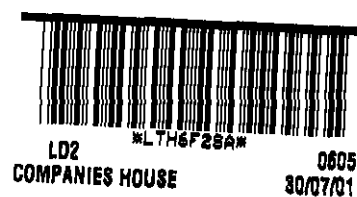


NAMPAK HOLDINGS (UK) PLC

Report and Financial Statements

30 September 2000

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



REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

Directors' report	3
Statement of directors' responsibilities	5
Auditors' report	6
Consolidated profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Notes to the financial statements	10

NAMPAK HOLDINGS (UK) PLC

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

PRINCIPAL ACTIVITIES

Nampak Holdings (UK) PLC 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.

On 21 October 1999, the company made an agreed cash offer for the entire issued share capital of Nampak PLC (formerly Plysu plc) with a total value of £94.6 million. The offer is to be funded from Nampak Holdings (UK) PLC's own cash resources and available bank and other facilities.

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

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

DIRECTORS AND THEIR INTERESTS

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

B P Connellan

G E Bortolan

T Evans

M E Solomon

E P Pfaff (resigned 22 November 2000)

D C S Mathews (appointed 22 November 2000)

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

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not propose the payment of a dividend (1999 – £nil).

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 2000 was 63 days (1999 – 57 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.

DIRECTORS' REPORT

EMPLOYEE PARTICIPATION

Staff consultation on issues affecting them and the business has continued to take place through quarterly briefing meetings as well as by formal and informal meetings with management.

AUDITORS

During the year KPMG resigned as auditors and Deloitte & Touche were appointed by the directors to fill the vacancy. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche be appointed as auditors of the Company will be put to the forthcoming Annual General Meeting.

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



S S Nobbs
Secretary

30 July

2001

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 company and the group for that period. In preparing those financial statements, the directors are required to:

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

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

NAMPAK HOLDINGS (UK) PLC

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 23 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 and the group's, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group's as at 30 September 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and
Registered Auditors

30 July 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2000

	Note	Before exceptional items £m	Exceptional items (Note 4) £m	Total 2000 £m	Total 1999 £m
TURNOVER					
Continuing operations	2	30.4	-	30.4	30.5
Acquisitions		124.6	-	124.6	-
		<hr/>	<hr/>	<hr/>	<hr/>
		155.0	-	155.0	30.5
Cost of sales					
Continuing operations		(24.4)	-	(24.4)	(22.7)
Acquisitions		(92.9)	(1.6)	(94.5)	-
		<hr/>	<hr/>	<hr/>	<hr/>
		(117.3)	-	(118.9)	(22.7)
Gross profit		37.7	(1.6)	36.1	7.8
Distribution costs			-		
Continuing operations		(4.0)	-	(4.0)	(3.7)
Acquisitions		(10.8)	-	(10.8)	-
Administrative costs			-		
Continuing operations		(1.8)	-	(1.8)	(1.3)
Acquisitions		(13.3)	(2.1)	(15.4)	-
		<hr/>	<hr/>	<hr/>	<hr/>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION					
Continuing operations		0.2	-	0.2	(1.3)
Acquisitions		7.6	(3.7)	3.9	-
		<hr/>	<hr/>	<hr/>	<hr/>
	3	7.8	(3.7)	4.1	2.8
Net interest payable	6			(9.7)	(0.1)
				<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				(5.6)	2.7
Tax credit on (loss)/profit on ordinary activities	7			1.2	-
				<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION				(4.4)	2.7
				<hr/>	<hr/>

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

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30 September 2000

	2000 £m	1999 £m
(Loss)/profit on ordinary activities after taxation	(4.4)	2.7
Exchange loss on foreign currency net investments	(1.1)	-
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	(5.5)	2.7
	<hr/>	<hr/>

