

**AUTOBAR FLEXIBLE UK LIMITED**

**Report and Financial Statements**

For the 53 weeks ended 3<sup>rd</sup> April 2005



# **AUTOBAR FLEXIBLE UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **AUTOBAR FLEXIBLE UK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

<b>M J Davey</b>	Resigned: 2 August 2004
<b>M J O'Leary</b>	Resigned: 21 July 2004
<b>O G Smadja</b>	Resigned: 24 March 2005
<b>A H Cunliffe</b>	Appointed: 2 August 2004 Resigned: 13 January 2005
<b>S R Dawson</b>	Appointed: 2 August 2004
<b>D M Edwards</b>	Appointed: 12 April 2005

### **SECRETARY**

W T McKay

### **REGISTERED OFFICE**

41-42 Kew Bridge Road  
Brentford  
Middlesex  
TW8 0DY

### **BANKERS**

Lloyds TSB Bank Plc  
City Office  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Gillingham  
Kent  
ME8 0LS

### **SOLICITORS**

Boyes Turner Abbots House Abbey Street Reading Berks RG1 3BD	Speechly Bircham 6 St Andrew Street London EC4A 3LX
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### **AUDITORS**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

# 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 a fifty-three week period ended 3rd April 2005. The comparative financial year was a fifty-two week period ended 28th March 2004.

## PRINCIPAL ACTIVITIES

The company manufactured polythene sheets and bags during the year. The manufacturing operations ceased in February 2005 and the company is currently being wound down.

## BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company made a loss before taxation of £1,510,000 (2004 – loss of £260,000).

## RESULTS

	53 weeks ended 3 April 2005 £'000	52 weeks ended 28 March 2004 £'000
Turnover	5,250	5,372
Loss before tax	(1,510)	(260)
Tax credit on loss on ordinary activities	134	69
Loss after tax	(1,376)	(191)
Dividends	-	400
Loss transferred to reserves	(1,376)	(591)

The company ceased operations in February 2005. The directors do not envisage that there will be any further business activity by the company. The directors do not propose to pay a dividend for this year (2004: £400,000).

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year are set out on page 1.

No directors had any disclosable interests in the shares of any group company or any material interests in any contracts of significance to the group's business.

## RESEARCH AND DEVELOPMENT

No research and development has been undertaken during the year.

## POLITICAL AND CHARITABLE DONATIONS

The company has made no political or charitable donations during the year (2004 - £nil).

# AUTOBAR FLEXIBLE UK LIMITED

## DIRECTORS' REPORT

### STATEMENT OF DIRECTORS' RESPONSABILITIES

United Kingdom company law requires the directors to prepare financial statement for each 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 year. In preparing those financial statements, the directors are required to:

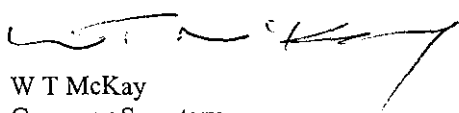
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimated that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 3 April 2005 was 34 days (2004 – 79 days).

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



W T McKay  
Company Secretary  
22 July 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AUTOBAR FLEXIBLE UK LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes.

**Respective responsibilities of directors and auditors**

*The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.*

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purposes. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 to you 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 is not disclosed.

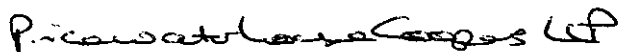
**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's 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 affairs of the company at 3 April 2005 and the loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
22 July 2005

# AUTOBAR FLEXIBLE UK LIMITED

## PROFIT AND LOSS ACCOUNT 53 weeks ended 3<sup>rd</sup> April 2005

	Note	53 weeks ended 3 3 April 2005 £'000	52 weeks ended 28 March 2004 £'000
<b>TURNOVER: discontinued operations</b>	2	5,250	5,372
Net operating charges	3	(6,363)	(5,636)
<b>OPERATING LOSS: discontinued operations</b>		(1,113)	(264)
Loss on sale of tangible fixed assets		372	-
Net interest (payable)/ receivable	4	(25)	4
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,510)	(260)
Tax on loss on ordinary activities	6	134	69
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(1,376)	(191)
Dividends		-	400
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>	14	(1,376)	(591)

There are no recognised gains or losses other than the loss in both the current and prior years, and, accordingly, no statement of total recognised gains and losses is given.

