

AUTOBAR FLEXIBLE UK LIMITED
REPORT AND FINANCIAL STATEMENTS

2001



AUTOBAR FLEXIBLE UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

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AUTOBAR FLEXIBLE UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M J Davey
M J O'Leary
O G Smadja

SECRETARY

W T McKay

REGISTERED OFFICE

41-42 Kew Bridge Road
Brentford
Middlesex TW8 0DY

BANKERS

Lloyds TSB Bank plc
City Office
71 Lombard Street
London EC3P 3BT

SOLICITORS

Richards Butler
Beaufort House
15 St Botolph Street
London EC3A 7EF

Dixon Ward
16 The Green
Richmond
Surrey TW9 1QD

Speechly Bircham
6 St Andrew Street
London
EC4A 3LX

AUDITORS

Deloitte & Touche
Chartered Accountants
and Registered Auditors
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF24 0TS

AUTOBAR FLEXIBLE UK LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the financial year ("the year") which was the thirty nine week period ended 1 April 2001. The comparative financial year was the fifty three week period ended 2 July 2000.

PRINCIPAL ACTIVITIES

The company manufactures polythene sheets and bags.

BUSINESS REVIEW

The company made a loss before taxation of £83,000 (2000 – loss of £1,076,000). The company was able to increase margins in a difficult UK market. This has resulted in a dramatic improvement in trading for the period.

RESULTS

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
Turnover	<u>3,795</u>	<u>4,995</u>
Loss before tax	(83)	(1,076)
Tax	<u>22</u>	<u>319</u>
Loss after tax	(61)	(757)
Dividends	-	-
Transferred to reserves	<u>(61)</u>	<u>(757)</u>

No dividend has been paid or proposed (2000 - £NIL).

FUTURE DEVELOPMENTS

The company will continue with a movement towards more added value sales and production.

DIRECTORS AND THEIR INTERESTS

The Directors who served throughout the year are set out on page 1.

No director had, during the year or at the end of the year, interests in the shares of any Group company or any material interests in any contracts of significance to the Group's business.

AUTOBAR FLEXIBLE UK LIMITED

RESEARCH AND DEVELOPMENT

No research and development has been undertaken during the period.

POLITICAL AND CHARITABLE DONATIONS

The company made no political or charitable donations during the period. (2000- £Nil).

CREDITOR PAYMENT POLICY

The company endeavours to settle and agree terms and conditions under which business transactions with its suppliers are conducted prior to placing orders. This ensures that those suppliers are aware of the terms of payment in advance. The average creditor days outstanding at 1 April 2001 was 75 days (2000 - 47 days).

THE EURO

The company recognises the importance of European Monetary Union (EMU) particularly for its customers and business to countries which are now committed to the introduction of a single European currency, the Euro. Our systems are able to deal with transactions in the Euro.

The costs of our Euro programme have not been specifically quantified but are not considered significant and are charged to the profit and loss account as incurred.

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



W T McKay
Company Secretary
11 June 2001

AUTOBAR FLEXIBLE UK LIMITED

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 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;
- * prepare the financial statements on a 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTOBAR FLEXIBLE UK LIMITED

AUDITORS' REPORT TO THE MEMBERS OF AUTOBAR FLEXIBLE UK LIMITED **39 Weeks Ended 1 April 2001**

We have audited the financial statements on pages 6 to 17 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 4, the company's directors are responsible for the preparation of 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, 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 company's affairs as at 1 April 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants
and Registered Auditors
11th June 2001

Blenheim House
Fitzalan Court
Newport Road
Cardiff CF24 0TS

AUTOBAR FLEXIBLE UK LIMITED

PROFIT AND LOSS ACCOUNT

39 Weeks Ended 1 April 2001

	<u>Note</u>	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
TURNOVER	2	3,795	4,995
NET OPERATING CHARGES	3	<u>(3,988)</u>	<u>(5,916)</u>
OPERATING LOSS		(193)	(921)
Profit on sale of fixed assets		231	-
Net interest payable	4	<u>(121)</u>	<u>(155)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(83)	(1,076)
Tax on loss on ordinary activities	6	<u>22</u>	<u>319</u>
LOSS FOR THE FINANCIAL PERIOD		(61)	(757)
Dividends	7	<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE FINANCIAL PERIOD	14	<u>(61)</u>	<u>(757)</u>

There are no recognised gains or losses other than the loss for the period in both the current and prior periods.

There are no movements in shareholders' funds other than the loss for the period and the preceding year. Accordingly no reconciliation of movements in shareholders' funds is given.

AUTOBAR FLEXIBLE UK LIMITED


BALANCE SHEET

1 April 2001

		<u>1 April 2001</u>		<u>2 July 2000</u>	
	<u>Note</u>	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	8		990		1,860
CURRENT ASSETS					
Stocks	9	618		636	
Debtors	10	<u>1,638</u>		<u>1,616</u>	
		2,256		2,252	
CREDITORS: Amounts					
falling due within one year	11	(2,836)		(3,685)	
NET CURRENT LIABILITIES			(580)		(1,433)
TOTAL ASSETS LESS CURRENT LIABILITIES			410		427
PROVISIONS FOR LIABILITIES AND CHARGES	12		(205)		(161)
TOTAL NET ASSETS			<u>205</u>		<u>266</u>
CAPITAL AND RESERVES					
Called up share capital	13		400		400
Profit and loss account	14		<u>(195)</u>		<u>(134)</u>
EQUITY SHAREHOLDERS' FUNDS			<u>205</u>		<u>266</u>

These financial statements were approved by the Board of Directors on 11 June 2001.