NAMPAK HOLDINGS (UK) PLC

GROUP BALANCE SHEET 30 September 2000

	Note	£m	2000 £m	£m	1999 £m
FIXED ASSETS					
Intangible assets					
Goodwill	8		45.1		-
Tangible assets	9		108.5		17.0
			<u>153.6</u>		<u>17.0</u>
CURRENT ASSETS					
Stocks	11	8.8		0.3	
Debtors	12	31.7		9.3	
Investments	13	1.4		-	
Cash		7.0		2.5	
		<u>48.9</u>		<u>12.1</u>	
CREDITORS: amounts falling due within one year	14	(44.9)		(5.8)	
NET CURRENT ASSETS			<u>4.0</u>		<u>6.3</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			157.6		23.3
CREDITORS: amounts falling due after more than one year	15		(124.1)		(10.7)
PROVISIONS FOR LIABILITIES AND CHARGES	17		(8.4)		-
NET ASSETS			<u>25.1</u>		<u>12.6</u>
CAPITAL AND RESERVES					
Called up equity share capital	19		1.0		1.0
Share premium account	20		29.8		11.8
Other reserves	20		0.9		0.9
Profit and loss account	20		(6.6)		(1.1)
Equity shareholders' funds			<u>25.1</u>		<u>12.6</u>

These financial statements were approved by the Board of Directors on 30 July 2001.

Signed on behalf of the Board of Directors



G E Bortolan
Director

NAMPAK HOLDINGS (UK) PLC

COMPANY BALANCE SHEET 30 September 2000

	Note	£m	2000 £m	£m	1999 £m
FIXED ASSETS					
Investments	10		<u>117.5</u>		<u>19.0</u>
CURRENT ASSETS					
Debtors	12	31.3		5.0	
Cash		<u>6.4</u>		<u>-</u>	
		37.7		5.0	
CREDITORS: amounts falling due within one year	14	<u>(4.9)</u>		<u>-</u>	
NET CURRENT ASSETS			<u>32.8</u>		<u>5.0</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			150.3		24.0
CREDITORS: amounts falling due after more than one year	15		<u>(123.6)</u>		<u>(9.4)</u>
NET ASSETS			<u>26.7</u>		<u>14.6</u>
CAPITAL AND RESERVES					
Called up equity share capital	19		1.0		1.0
Share premium account	20		29.8		11.8
Profit and loss account	20		<u>(4.1)</u>		<u>1.8</u>
Equity shareholders' funds			<u>26.7</u>		<u>14.6</u>

These financial statements were approved by the Board of Directors on 30 July 2001.

Signed on behalf of the Board of Directors



G E Bortolan
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

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 year ended 30 September 2000. Results of the subsidiaries are included in the group results from the effective date of acquisition and those of undertakings sold up to the effective date of disposal. Profits or losses on intra-group transactions are eliminated in full.

Goodwill

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

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

Depreciation

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

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

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

Stocks

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

Engineering stores

Engineering stores are expensed on acquisition.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rate at which it is expected that tax will arise.

Foreign currencies

Transactions in foreign currency are recorded at the rates ruling at the dates of the transactions.

Monetary assets and liabilities in foreign currencies are translated at the exchange rate ruling at the balance sheet date or at rates specified in forward contracts where these are in place. These translation differences are dealt with through the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

1. ACCOUNTING POLICIES (continued)

Pension costs

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

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

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.

Cashflow

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

2. TURNOVER AND OPERATING ASSETS

Turnover comprises the value of sales (excluding sales taxes and net of discounts) of goods and services in the normal course of business. Turnover is derived from the group's principal activity of the manufacture of plastic containers and other products for industrial and domestic use.

Geographical segments 2000	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	124.3	(2.6)	121.7	115.4	116.7
Rest of Europe	33.6	(0.3)	33.3	39.3	28.7
Rest of the World	-	-	-	0.3	-
Group	157.9	(2.9)	155.0	155.0	145.4
Unallocated net assets					(120.3)
Total net assets					25.1
Geographical segments 1999	Total sales £m	Turnover by origin Inter-country £m	Third party £m	Sales by destination £m	Operating assets £m
United Kingdom	30.5	-	30.5	30.5	12.6

Results by geographical segment have not been disclosed as, in the opinion of the directors, this would be seriously prejudicial to the interests of the group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