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

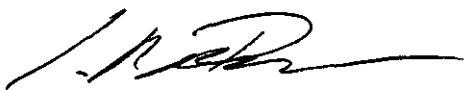
# AUTOBAR FLEXIBLE UK LIMITED

## BALANCE SHEET AT 3<sup>RD</sup> APRIL 2005

	Note	2005		2004	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible assets	8		-		664
<b>CURRENT ASSETS</b>					
Stocks	9	-		597	
Debtors	10	992		1,475	
Cash at bank and in hand		-		152	
				<u>2,224</u>	
		992			
<b>CREDITORS: amounts falling due within one year</b>					
	11	(891)		(1,277)	
				<u></u>	
<b>NET CURRENT ASSETS</b>			101		947
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			101		1,611
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
	12		-		(134)
				<u></u>	
<b>TOTAL NET ASSETS</b>			101		1,477
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		400		400
Profit and loss account	14		(299)		1,077
			<u></u>		<u></u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			101		1,477
			<u></u>		<u></u>

These financial statements were approved by the Board of Directors on 22 July 2005

Signed on behalf of the Board of Directors



S R Dawson

Director



**AUTOBAR FLEXIBLE UK LIMITED**

**CASH FLOW STATEMENT**  
**53 weeks ended 3<sup>rd</sup> April 2005**

	Note	53 weeks ended 3 <sup>rd</sup> April 2005		52 weeks ended 28 March 2004	
		£'000	£'000	£'000	£'000
<b>Net cash (outflow)/inflow from operating activities</b>	16		(458)		306
<b>Returns on investments and servicing of finance</b>					
Interest (paid)/ received		(25)		4	
<b>Net cash inflow from returns on investments and servicing of finance</b>			(25)		4
<b>Taxation</b>					125
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(104)		(100)	
Receipts from sales of tangible fixed assets		294		314	
<b>Net cash outflow from capital expenditure and financial investment</b>			190		214
<b>Equity dividend paid</b>			-		(400)
<b>Net cash inflow from financing</b>					
<b>(Decrease)/ increase in cash in the year</b>	17		(293)		249

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 3<sup>rd</sup> April 2005

### I. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Companies Act 1985. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Turnover

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

#### 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 transactions. All exchange differences are dealt with in the profit and loss account.

#### Depreciation

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

Land and buildings:	
Freehold land	No depreciation provided
Freehold buildings	30 – 50 years
Leasehold land and buildings and additions	Over unexpired period of the lease
Plant and machinery	3 – 10 years
Fixtures and fittings	5 – 7 years
Payments on account	No depreciation provided

#### Deferred taxation

Deferred taxation 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 periods different from those in which they are included in the financial statements.

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.

#### Pensions

Pensions to United Kingdom employees were funded through contributions to an insurance company under The Autobar Group Retirement Benefits Plan. The company is unable to identify its share of the underlying assets and liabilities within that pension scheme; contributions to the scheme in the period are charged in full to the profit and loss account.

Acorn (Netherlands) Z BV, the company's intermediate parent company and the parent of the smallest group for which accounts are drawn up and of which the company is a member, has implemented in full FRS 17 "Retirement benefits".

#### 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 material, labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 3<sup>rd</sup> April 2005

### 1. ACCOUNTING POLICIES (continued)

#### Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the lease and depreciated over their useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

### 2. ANALYSIS OF TURNOVER

The company was engaged in one class of business during the year.

Turnover is analysed below:

Geographical analysis of turnover by destination	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
United Kingdom	4,467	4,444
Other European countries	783	928
	<u>5,250</u>	<u>5,372</u>

The origin of all turnover is the United Kingdom.

### 3. NET OPERATING CHARGES

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
Change in stocks of finished goods and work-in-progress	413	106
Raw materials and consumables	3,802	4,330
Goods purchased for resale	107	176
Other external charges		
Staff costs:		
- wages and salaries	1,042	765
- social security costs	71	58
- other pension costs	37	40
Depreciation and other amounts written off tangible fixed assets:		
- owned assets	102	99
Auditors' remuneration:		
- audit fees	9	7
- other services	5	6
Other operating charges	786	70
Exchange gains	(11)	(21)
	<u>6,363</u>	<u>5,636</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

### 53 weeks ended 3<sup>rd</sup> April 2005

Net operating charges includes exceptional costs amounting to £289,000 relating to redundancy costs (£266,000) and closure costs (£23,000).

