

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

NOTICE OF MEETING

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Notice is hereby given that the 21st Annual General Meeting of the Members of Alliance Smurfit Cases (Tamworth) Limited will be held at Alliance Works, Orford Lane, Warrington on 5 May 1981.

- 1 To consider, approve and adopt the Directors' Report and Accounts for the year ended 31 January 1981.
- 2 To re-appoint the auditors.
- 3 To authorise the directors to fix the remuneration of the auditors.
- 4 To transact any other ordinary business of the Company.

By order of the board

R A Dowson



Secretary

Alliance Works  
Orford Lane  
Warrington

31 March 1981

Ernst & Whinney



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ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

DIRECTORS' REPORT

The directors submit the audited accounts for the year ended 31 January 1981.

RESULTS

The results for the year as set out on page 4 reflect a profit after taxation of £286,378. No final dividend is proposed by the directors.

No important events have occurred since the end of the financial year to affect the current trading of the company.

PRINCIPAL ACTIVITIES

The principal activity of the company is the manufacture of corrugated containers.

DIRECTORS

The directors at 31 January 1981 were as follows:

Mr C A Mustard  
Mr R I Buck  
Mr E H Marron  
Mr R A Dowson  
Mr A McIntosh  
Mr C C Fry

Mr H Percival resigned on 30 September 1980

None of the directors had a direct beneficial interest in the shares of the company or in any other group company incorporated in Great Britain, either at the beginning or end of the year.

EXPORTS

The value of goods exported from the United Kingdom during the year was £58,419.

AUDITORS

Ernst & Whinney have expressed their willingness to continue in office as auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the board

R A Dowson

Secretary



Lichfield Road  
Tamworth  
Staffordshire

31 March 1981

Ernst & Whinney

Ernst & Whinney Chartered Accountants

REPORT OF THE AUDITORS TO THE MEMBERS

We have examined the accounts of Alliance Smurfit Cases (Tamworth) Limited set out on pages 4 to 11. These have been prepared under the historical cost convention as explained in note 1(a). Our audit has been carried out in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 January 1981 and of the profit and changes in retained profits for the year then ended and comply with the Companies Acts 1948 to 1980.

The company has not complied with the requirement of Statement of Standard Accounting Practice No 10 in that it has not presented a source and application of funds statement.

*Ernst & Whinney*  
Ernst & Whinney

Liverpool

31 March 1981

Ernst & Whinney

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 1981

	Note	£	1981 £	1980 £
Net Turnover	2		9,725,028	8,817,075
Cost of sales			8,207,636	7,290,242
<b>GROSS PROFIT</b>			<u>1,517,392</u>	<u>1,526,833</u>
Distribution costs		379,816		355,613
Administrative expenses		501,989		424,122
			<u>881,805</u>	<u>779,735</u>
<b>OPERATING PROFIT</b>	3		<u>635,587</u>	<u>747,098</u>
Interest payable	5		22,434	19,530
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<u>613,153</u>	<u>727,568</u>
Taxation on profit on ordinary activities	6		326,775	367,353
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			<u>286,378</u>	<u>360,215</u>
Dividends	7		-	360,215
<b>RETAINED PROFIT FOR THE YEAR</b>			<u>£ 286,378</u>	<u>£ -</u>
<b>STATEMENT OF RETAINED PROFITS</b>				
Balance at 31 January 1980			554,122	554,122
Retained profit for the year			286,378	-
<b>Balance at 31 January 1981</b>			<u>£ 840,500</u>	<u>£ 554,122</u>

Ernst & Whinney

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

BALANCE SHEET AT 31 JANUARY 1981

	Note	£	1981 £	1980 £
<b>ASSETS EMPLOYED</b>				
<b>FIXED ASSETS</b>				
Intangible assets			-	-
Tangible assets	8		1,619,497	1,648,227
Financial assets			-	-
<b>CURRENT ASSETS</b>				
Stocks	9	586,725		564,600
Debtors	10	1,802,764		1,739,907
Bank balances and cash		87,057		18,395
				<u>2,322,902</u>
<b>CURRENT LIABILITIES</b>	11	<u>2,476,546</u>		<u>1,874,922</u>
		<u>2,080,819</u>		
<b>NET CURRENT ASSETS</b>			<u>395,727</u>	<u>447,980</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£2,015,224</u>	<u>£2,096,207</u>
<b>FINANCED BY:</b>				
<b>CREDITORS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR</b>				
	12		-	367,361
<b>CAPITAL RESERVES</b>				
Called capital	14		250,000	250,000
Revaluation reserve	15		812,496	812,496
General revenue reserve	15		112,228	112,228
Profit brought forward	15		554,122	554,122
Retained profit for the year	15		286,378	-
			<u>£2,015,224</u>	<u>£2,096,207</u>