3. OPERATING PROFIT

	2000	1999
	£m	£m
Stated after charging		
Depreciation on tangible fixed assets – owned	10.6	2.1
Auditors' remuneration:		
Audit fees – company £nil (1999 – £nil)	0.1	0.1
Non-audit fees to the auditors and their associates – company £0.1m (1999 – £nil)	0.1	-
Rentals under operating leases for hire of plant and machinery		
Hire of plant and machinery	0.1	-
Other	0.7	0.3
Net exchange movements	0.1	-
Amortisation of goodwill	2.0	-
Exceptional costs	3.7	-
	<hr/>	<hr/>

4. EXCEPTIONAL

	2000	1999
	£m	£m
Costs of reorganisation		
Costs of sales	1.6	-
Administration	2.1	-
	<hr/>	<hr/>
	3.7	-
	<hr/>	<hr/>

As a result of the group's acquisition of Nampak PLC (formerly Plysu plc), a strategic review was performed of the combined operations of Nampak PLC and BlowMocan Polysystems Limited. This has resulted in a reorganisation of the group's operations. Of the charge for the year, £559,000 is included within provisions at the year end date

5. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

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

Information regarding the group's employees is as follows:

	2000	1999
	£m	£m
Wages and salaries	34.6	6.3
Social security costs	3.9	0.6
Other pension costs (see note 26)	1.3	0.2
	<hr/>	<hr/>
	39.8	7.1
	<hr/>	<hr/>

The average number of employees of the group during the year was 1,881 (1999 – 340).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

6. NET INTEREST PAYABLE

	2000	1999
	£m	£m
Interest payable and similar charges: On bank loans and overdrafts	10.0	0.1
	<u>10.0</u>	<u>0.1</u>
Interest receivable	(0.3)	-
	<u>(0.3)</u>	<u>-</u>
	<u><u>9.7</u></u>	<u><u>0.1</u></u>

7. TAX CREDIT ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£m	£m
Overseas tax	0.2	-
	<u>0.2</u>	<u>-</u>
Credit for deferred tax	(1.4)	-
	<u>(1.4)</u>	<u>-</u>
	<u><u>(1.2)</u></u>	<u><u>-</u></u>

8. INTANGIBLE FIXED ASSETS

Group	Goodwill
	£m
Cost	
At 1 October 1999	-
On acquisition (note 23)	47.1
	<u>47.1</u>
At 30 September 2000	<u>47.1</u>
Amortisation	
At 1 October 1999	-
Provided during the year	2.0
	<u>2.0</u>
At 30 September 2000	<u>2.0</u>
Net book value	
At 30 September 2000	45.1
	<u><u>45.1</u></u>
At 30 September 1999	<u><u>-</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2000

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Leasehold land and buildings		Plant and machinery	Total
	£m	Long £m	Short £m	£m	£m
Cost or valuation					
At 1 October 1999	5.3	0.7	0.5	20.9	27.4
Exchange rate adjustments	(0.5)	-	-	(0.7)	(1.2)
On acquisitions	40.1	-	-	52.0	92.1
Additions	0.6	-	-	12.5	13.1
Disposals	-	-	-	(7.8)	(7.8)
At 30 September 2000	45.5	0.7	0.5	76.9	123.6
Depreciation					
At 1 October 1999	-	-	0.5	9.9	10.4
Exchange rate adjustments	-	-	-	(0.1)	(0.1)
Charge for year	0.7	-	-	9.9	10.6
Disposals	-	-	-	(5.8)	(5.8)
At 30 September 2000	0.7	-	0.5	13.9	15.1
Net book value					
At 30 September 2000	44.8	0.7	-	63.0	108.5
At 30 September 1999	5.3	0.7	-	11.0	17.0

Freehold land and buildings cumulative cost includes £254,000 (1999 – £254,000) capitalised interest.