Signed on behalf of the Board of Directors


M J O'Leary Director

AUTOBAR FLEXIBLE UK LIMITED

CASH FLOW STATEMENT

39 Weeks Ended 1 April 2001

	<u>Note</u>	39 weeks ended 1 April 2001		53 weeks ended 2 July 2000	
		£000	£000	£000	£000
CASH OUTFLOW FROM OPERATING ACTIVITIES	16		(595)		(582)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		<u>(121)</u>		<u>(155)</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(121)		(155)
TAXATION			383		78
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire tangible fixed assets		(140)		(422)	
Receipts from sales of tangible fixed assets		<u>1,144</u>		<u>46</u>	
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			1,004		(376)
			—		—
INCREASE / (DECREASE) IN CASH IN THE PERIOD			<u>671</u>		<u>(1,035)</u>

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

Turnover represents the invoiced value of sales, excluding trade discounts and value added tax.

(c) Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the year end date. Transactions in currencies other than Sterling are translated at the rates ruling at the dates of the transaction. All exchange differences are dealt with in the profit and loss account.

(d) Depreciation

Depreciation is provided against the cost of tangible fixed assets over their expected useful lives by equal annual instalments within the following ranges:

Freehold buildings	30 - 50 years
Plant and machinery	3 - 10 years
Fixtures and fittings	5 - 7 years
Payments on account	No depreciation provided

(e) 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 rates at which it is expected that tax will arise.

(f) Pensions

Pensions to United Kingdom employees are funded through contributions to an insurance company under The Autobar Group Retirement Benefits Plan. The Company's contributions to the pension scheme are charged to the profit and loss account with the objective of spreading the cost over the employees' working lives with the company.

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS 39 Weeks Ended 1 April 2001

(g) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises in the case of bought in goods: invoice price. In the case of products manufactured by the company: direct materials, labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all future costs to completion and all relevant marketing, selling and distribution costs.

2. TURNOVER

Geographical analysis of turnover by destination

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
United Kingdom	3,435	4,747
Other European countries	<u>360</u>	<u>248</u>
	<u>3,795</u>	<u>4,995</u>

The company has one class of business.

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

3. NET OPERATING CHARGES

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
Change in stocks of finished goods and work in progress	(72)	(103)
Raw materials and consumables	3,196	3,390
Goods purchased for resale	88	143
Other external charges	49	1,102
Staff costs:		
- wages and salaries	532	869
- social security costs	46	66
- other pension costs	29	52
Exceptional redundancy costs	15	197
Depreciation and other amounts written off tangible fixed assets:		
- owned assets	97	194
Auditors' remuneration:		
- audit fees	6	6
- other services	2	8
Profit on sale of tangible fixed assets	-	(8)
	<u>3,988</u>	<u>5,916</u>

4. NET INTEREST PAYABLE

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
Interest payable and similar charges:		
- Bank loans and overdrafts	<u>(121)</u>	<u>(155)</u>

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
Directors' emoluments (excluding pension contribution)	-	44
Compensation for loss of office	<u>-</u>	<u>96</u>
	<u>-</u>	<u>140</u>

All Directors who served during the year are members of a defined benefit scheme.

	39 weeks ended 1 <u>April 2001</u> Number	53 weeks ended 2 <u>July 2000</u> Number
Average monthly number of persons employed (including Directors):		
- Production	37	46
- Sales and Distribution	8	7
- Administration	<u>6</u>	<u>8</u>
	<u>51</u>	<u>61</u>

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
United Kingdom corporation tax at 30% (2000 - 30%)	66	382
United Kingdom deferred taxation	<u>(44)</u>	<u>(63)</u>
	<u>22</u>	<u>319</u>

It is currently anticipated that the tax credit of £66,000 arising on losses after adjusting the profit on ordinary activities to the basis for taxation, will be recovered by the surrender of losses to another group company in exchange for payment of the same amount.

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

7. DIVIDENDS

No dividends have been paid or proposed during this period. (2000-£NIL).