Ernst & Whinney

*E H Marron*  
*R A Dowson*

E H Marron)  
 ) Directors  
 R A Dowson)

£2,015,224      £2,096,207

## ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

## NOTES ON THE ACCOUNTS - 31 JANUARY 1981

## 1 ACCOUNTING POLICIES

## a) Accounting convention

The accounts are prepared under the historical cost convention except for the freehold land and buildings which are included at their revalued amounts.

## b) Depreciation

Freehold land is not depreciated. The cost or valuation of other fixed assets is written off over their expected useful lives as follows:

Freehold buildings	100 years		
		Residue of expenditure at 30 April 1976	Subsequent additions
Plant & machinery	8 years		10 years
Motor vehicles	5 years		5 years
Fixtures and fittings	10 years		10 years
Office equipment	8 years		10 years

## c) Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value including where appropriate, a proportion of overhead expenses. Full provision has been made for all damaged, deteriorated, obsolescent and unusable materials.

## d) Deferred taxation

Provision is made for deferred taxation, under the liability method on all material timing differences which are not expected to continue for the foreseeable future.

## 2 TURNOVER

Net turnover comprises the invoice value of goods supplied by the company exclusive of VAT.

## 3 OPERATING PROFIT is stated after charging:

	1981 £	1980 £
Depreciation	108,568	103,038
Hire of plant and equipment	191,538	182,981
Auditors' remuneration	3,070	2,600
Profit/(loss) on sale of fixed assets	-	595
Emoluments of directors of the company (Note 4)	44,139	26,519
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ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

NOTES ON THE ACCOUNTS - 31 JANUARY 1981

4 EMOLUMENTS OF DIRECTORS

	1981 £	1980 £
Fees	NIL	NIL
Remuneration, including pension contributions	44,139	26,519
	<u>£44,139</u>	<u>£26,519</u>

The emoluments, excluding pension contributions, of directors of the company are detailed as follows:

	1981 £	1980 £
Chairman	NIL	NIL
Highest paid director	17,284	14,268

Number of directors

Other directors, in scale		
Not more than £5,000	2	5
£5,001 to £10,000	-	1
£10,001 to £15,000	2	-

5 INTEREST PAYABLE

	1981 £	1980 £
Bank interest	22,434	19,530

6 TAXATION

	1981 £	1980 £
The charge for taxation is made up as follows:		
Corporation tax on the taxable profits for the year at 52%	325,689	367,361
Transfer from deferred taxation accounts	-	-
	<u>325,689</u>	<u>367,361</u>
Adjustments for previous periods	1,086	(8)
	<u>£326,775</u>	<u>£367,353</u>

The charge for taxation for the year has been reduced by approximately £9,894 (1980 £24,000) being the effect of accelerated capital allowances and stock appreciation relief for which no provision for deferred taxation is considered necessary.

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

NOTES ON THE ACCOUNTS - 31 JANUARY 1981

6 TAXATION (continued)

Stock relief has been calculated in accordance with the provisions outlined in the Inland Revenue Consultative Document dated 14 November 1980 and which are expected to be incorporated in the Finance Act 1981.

7 DIVIDENDS

Dividends on the ordinary share capital were as follows:

	1981 £	1980 £
Paid	-	-
Proposed	-	360,215
	<u>£ -</u>	<u>£360,215</u>

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>				
At 31 January 1980	1,050,000	1,301,733	31,102	2,382,835
Additions during year	-	64,328	-	64,328
Group transfers in	10	35,514	395	35,919
Cost of disposals	-	(12,610)	-	(12,610)
Group transfers out	-	(31,926)	-	(31,926)
Surplus on revaluation	-	-	-	-
	<u>1,050,010</u>	<u>1,357,039</u>	<u>31,497</u>	<u>2,438,546</u>
<b>DEPRECIATION</b>				
At 31 January 1980	12,775	694,473	27,360	734,608
Charge for year	6,500	100,700	1,368	108,568
Group transfers in	-	3,250	395	3,645
Relating to disposals	-	(12,610)	-	(12,610)
Group transfers out	-	(15,162)	-	(15,162)
	<u>19,275</u>	<u>770,651</u>	<u>29,123</u>	<u>819,049</u>
Net book amounts at:				
31 January 1981	<u>£1,030,735</u>	<u>£ 586,388</u>	<u>£ 2,374</u>	<u>£1,619,497</u>
31 January 1980	<u>£1,037,225</u>	<u>£ 607,260</u>	<u>£ 3,742</u>	<u>£1,648,227</u>