Included within fixed assets are non depreciable assets:

	2000 £m	1999 £m
Land and buildings	20.7	6.0
Plant and machinery in the process of commissioning	12.5	1.5
	33.2	7.5

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

10. INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiary undertakings £m	Loans to subsidiary undertakings £m	Total £m
At 1 October 1999	12.5	6.5	19.0
Acquisition	98.5	-	98.5
	<hr/>	<hr/>	<hr/>
At 30 September 2000	111.0	6.5	117.5
	<hr/>	<hr/>	<hr/>

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

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

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

11. STOCKS

	2000 £m	1999 £m
Raw materials and consumables	4.2	0.1
Work in progress	0.2	-
Finished goods	4.4	0.2
	<hr/>	<hr/>
	8.8	0.3
	<hr/>	<hr/>

12. DEBTORS

	Group		Company	
	2000 £m	1999 £m	2000 £m	1999 £m
Trade debtors	26.9	4.3	-	-
Amounts owed by group undertakings	-	4.7	30.2	5.0
Other debtors	2.1	0.2	1.1	-
Prepayments and accrued income	1.7	0.1	-	-
Corporation tax receivable	1.0	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	31.7	9.3	31.3	5.0
	<hr/>	<hr/>	<hr/>	<hr/>

Included within group other debtors £0.2m (1999 – £nil) and group prepayments £0.1m (1999 – £nil), are amounts due after more than one year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

13. INVESTMENTS

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Current asset investment	1.4	-	-	-

The current asset investment represents the net expected proceeds from the disposal of the Brands division of Nampak PLC (formerly Plysu plc). This division is not considered to be part of the groups core activities, has not been consolidated since acquisition and since the year end has been largely disposed of by the Group. The net assets of the division at the 30 September 2000 were £4.1m and losses incurred in the period since acquisition were £1.5m.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Bank loans and overdrafts	2.6	0.1	-	-
Loan note	2.4	-	2.4	-
Other loans	-	0.1	-	-
Trade creditors	25.8	4.3	-	-
Amounts due to group undertakings	-	0.1	2.1	-
Other taxes and social security	4.2	0.5	-	-
Corporation tax	3.5	-	-	-
Other creditors and accruals	6.4	0.7	0.4	-
	44.9	5.8	4.9	-

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

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Loan note	2.4	-	2.4	-
Bank loans	112.3	1.3	112.0	-
Loans from parent undertaking	9.2	9.4	9.2	9.4
Other creditors and accruals	0.2	-	-	-
	124.1	10.7	123.6	9.4

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

16. ANALYSIS OF LOANS

	2000 £m	1999 £m
Within one year		
Bank loans and overdrafts	2.6	0.1
Loan notes	2.4	-
Other loans	-	0.1
After one and within two years		
Bank loans	-	0.1
After two and within five years		
Bank loans	113.3	0.4
After five years		
Bank loans	-	0.8
Loan notes	2.4	-
Loan from parent undertakings	9.2	9.4
	129.9	10.9
Less: issue costs	(1.0)	-
	128.9	10.9
Less: included in creditors amounts falling due within one year (note 14)	(5.0)	(0.2)
	123.9	10.7

The floating rate unsecured guaranteed loan notes 2000/2005 were issued at par for £4.8m.

The loan notes can be repaid bi-annually on interest payment dates in multiples of £1,000. The contracted repayment date is 31 December 2005. The interest rate on the loan notes is 1.5% below the arithmetic mean of the rates offered by any two London clearing banks on a six month sterling deposit of £1m.

Included with bank loans is a £113m unsecured syndicated loan used to finance the acquisition of Nampak PLC (formerly Plysu plc), this loan has a contracted repayment date of 21 October 2002.

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

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

	Group		Company	
	2000 £m	1999 £m	2000 £m	1999 £m
Loan notes	2.4	-	2.4	-
Repayable by instalments over more than five years:				
At 1% above three months LIBOR repayable in equal instalments termination in 2009	-	1.0	-	-
At 1% above three months LIBOR repayable in equal instalments termination in 2013	-	0.3	-	-
	2.4	1.3	2.4	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 September 2000

17. PROVISIONS FOR LIABILITIES AND CHARGES

Group	Deferred taxation provisions £m	Pensions £m	Other £m	Total £m
At 1 October 1999	-	-	-	-
On acquisition	4.9	0.9	6.5	12.3
Released to profit and loss account	(1.4)	-	(2.5)	(3.9)
At 30 September 2000	<u>3.5</u>	<u>0.9</u>	<u>4.0</u>	<u>8.4</u>

Pensions provisions relate to SSAP 24 (note 26).

