Benefits	40
Pension contributions	13
	<u>321</u>
Highest paid Director's emoluments	174
Highest paid Director's pension contribution	13
	<u>187</u>

5. Net interest payable

	2003 £m	2002 £m
Interest payable and similar charges:		
On bank loans and overdrafts	7.1	6.6
Other group undertakings	0.1	-
	<u>7.2</u>	<u>6.6</u>
Interest receivable	(0.8)	(0.1)
Net interest payable	<u>6.4</u>	<u>6.5</u>

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

6.(i) Tax charge/(credit) on loss on ordinary activities

	2003 £m	2002 £m
UK corporation tax at 30%	1.3	-
Prior year adjustment	-	0.1
Overseas tax	1.2	0.4
Current taxation charge for the year	2.5	0.5
Deferred tax: timing differences, origination and reversal	(0.3)	(0.8)
Total taxation charge/(credit) for the year	2.2	(0.3)

6.(ii) Reconciliation of current tax charge

	2003 £m	2002 £m
Loss on ordinary activities before taxation	(1.3)	(3.9)
Tax credit at 30% thereon:	(0.4)	(1.2)
Effects of:		
Prior year adjustment	-	0.1
Overseas tax rates	0.3	-
Overseas tax not sheltered by UK Losses	0.4	0.4
Non deductible expenses	1.3	2.8
Non taxable income	-	(1.4)
Net capital allowances	0.5	(0.2)
Movement in short-term timing differences	(0.2)	-
Chargeable gains	0.2	-
Other	0.4	-
Current taxation charge for the year	2.5	0.5

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

7. Intangible fixed assets

	Goodwill £m
Group	
Cost	
At 1 October 2002	47.1
Additions	49.1
	<hr/>
At 30 September 2003	96.2
	<hr/>
Amortisation	
At 1 October 2002	6.6
Charged during the year	3.9
	<hr/>
At 30 September 2003	10.5
	<hr/>
Net book value	
At 30 September 2003	85.7
	<hr/>
At 30 September 2002	40.5
	<hr/>

Goodwill arising on the acquisition of Nampak Plastics Europe Limited (formerly Nampak PLC), MY Holdings PLC, S&D Cartons Limited, Nuova Farnografica S.r.L and the European Cartons Division of Low & Bonar is being amortised evenly over the directors' estimate of its useful economic life of twenty years.

8. Tangible fixed assets

	Freehold land and buildings £m	Leasehold land and buildings Long £m	Short £m	Plant and machinery £m	Total £m
Cost or valuation					
At 1 October 2002	39.5	0.7	0.5	97.8	138.5
Exchange rate adjustments	1.5	-	-	5.8	7.3
Acquisitions	19.3	6.8	1.1	45.2	72.4
Additions	0.9	0.1	-	13.3	14.3
Disposals	(9.5)	-	(0.5)	(17.2)	(27.2)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2003	51.7	7.6	1.1	144.9	205.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 October 2002	1.9	-	0.5	34.8	37.2
Exchange rate adjustments	0.5	-	-	4.2	4.7
Charge for year	0.7	0.1	0.1	18.6	19.5
Disposals	(0.1)	-	(0.5)	(4.9)	(5.5)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2003	3.0	0.1	0.1	52.7	55.9
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 30 September 2003	48.7	7.5	1.0	92.2	149.4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2002	37.6	0.7	-	63.0	101.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

8. Tangible fixed assets (continued)

Included within fixed assets are non depreciable assets:

	2003 £m	2002 £m
Land and long leasehold buildings	4.0	17.9
Plant and machinery in the process of commissioning	4.9	17.7
	<u>8.9</u>	<u>35.6</u>

9. Investments held as fixed assets

Group	Investments in subsidiary undertakings £m
Cost	
At 1 October 2002	129.9
Additions	276.4
At 30 September 2003	<u>406.3</u>
Impairments	
At 1 October 2002	-
Loans waived	(172.9)
Liquidation of assets of Fission Limited	(0.5)
At 30 September 2003	<u>(173.4)</u>
Net book value	
At 30 September 2003	<u>232.9</u>
At 30 September 2002	<u>129.9</u>