At 31 January 1981 the directors have authorised future capital expenditure which, without taking account of Government grants, amounts to:

	1981 £	1980 £
Contracted	3,500	8,037
Not contracted	-	-
	<u>£3,500</u>	<u>£8,037</u>

L. & W. WINDY



ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED

NOTES ON THE ACCOUNTS - 31 JANUARY 1981

9 STOCK AND WORK IN PROGRESS

	1981 £	1980 £
Raw materials		
Work in progress	296,436	319,274
Finished goods	52,279	39,605
Consumables	146,865	113,938
	91,145	91,783
	<u>£586,725</u>	<u>£564,600</u>

10 DEBTORS

	1981 £	1980 £
Trade debtors		
Amounts owed by affiliated undertakings	1,542,990	1,569,998
Amounts owed by participating interests	151,402	146,564
Other debtors	65,047	-
Prepayments	450	1,000
	42,875	22,345
	<u>£1,802,764</u>	<u>£1,739,907</u>

11 CURRENT LIABILITIES

	1981 £	1980 £
Trade creditors		
Amounts owed to affiliated undertakings	991,260	631,345
Amounts owed to participating interests	207,141	332,682
Other creditors including tax and social security	-	456,259
Accruals	810,298	363,689
	72,120	90,947
	<u>£2,080,819</u>	<u>£1,874,922</u>

12 CREDITORS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

	1981 £	1980 £
Future taxation	-	367,361
	<u>£ -</u>	<u>£ 367,361</u>

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED  
 NOTES ON THE ACCOUNTS - 31 JANUARY 1981

13 DEFERRED TAXATION

No provision has been made for deferred taxation.

If timing differences were expected to reverse in full within the foreseeable future provision would have been made as follows:

	1981 £	1980 £
Taxation deferred by capital allowances	387,314	401,355
Taxation deferred by stock appreciation relief	60,365	37,482
	<u>447,679</u>	<u>438,837</u>
Other timing differences	-	-
	<u>£447,679</u>	<u>£438,837</u>

No provision has been made for any liability to taxation which would arise on land and buildings being sold at their book value which includes a revaluation increment.

14 CALLED CAPITAL

	Authorised		Issued and fully paid	
	1981 £	1980 £	1981 £	1980 £
Ordinary shares of £1 each	250,000	250,000	250,000	250,000
	<u>£250,000</u>	<u>£250,000</u>	<u>£250,000</u>	<u>£250,000</u>

15 RESERVES

	Revaluation reserve £	General revenue reserve £	Retained Profit Brought forward £	Profit For the year £
At 31 January 1980	812,496	112,228	554,122	-
Retained profit for the year transferred	-	-	-	-
Retained profit for the year	-	-	-	286,378
At 31 January 1981	<u>£812,496</u>	<u>£112,228</u>	<u>£554,122</u>	<u>£286,378</u>

Ernst & Young

ALLIANCE SMURFIT CASES (TAMWORTH) LIMITED  
NOTES ON THE ACCOUNTS - 31 JANUARY 1981

16 PENSION OBLIGATIONS

The Group's pension fund was restructured on 1 April 1978 and the current rate of contributions is considered to be sufficient to provide the benefits presently attributable to employees under the modified scheme.

17 CONTINGENT LIABILITIES

The company, together with certain fellow subsidiaries, has guaranteed bank overdrafts and loans of group companies.

18 EMPLOYEES & STAFF COSTS

The average number of employees of the group in each week in the year was and is broken down into the following categories:

Manufacture	250
Administration	<u>80</u>
	330

£

Wages & Salaries	1,821,791
Social Security costs	183,956
Pension costs	<u>65,603</u>
	<u>£2,071,350</u>

19 HOLDING COMPANY

The ultimate holding company is Jefferson Smurfit Group Limited, a company incorporated in the Republic of Ireland.

Ernst & Whinney