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

18. DEFERRED TAXATION

Group	2000		1999	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	<u>3.5</u>	<u>0.8</u>	<u>-</u>	<u>0.1</u>

Company	2000		1999	
	Provided £m	Unprovided £m	Provided £m	Unprovided £m
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

No provision is made for taxation, which would arise in the event of the distribution of the retained profits of overseas subsidiaries unless such a distribution is proposed.

19. CALLED UP SHARE CAPITAL

	2000 £m	1999 £m
Authorised		
2,000,000 ordinary shares of £1 each	<u>2.0</u>	<u>2.0</u>
Allotted, called up and fully paid		
1,001,000 (1999 – 1,000,002) ordinary shares of £1 each	<u>1.0</u>	<u>1.0</u>
	Nominal value £	Consideration £
Shares issued during the year were:		
Ordinary shares	<u>998</u>	<u>18,026,305</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

20. RESERVES

Group	Shares premium account £m	Other reserve £m	Profit and loss account £m	Total £m
At 1 October 1999	11.8	0.9	(1.1)	11.6
Retained loss for the year	-	-	(4.4)	(4.4)
Issue of ordinary shares	18.0	-	-	18.0
Currency translation differences on foreign currency	-	-	(1.1)	(1.1)
At 30 September 2000	<u>29.8</u>	<u>0.9</u>	<u>(6.6)</u>	<u>24.1</u>
Company	Share premium account £m	Profit and loss account £m	Total £m	
At 1 October 1999	11.8	1.8	13.6	
Retained loss for the year	-	(5.9)	(5.9)	
Issue of ordinary shares	18.0	-	18.0	
	<u>29.8</u>	<u>(4.1)</u>	<u>25.7</u>	

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

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2000 £m	1999 £m
Loss/(profit) on ordinary activities after taxation	(4.4)	2.7
Other recognised gains and losses related to the year (net)	(1.1)	-
New share capital issued including share premium	<u>18.0</u>	<u>-</u>
Net addition to shareholders' funds	12.5	2.7
Opening shareholders' funds	<u>12.6</u>	<u>9.9</u>
Closing shareholders' funds	<u>25.1</u>	<u>12.6</u>

22. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's result for the financial year amounted to a loss of £5.9m (1999 – £nil).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

23. ACQUISITIONS

Company and Group

On 5 December 1999 the group and company acquired the entire share capital of Nampak PLC (formerly Plysu plc), a company incorporated in Great Britain. Goodwill on acquisition is included as an intangible asset in the group accounts.

	On acquisition £m	Fair value adjustments accounting policy alignments £m	Fair value adjustments revaluations £m	Other significant adjustments £m	Fair value net assets £m
Net assets acquired					
Tangible fixed assets	78.8	(0.7)	15.8	(1.8)	92.1
Stocks	14.0	(1.0)	-	(3.4)	9.6
Debtors	32.5	(0.1)	-	0.5	32.9
Tax debtor	0.8	-	-	-	0.8
Cash	0.3	-	-	-	0.3
Overdrafts	(10.4)	-	-	-	(10.4)
Creditors	(34.6)	-	-	2.3	(32.3)
Corporation tax	(0.6)	(3.3)	-	-	(3.9)
Bank loans	(25.4)	-	-	-	(25.4)
Provisions	(2.8)	-	-	(4.6)	(7.4)
Deferred taxation	(4.9)	-	-	-	(4.9)
Net assets	<u>47.7</u>	<u>(5.1)</u>	<u>15.8</u>	<u>(7.0)</u>	<u>51.4</u>
Goodwill					<u>47.1</u>
Purchase consideration					<u>98.5</u>
The purchase consideration was financed as follows:					
Cash					95.5
Costs associated with acquisition					<u>3.0</u>
					<u>98.5</u>

In respect of the acquisitions described above, adjustments have been made to restate the cost and accumulated depreciation of fixed assets, and the carrying values of stock, debtors and creditors, to bases consistent with the group's accounting policies. Land and buildings of the acquired subsidiary were revalued on acquisition following a formal revaluation process.