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

9. Investments held as fixed assets (continued)

Subsidiaries

Operating companies	Country of incorporation	Dormant companies (continued)	Country of incorporation
Nampak Plastics Europe Limited (Formerly Nampak PLC)	Great Britain	BlowMocan Holdings Limited	Great Britain
M.Y. Healthcare Packaging Limited	Great Britain	BlowMocan Polysystems Limited	Great Britain
M.Y. Operations Limited	Great Britain	AMK Plastics Limited	Great Britain
M.Y. Cartons Limited	Great Britain	MY Cartons Packing Systems Limited	Great Britain
Menshen Packaging Limited†	Great Britain	Plysu Containers Limited	Great Britain
M.Y. Holdings plc	Great Britain	Paklite Limited	Great Britain
Malbak UK Limited	Great Britain	Simon Renfrew Containers Limited	Great Britain
Nampak Halfweg B.V.	Netherlands	TWG Packaging Ltd	Great Britain
M.Y. Property Limited	Great Britain	Insight Cartons Ltd	Great Britain
Gallagher Printers Limited	Ireland	Rubicon Packaging Ltd	Great Britain
Imperama N.V.	Belgium	Rubicon Packaging	Great Britain
M.Y. Prin Tech BV	Netherlands	M.Y. Rubicon Ltd	Great Britain
Nampak Kerkrade B.V.	Netherlands	Keene Rubicon Ltd	Great Britain
Nampak Belgium N.V.	Belgium	Keene & Company Ltd	Great Britain
Nampak Gent N.V.	Belgium	Horton & Arlidge Ltd	Great Britain
Nampak Montpont S.A.	France	KW Products Ltd	Great Britain
Nampak Deutschland GmbH	Germany	Keenes Mountsorrel	Great Britain
M.Y. Healthcare Italy S.r.L.	Italy	M.Y. Cartons Packing	Great Britain
M.Y. Cartons B.V.	Netherlands	Wilkie & Paul Ltd	Great Britain
Overseas holding companies		M.Y. Trondex Ltd	Great Britain
Nampak Continental Holdings B.V.	Netherlands	M.Y. Trading Ltd	Great Britain
Nampak France S.A.	France	Rondopack (GB) Ltd	Great Britain
Dormant companies		Propharmapak Ltd	Great Britain
Kohler Packaging Ltd	Great Britain	S.K. Fey & Son Ltd	Great Britain
Thomas Bushill & Sons	Great Britain	Eagle Press Holdings Ltd	Great Britain
Bluebell Packaging Ltd	Great Britain	Selective Design Service	Great Britain
M.Y. Wharf Road Ltd	Great Britain	Selective Design Service	Great Britain
M.Y. Plastics Ltd	Great Britain	Pharmapact Ltd	Great Britain
M.Y. Aylesham Ltd	Great Britain	Greenland Rex Ltd	Great Britain
M.Y. Cathedral Compounds	Great Britain	Duffin Ltd	Great Britain
Plysu Brands Limited	Great Britain	S & D Cartons Ltd	Great Britain
		Corrugated Fitments Ltd	Great Britain

All companies are wholly owned except as noted and operate principally in their country of incorporation. All companies draw up their accounts to 30 September with the exception of Menshen Packaging Limited, which draws up accounts to 31 March. All subsidiaries are involved in the manufacture and marketing of packaging products. All subsidiaries are consolidated within the financial statements of the group.

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

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

10. Stocks

	2003 £m	2002 £m
Raw materials and consumables	8.9	3.8
Work in progress	5.0	0.2
Finished goods	15.2	4.3
	<u>29.1</u>	<u>8.3</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

11. Debtors

	Group		Company	
	2003 £m	2002 £m	2003 £m	2002 £m
Trade debtors	60.4	24.3	-	-
Amounts owed by group undertakings	1.2	0.2	37.6	20.7
Corporation tax receivable	0.7	0.6	-	-
Other debtors	3.5	2.9	0.2	-
Prepayments and accrued income	2.6	2.5	-	-
	<u>68.4</u>	<u>30.5</u>	<u>37.8</u>	<u>20.7</u>

Included within group other debtors £nil (2002 – £0.2m) and group prepayments £0.8m (2002 – £0.8m), are amounts due after more than one year.