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
COST				
At 3 July 2000	451	3,464	263	4,178
Additions	-	106	34	140
Transfers to Group Company	-	(1,087)	-	(1,087)
At 1 April 2001	<u>451</u>	<u>2,483</u>	<u>297</u>	<u>3,231</u>
ACCUMULATED DEPRECIATION				
At 3 July 2000	(105)	(2,106)	(107)	(2,318)
Charge for year	(8)	(84)	(5)	(97)
Transfer to Group Company	-	174	-	174
At 1 April 2001	<u>(113)</u>	<u>(2,016)</u>	<u>(112)</u>	<u>(2,241)</u>
NET BOOK VALUE				
At 1 April 2001	<u>338</u>	<u>467</u>	<u>185</u>	<u>990</u>
At 2 July 2000	<u>346</u>	<u>1,358</u>	<u>156</u>	<u>1,860</u>

9. STOCKS

	<u>1 April</u> <u>2001</u> £000	<u>2 July</u> <u>2000</u> £000
Raw materials and consumables	166	256
Finished goods and goods for resale	<u>452</u>	<u>380</u>
	<u>618</u>	<u>636</u>

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

10. <u>DEBTORS</u>	1 April <u>2001</u> £000	2 July <u>2000</u> £000
Trade debtors	1,429	1,114
Amounts owed by Group undertakings:		
- Subsidiary undertakings	42	40
- Parent undertakings	66	383
Prepayments and accrued income	<u>101</u>	<u>79</u>
	<u>1,638</u>	<u>1,616</u>

11. <u>CREDITORS</u>	1 April <u>2001</u> £000	2 July <u>2000</u> £000
Amounts falling due within one year:		
Bank overdraft	1,838	2,509
Trade creditors	362	419
Amounts owed to Group Undertakings:		
- Parent undertakings	45	70
Amounts owed to undertakings under common control	196	246
Taxation & social security	175	115
Accruals and deferred income	<u>220</u>	<u>326</u>
	<u>2,836</u>	<u>3,685</u>

12. <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	Deferred <u>Tax</u> £000
At 3 July 2000	161
Profit and loss charge	<u>44</u>
At 1 April 2001	<u>205</u>

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

	<u>Provided</u>		<u>Unprovided</u>	
	1 April <u>2001</u> £000	2 July <u>2000</u> £000	1 April <u>2001</u> £000	2 July <u>2000</u> £000
Capital allowances in excess of depreciation	<u>205</u>	<u>161</u>	=	=

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

13. CALLED UP SHARE CAPITAL

	<u>2001</u>	<u>2000</u>
	£000	£000
Authorised, allotted and fully paid: 400,000 ordinary shares of £1 each	<u>400</u>	<u>400</u>

14. RESERVES

	<u>Profit & Loss Account</u>
	£000
At 3 July 2000	(134)
Retained Loss for the period	(61)
At 1 April 2001	<u>(195)</u>

15. PENSIONS

The Company is a member of The Autobar Group Retirement Benefit Plan which is a fully funded defined benefit scheme. The Company's contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company.

The contributions to the UK scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 July 2000.

The pension charge for the year was £29,000 (2000 - £52,000).

Full details are disclosed in the financial statements of Autobar Group Limited the intermediate parent company

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

16. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	39 weeks ended 1 <u>April 2001</u> £000	53 weeks ended 2 <u>July 2000</u> £000
Operating loss	(193)	(921)
Depreciation charge	97	194
Gain on sale of tangible fixed assets	-	(8)
Decrease/(Increase) in stocks	18	(159)
(Increase)/Decrease in debtors	(339)	117
(Decrease)/Increase in creditors	(178)	195
Net cash outflow from operating activities	<u>(595)</u>	<u>(582)</u>

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	39 weeks ended 1 <u>April 2001</u> £000 £000		53 weeks ended 2 <u>July 2000</u> £000 £000	
INCREASE/(DECREASE) IN CASH IN THE PERIOD	<u>671</u>		<u>(1,035)</u>	
MOVEMENT IN NET DEBT IN THE PERIOD	671		(1,035)	
NET DEBT AT 3 July 2000	<u>(2,509)</u>		<u>(1,474)</u>	
NET DEBT AT 1 April 2001	<u>(1,838)</u>		<u>(2,509)</u>	

18. ANALYSIS OF NET DEBT

	At 3 July 2000 £000	Cash Flow £000	At 1 April 2001 £000
Overdrafts	<u>(2,509)</u>	<u>671</u>	<u>(1,838)</u>

AUTOBAR FLEXIBLE UK LIMITED

NOTES TO THE ACCOUNTS

39 Weeks Ended 1 April 2001

19. ULTIMATE AND INTERMEDIATE PARENT COMPANY

At 1 April 2001, St Martins Le Grand Limited was the company's ultimate parent company and Autobar Group Limited its intermediate parent company. Both companies are incorporated in Great Britain and their financial statements can be obtained from Companies House, Crown Way, Maindy Cardiff, CF4 3UZ.

20. FINANCIAL COMMITMENTS

There are no capital commitments. (2000-£NIL)

21. RELATED PARTY TRANSACTIONS

As identified in Note 19 at 1 April 2001 St Martins Le Grand Limited was the company's ultimate parent company and Autobar Group Limited its intermediate parent company. St Martins Le Grand Limited is ultimately owned by the Government of Kuwait. The Government of Kuwait also ultimately owns Autobar Group BV a Dutch registered group of companies. The company has during the year entered into some normal trading transactions with companies within these two groups.

Normal trading transactions also occur between the company and companies within the Autobar Group Limited group. The consolidated financial statements of Autobar Group Limited are publicly available and accordingly, as a result of the exemption allowed by Financial Reporting Standard 8, no disclosure of these transactions is made in the company's financial statements.