The other significant adjustment relates to the disposal of the Brands division of Nampak PLC (formerly Plysu plc).

The trading results of these acquisitions have been disclosed separately on the face of the profit and loss account. The acquisitions have been accounted for by the acquisition method of accounting.

The results of Nampak PLC for the eight months for the financial period beginning 1 April 1999 to the date of acquisition are as detailed below:

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

23. ACQUISITIONS (continued)

Consolidated profit and loss account	£m
Turnover	106.8
Operating profit	0.7
Loss on ordinary activities before taxation	(0.6)
Taxation credit on loss on ordinary activities	0.4
Loss attributable to members	(0.2)
Statement of recognised gains	£m
Loss on ordinary activities after taxation	(0.2)
Exchange loss on foreign currency net investments	(0.8)
	(1.0)

The result of the above acquisition for the twelve months ended 31 March 1999 was a profit after tax of £7.8m on turnover of £150m.

24. CAPITAL COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Contracted for but not provided for in the financial statements	7.3	1.6	-	-

25. OPERATING LEASE COMMITMENTS

	Group		Company	
	2000	1999	2000	1999
	£m	£m	£m	£m
Plant and machinery which expire:				
Between two and five years	0.1	0.1	-	-
Land and buildings which expire:				
Within one year	0.1	-	-	-
Between two and five years	0.4	-	-	-
	0.5	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

26. PENSIONS COSTS

The total cost to the group of its pensions arrangements was £1.3m (1999 – £0.2m). These costs arose as follows:

UK defined benefit schemes

Costs have been assessed in accordance with SSAP24. The contributions and pension cost are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit credit method of valuation. The most recent valuations were at 1 April 1997. 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. It was assumed for the purpose of the pension cost calculations that investment returns would exceed the rate of increase in salaries by 2.5% per annum for members of the Nampak PLC (formerly Plysu plc) Pension Plan and by 2.0% per annum for members of the Nampak PLC Staff Pension Plan and that investment returns would exceed the rate of increase in pensions by 4.5% per annum.

Dividends were assumed to increase by 0.5% per annum more than the rate of pension escalation.

The most recent actuarial valuations for SSAP24 purposes showed that the aggregate market value of the schemes' assets was £34.2m and that the actuarial value of those assets (£32.5m) represented 133% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The pension cost for the period since acquisition for the two plans amounted to £0.8m. Contributions of £0.7m were made by the group for these two plans. Amounts included in respect of pensions are £0.7m in provisions for liabilities and charges.

UK defined contribution schemes

The group continues to operate defined contribution schemes for the benefit of the employees. The assets of the scheme are held in a fund independent from those of the company. The pension costs were £0.3m (1999 – £0.2m).

Overseas defined benefit schemes

There are five overseas schemes in force, providing 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.

Costs have been assessed by qualified actuaries in accordance with SSAP24. Assumptions have been made about the future experience of the investment return, wage and price inflation, and on the expected mortality within the group schemes. The main assumptions adopted in arriving at the cost are investment returns of 7% per annum and general wage inflation of 2.5% per annum adjusted for career progression increases averaging a further 2.5% per annum.

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 £0.2m. Amounts included in respect of pensions are £0.2m in provisions for liabilities and charges.

Group

Amounts included in the balance sheet in respect of pensions are £0.9m in provisions for liabilities and charges.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 2000

27. 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.

28. ULTIMATE PARENT COMPANY

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

The ultimate parent company and controlling entity, and the parent of the largest group is Nampak Limited, a company incorporated in South Africa. Copies of the group financial statements are available from Nampak Limited, PO Box 784324, Sandton 2146, South Africa.