12. Creditors: amounts falling due within one year

	Group		Company	
	2003 £m	2002 £m	2003 £m	2002 £m
Bank loans and overdrafts	1.8	7.0	-	-
Trade creditors	33.5	24.9	-	-
Amounts due to group undertakings	-	-	11.3	-
Amounts due to parent undertaking	4.2	7.7	4.0	6.0
Corporation tax	9.1	3.9	-	-
Other taxes and social security	6.7	4.0	-	-
Other creditors and accruals	28.8	8.3	0.7	0.2
Loan notes	0.6	0.8	0.6	0.8
	<u>84.7</u>	<u>56.6</u>	<u>16.6</u>	<u>7.0</u>

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

13. Creditors: amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£m	£m	£m	£m
Bank loans	109.7	66.9	106.8	67.0
Amounts due to group undertakings	-	-	-	11.3
	<u>109.7</u>	<u>66.9</u>	<u>106.8</u>	<u>78.3</u>

14. Analysis of loans

	Group	
	2003	2002
	£m	£m
Bank loans:		
Due within one year	1.8	5.8
Due in more than one year but not more than two years	-	67.0
Due in more than two years but not more than five years	108.0	-
Due in more than five years	2.9	-
	<u>112.7</u>	<u>72.8</u>
Less: issue costs	(1.2)	(0.1)
	<u>111.5</u>	<u>72.7</u>
Less: included in creditors amounts falling due within one year (note 12)	(1.8)	(5.8)
	<u>109.7</u>	<u>66.9</u>

The interest rate on the loan notes included in note 12 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. Loan note holders are entitled to redeem their notes at interest payment dates. Interest is paid in December and June. The final maturity date for the loan notes is December 2005.

Included with bank loans is a £108.0m (2002 – £67m) syndicated loan. This loan facility has a contracted repayment date of 4th August 2006. The loan is secured on the net assets of the group with a number of subsidiaries acting as additional guarantors.

The loan is included in company creditors due in more than one year after deducting the issue costs which are being expenses over the period of the loan. The company has no other loans.

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

15. Provisions for liabilities and charges

Group	Deferred taxation provisions £m	Pensions £m	Other £m	Total £m
At 1 October 2002	1.8	2.8	2.3	6.9
Acquisition during the year	6.0	7.9	0.8	14.7
(Released)/charged to profit and loss account	(0.3)	0.7	(2.2)	(1.8)
At 30 September 2003	7.5	11.4	0.9	19.8

Pensions provisions relate to SSAP 24 (note 26). The other provisions relate to leased property dilapidation and reparations for an environmental dispute.

16. Deferred taxation

Group	2003 Provided £m	2002 Provided £m
Capital allowances in excess of depreciation	9.6	1.8
Short term timing differences	(1.6)	-
Other timing differences	(0.5)	-
	7.5	1.8

The group and company do not have any unprovided deferred tax assets or liabilities (2002 - £nil). The company does not have any provided deferred tax assets or liabilities (2002 - £nil).

17. Acquisitions

The following transactions were completed during the year as part of a restructuring of the Nampak Group within Europe.

- On 5 March 2003, Nampak Holdings (UK) PLC acquired the entire ordinary share capital of Fission Holdings Limited and Malbak UK Limited for £87.0m and £86.5m respectively.
- On 6 March 2003, Nampak Holdings (UK) PLC acquired the entire share capital of MY Holdings Plc for £102.9m.

Nampak Limited was the ultimate parent company of all of the companies involved in the transactions.

With the exception of the Fission Holdings Limited transaction, all acquisitions have been funded through group loans. Nampak Holdings (UK) PLC funded the acquisition of Fission Holdings Limited through the issue of an additional 200,000 ordinary shares of £1 each at a premium of £434 per share. The acquisition method of accounting was used to consolidate these companies into the group's financial statements.

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

17. Acquisitions (continued)

The net assets acquired are summarised below:

	Fission limited £m	Malbak (UK) Limited £m	M.Y. Holdings plc £m	Total £m
Fair value and book value of net assets acquired:				
Investments in MY Holdings plc	-	102.9	-	102.9
Tangible fixed assets	-	-	72.4	72.4
Stock	-	-	21.5	21.5
Trade debtors	-	-	38.4	38.4
Due from Nampak International Limited	86.5	-	-	86.5
Other debtors and prepayments	0.5	0.2	2.2	2.9
Cash	-	1.5	20.1	21.6
Loans, due within one year	-	(18.0)	(7.1)	(25.1)
Loans, due after one year	-	-	(39.3)	(39.3)
Trade creditors	-	(0.1)	(19.8)	(19.9)
Other creditors and accruals	-	-	(20.7)	(20.7)
Provisions	-	-	(13.9)	(13.9)
Net assets acquired	87.0	86.5	53.8	227.3
Goodwill on acquisition	-	-	49.1	49.1
	87.0	86.5	102.9	276.4
Consideration satisfied by:				
Shares issued				87.0
Loan from Fission Ltd in consideration of purchase of its subsidiary: Malbak (UK) Ltd				86.5
Loan from Malbak (UK) Ltd in consideration of purchase of its subsidiary: M.Y. Holdings				102.9
				<u>276.4</u>

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

17. Acquisitions (continued)

The table below sets out the fair value adjustments made to the book value of M.Y. Holdings plc at acquisition. The £3.2m increase in the value of fixed assets relates to a market valuation of land and buildings as at 27th July 2002. The £7.9m increase in provisions relates to the pension deficit on the M.Y. Group pension scheme.

	M.Y. Holdings Plc book value £m	M.Y. Holdings Plc fair value adjustments £m	M.Y. Holdings Plc fair value at acquisition £m
Tangible fixed assets	69.2	3.2	72.4
Stock	21.5		21.5
Trade debtors	38.4		38.4
Other debtors and prepayments	2.2		2.2
Cash	20.1		20.1
Loans, due within one year	(7.1)		(7.1)
Loans, due after one year	(39.3)		(39.3)
Trade creditors	(19.8)		(19.8)
Other creditors and accruals	(20.7)		(20.7)
Provisions	(6.0)	(7.9)	(13.9)
Net assets acquired	58.5	(4.7)	53.8

A summary of the profit and loss account for M.Y. Holdings plc from 1 April 2002 until it was acquired by the group on 6th March 2003 is shown below.

	1 April 2002 to 6 March 2003 £m	Year ending 31 March 2002 £m
Turnover	193.2	235.9
Operating profit	13.3	13.9
Loss on disposal of discontinued operations	-	(14.0)
Net interest	(2.3)	(3.6)
Profit before taxation	11.0	(3.7)
Taxation	(4.0)	(3.6)
Profit after taxation	7.0	(7.3)

A summary of the statement of total recognised gains and losses for M.Y. Holdings plc from 1 April 2002 until it was acquired by the group on 6th March 2003 is shown below.

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

17. Acquisitions (continued)

	1 April 2002 to 6 March 2003
Profit for the 11 month period	7.0
Exchange gain on foreign currency net investments	2.8
Total recognised gains and losses for the period	9.8

18. Disposals

During the year the group disposed of its entire interest in Plysu Protection Systems Limited and Nampak Iberica S.L. There were no other disposals during the year. The loss on disposal is summarised below:

	2003 £m
Net assets disposed of:	
Fixed assets	13.9
Stock	1.5
Debtors	5.7
Cash	0.4
Creditors	(5.0)
	16.5
Costs of disposal	0.1
	16.6
Proceeds	11.9
Loss on disposal	4.7

19. Called up share capital

	2003 £m	2002 £m
Authorised:		
2,000,000 ordinary shares of £1 each	2.0	2.0
Allotted, called up and fully paid:		
1,884,692 (2002 – 1,684,692) ordinary shares of £1 each	1.9	1.7
	Nominal value £	Consideration £
Shares issued during the year were:	No.	
Ordinary shares	200,000	87,000,000

The issue of 200,000 ordinary shares was made to the company's parent company Nampak International Limited on 5th March 2003 as part of the consideration for the purchase of MY Holdings limited.

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

20. Reserves

Group	Shares premium account £m	Other reserve £m	Profit and loss account £m	Total £m
At 1 October 2002	77.5	0.9	(19.9)	58.5
Retained loss for the year	-	-	(3.5)	(3.5)
Issue of ordinary shares	86.8	-	-	86.8
Goodwill previously written off to reserves	-	-	2.0	2.0
Exchange gain on foreign currency net investment	-	-	0.4	0.4
Unrealised gain on retranslation of foreign subsidiary undertakings	-	-	2.2	2.2
At 30 September 2003	164.3	0.9	(18.8)	146.4

Company	Share premium account £m	Profit and loss account £m	Total £m
At 1 October 2002	77.5	(13.9)	63.6
Retained loss for the year	-	(3.2)	(3.2)
Issue of ordinary shares	86.8	-	86.8
At 30 September 2003	164.3	(17.1)	147.2

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

21. Reconciliation of movements in consolidated shareholders' funds

	2003 £m	2002 £m
Loss on ordinary activities after taxation	(3.5)	(3.6)
Exchange gain on foreign currency net investments	0.4	0.3
Unrealised gain on retranslation of net assets of foreign subsidiary undertakings	2.2	-
Goodwill previously written off to reserves	2.0	-
New share capital issued including share premium	87.0	28.4
Net addition to shareholders' funds	88.1	25.1
Opening shareholders' funds	60.2	35.1
Closing shareholders' funds	148.3	60.2

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

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 £3.2m (2002 - £3.0m loss).

23. Capital commitments

	Group	
	2003	2002
	£m	£m
Contracted for but not provided for in the financial statements	2.5	1.2

The company had no capital commitments in 2003 (2002 - £nil).

24. Operating lease commitments

	Group	
	2003	2002
	£m	£m
Plant and machinery which expire:		
Within one year	0.1	-
Between two and five years	0.3	0.2
	0.4	0.2
Land and buildings which expire:		
Within one year	0.4	0.1
Between two and five years	0.9	-
After five years	0.5	0.3
	1.8	0.4

The company had no operating lease commitments in 2003 (2002 - £nil).

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pensions costs

The total cost to the group of its pensions arrangements was £3.7m (2002 – £1.7m). These arose as follows:

Defined benefit schemes

The group participates in a range of defined benefit schemes as set out below. 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.

Nampak UK schemes

The most recent valuations were as at 30 September 2002 which showed that the aggregate market value of the schemes' assets was £36.8m and that the actuarial value of those assets represented 79% 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 £1.7 m (2002 – £1.3m). Contributions of £0.8m (2002 – £0.3m) were made by the group for these two plans. Amounts included in respect of these schemes are £3.2m (2002 – £2.5m) in provisions for liabilities and charges.

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.

Nampak 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 (2002 – £0.2m). Amounts included in respect of pensions are £0.3m (2002 – £0.3m) in provisions for liabilities and charges.

MY Group scheme

The Group operates a funded scheme in the UK under the MY Holdings Group Pensions scheme. The latest actuarial valuation was conducted on 5 April 2001. The valuation showed that on the assumptions appropriate for funding, the value of the assets represented 98% of the benefits that had accrued to members after allowing for expected future increases in earnings. The market value of the assets at 5 April 2001 was £32.8m. The pension cost for the scheme amounted to £0.3 m for the 7 months to 30 September 2003.

Defined contribution schemes

During the year the group incurred a total cost of £1.4m for its defined contribution pension schemes. No prepayments, accruals or provisions were included in the group's balance sheet in relation to these schemes.

Transitional FRS 17 disclosures

The additional disclosures required by FRS 17 during the transitional period for the defined benefit schemes are set out below. They are based on the most recent actuarial valuations described above, which have been updated by independent professionally qualified actuaries to take account of the requirements of FRS 17.

Group

Amounts included in the balance sheet in respect of pensions are £11.4m (2002 – £2.8m) in provisions for liabilities and charges.

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

25. Pensions costs (continued)

The financial assumptions (per annum) used in the update were as follows:

	Nampak plc Staff Pension			Nampak plc Pension Plan		
	2003	2002	2001	2003	2002	2001
Rate of increases in salaries	4.0%	4.0%	5.0%	3.25%	3.25%	4.5%
Rate of increase in pensions in payment	2.5%	2.5%	3.0%	2.5%	2.5%	3.0%
Rate of revaluation of deferred pensions	2.5%	2.5%	3.0%	2.5%	2.5%	3.0%
Discount rate	5.5%	6.0%	6.25%	5.5%	6.0%	6.25%
Inflation assumption	2.5%	2.5%	3.0%	2.5%	2.5%	3.0%

MY pension scheme

2003

Rate of increases in salaries	4.0%
Rate of increase in pensions in payment	2.5%
Discount rate	5.5%
Inflation assumption	2.5%

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pensions costs (continued)

The value of the schemes' assets and the expected rate of return were:

Nampak Plastic Europe schemes	Expected rate of return	2003 £m	Expected rate of return	2002 £m	Expected rate of return	2001 £m
Equities	8.25%	24.0	8.25%	22.9	7.5%	30.2
Bonds	4.5%	15.6	5.0%	13.5	5.0%	8.1
Other	4.0%	0.4	4.5%	0.4	4.5%	3.8
Total market value of assets		40.0		36.8		42.1
Present value of scheme liabilities		(57.8)		(46.7)		(49.2)
Net pension liability		(17.8)		(9.9)		(7.1)
Related deferred tax asset		5.4		2.9		2.1
Net pension deficit		(12.4)		(7.0)		(5.0)

MY pension scheme	Expected rate of return	2003 £m
Equities	7.0%	11.5
Bonds and cash	4.5%	9.0
Property	7.0%	2.2
Total market value of assets		22.7
Present value of scheme liabilities		(33.2)
Net pension liability		(10.5)
Related deferred tax asset		3.2
Net pension deficit		(7.3)

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

25. Pension costs (continued)

Analysis of the amount charged to operating profit:

	MY Scheme 18 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2002 £m
Current service costs	2.6	2.2	2.1

Analysis of the amount credited to other finance income:

	MY Scheme 18 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2002 £m
Expected return on pension scheme assets	2.5	2.6	2.8
Interest on pension scheme liabilities	(2.3)	(2.8)	(3.1)
Total finance income	0.2	(0.2)	(0.3)

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pension costs (continued)

Analysis of the amount recognised in the consolidated statement of total recognised gains and losses (STRGL):

	MY Scheme 18 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2002 £m
Actual returns less expected return on pension scheme assets	(2.8)	1.3	(7.4)
Experience gains and losses arising on scheme liabilities	-	(4.4)	1.8
Changes in assumptions underlying the present value of scheme liabilities	(6.0)	(3.2)	4.9
	<u>(8.8)</u>	<u>(6.3)</u>	<u>(0.7)</u>

Movement in surplus during the year:

	MY Scheme 18 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2003 £m	Nampak Schemes 12 months to 30 September 2002 £m
Deficit at beginning of the period	(1.7)	(9.9)	(7.1)
Movement in year:			
Current service cost	(2.6)	(2.2)	(2.1)
Contributions	2.4	0.8	0.3
Other finance income	0.2	(0.2)	(0.3)
Actuarial loss	(8.8)	(6.3)	(0.7)
Deficit at the end of the period	<u>(10.5)</u>	<u>(17.8)</u>	<u>(9.9)</u>

History of experience gains and losses:

	MY Scheme 18 months to 30 September 2003	Nampak Schemes 12 months to 30 September 2003	Nampak Schemes 12 months to 30 September 2002
Difference between the expected and actual return on scheme Amount (£m)	(2.8)	1.3	(7.4)
Percentage of scheme assets (%)	12%	3%	20%
Experience gains and losses on scheme liabilities Amount (£m)	-	(4.4)	1.8
Percentage of present value of the scheme liabilities (%)	-	8%	4%
Total amount recognised in statement of total recognised gains Amount (£m)	(8.8)	(6.3)	(0.7)
Percentage of present value of the scheme liabilities (%)	<u>27%</u>	<u>11%</u>	<u>1%</u>

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pension costs (continued)

Nampak Overseas schemes

		Nampak Overseas Schemes	
		2003	2002
Rate of increases in salaries		3.0% - 3.25%	3.0% - 3.25%
Rate of increase in pensions in payment		2.0%	2.0%
Discount rate		5.0% - 5.5%	5.0% - 5.5%
Inflation assumption		2%	2%
	Expected rate of return	2003 £m	Expected rate of return 2002 £m
Other	5.0% - 5.5%	3.6	4.0% - 5.5% 3.4
Total market value of assets		3.6	3.4
Present value of scheme liabilities		(6.5)	(5.9)
Net pension liability		(2.9)	(2.5)
Related deferred tax asset		0.9	0.7
Net pension deficit		(2.0)	(1.8)
Analysis of the amount charged to operating profit:			
		2003 £m	2002 £m
Current service costs		0.3	0.3
Analysis of the amount credited to other finance income:			
		2003 £m	2002 £m
Expected return on pension scheme assets		0.2	0.1
Interest on pension scheme liabilities		(0.3)	(0.2)
Total finance income		(0.1)	(0.1)

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pension costs (continued)

Analysis of the amount recognised in the consolidated statement of total recognised gains and losses (STRGL):

	2003 £m	2002 £m
Actual returns less expected return on pension scheme	(0.1)	-
Experience gains and losses arising on scheme	(0.1)	-
	<u>(0.2)</u>	<u>-</u>

Movement in surplus during the year:

	2003 £m	2002 £m
Deficit at beginning of the period	(2.4)	(2.3)
Movement in year:		
Current service cost	(0.3)	(0.3)
Contributions	0.1	0.3
Other finance income	(0.1)	(0.1)
Actuarial loss	(0.2)	-
	<u>(2.9)</u>	<u>(2.4)</u>

History of experience gains and losses:

	2003 £m	2002 £m
	2003	2002
Difference between the expected and actual return on scheme		
Amount (£m)	(0.1)	-
Percentage of scheme assets (%)	3%	-
Experience gains and losses on scheme liabilities		
Amount (£m)	(0.1)	-
Percentage of present value of the scheme liabilities (%)	2%	-
Total amount recognised in statement of total recognised gains		
Amount (£m)	(0.2)	-
Percentage of present value of the scheme liabilities (%)	3%	-

Nampak Holdings (UK) PLC

Notes to the accounts Year ended 30 September 2003

25. Pension costs (continued)

Schemes total

If FRS17 had been adopted in these financial statements, the Group's net assets and profit and loss reserve would have been as follows: -

	2003 £m	2002 £m
Net assets excluding pension liability	148.3	60.2
Pension liability – Nampak UK schemes	(12.4)	(7.0)
Pension liability – MY Holdings UK schemes	(7.3)	-
Pension liability – Nampak overseas schemes	(2.0)	(1.8)
Total pension liability	(21.7)	(7.8)
	126.6	52.4
Less: SSAP24 items included in net assets that will be reversed on implementation of FRS 17	11.4	2.8
Net assets on FRS 17 basis	138	55.2
	2003 £m	2002 £m
Profit and loss reserve excluding pension liability	(18.8)	(19.9)
Pension liability	(21.7)	(7.8)
	(40.5)	(27.7)
Less: SSAP24 items included in net assets that will be reversed on implementation of FRS 17	11.4	2.8
Profit and loss reserve on FRS 17 basis	(29.1)	(24.9)

Nampak Holdings (UK) PLC

Notes to the accounts

Year ended 30 September 2003

25. Pension costs (continued)

The disclosed pension scheme liability of £31.2m (2002 – £12.4m) 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 2003, we believe that the figures must be viewed against this background.

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.

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. Related parties outside the Nampak group are Menshen UK Limited, which owns 50% of the share capital of Menshen Packaging UK Limited and Menshen GmbH, the parent company of Menshen UK Limited.

Menshen Packaging UK Limited purchased goods during the year amounting to £1,033,594 (2002 - £1,001,424) from Menshen GmbH. At year end the company owed £328,363 (2002 - £226,436) to Menshen GmbH.

27. Ultimate parent company

The immediate parent company and controlling entity, and the parent of the smallest group which prepares consolidated financial statements and includes the company, 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 which prepares consolidated financial statements and includes the company, 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.