#### 4. NET INTEREST PAYABLE

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
Interest payable and similar charges:		
- Group company loans	(25)	-
- Interest receivable - bank	-	4
	<u>(25)</u>	<u>4</u>

#### 5. DIRECTORS AND EMPLOYEES

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
Directors' emoluments (excluding pension contributions)	-	-

5 directors (2004 – 3) who served during the year are members of a defined benefit scheme.

	2005 Number	2004 Number
Average monthly number of persons employed (including directors):		
- Production	32	34
- Sales and distribution	8	9
- Administration	3	4
	<u>42</u>	<u>47</u>

#### 6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
United Kingdom corporation tax at 30% (2004 – 30%)	-	68
United Kingdom deferred taxation	134	9
Prior year adjustment	-	(8)
	<u>134</u>	<u>69</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 3<sup>rd</sup> April 2005

### 6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

Factors affecting tax credit for the current year:

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (last period 30%). The differences are explained below:

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
Loss on ordinary activities before tax	(1,510)	(260)
Tax credit on loss on ordinary activities at standard rate	(453)	(78)
Effects of:		
Expenses not deductible for tax purposes	114	1
Accelerated capital allowances and other timing differences	134	9
Group relief surrendered	205	-
Current tax credit for the year	<u>-</u>	<u>(68)</u>

### 7. DIVIDENDS

No dividend has been paid in the year (2004 - £400,000).

### 8. TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 29 March 2004	2,792	161	2,953
Additions	104	-	104
Disposals	(2,896)	(161)	(3,057)
At 3 April 2005	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>			
At 29 March 2004	(2,147)	(142)	(2,289)
Charge for period	(95)	(7)	(102)
Disposals	2,242	149	2,391
At 3 April 2005	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
At 3 April 2005	<u>-</u>	<u>-</u>	<u>-</u>
At 28 March 2004	<u>645</u>	<u>19</u>	<u>664</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS 53 weeks ended 3<sup>rd</sup> April 2005

### 9. STOCKS

	2005 £'000	2004 £'000
Raw materials and consumables	-	184
Work-in-progress	-	40
Finished goods and goods for resale	-	373
	<u>-</u>	<u>597</u>

### 10. DEBTORS

	2005 £'000	2004 £'000
Trade debtors	793	1,322
Amounts owed by group undertakings		
- fellow subsidiary undertakings	67	15
- parent undertakings	-	10
Prepayments and other debtors	132	128
	<u>992</u>	<u>1,475</u>

### 11. CREDITORS

	2005 £'000	2004 £'000
Amounts falling due within one year:		
Bank overdraft	141	-
Trade creditors	256	806
Amounts owed to group undertakings		
- parent undertakings	175	1
- fellow subsidiary undertakings	125	123
Taxation and social security	129	78
Other creditors and accruals	65	269
	<u>891</u>	<u>1,277</u>

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £'000
At 29 March 2004	134
Profit and loss credit	<u>(134)</u>
At 3 April 2005	<u>-</u>

The amounts of deferred taxation provided are as follows:

	2005 £'000	2004 £'000
Capital allowances in excess of depreciation	-	<u>134</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 3<sup>rd</sup> April 2005

### 13. CALLED UP SHARE CAPITAL

	2004 £'000	2003 £'000
<b>Authorised, called up, allotted and fully paid</b>		
400,000 ordinary shares of £1 each	400	400

### 14. RESERVES

	Profit and loss account £'000
At 29 March 2004	1,077
Retained loss for the year	(1,376)
At 3 April 2005	(299)

### 15. PENSIONS

The company is a member of The Autobar Group Retirement Benefits Plan, which is a contracted out final salary defined benefit pension scheme for employees in the United Kingdom.

The pension costs relating to the group plan are assessed in accordance with the advice of an independent qualified actuary and in accordance with certain assumptions.

The company is unable to identify its share of the underlying assets and liabilities as each employer is exposed to the actuarial risks associated with current and former employees of other entities participating in The Autobar Group Retirement Benefits Plan. A review of the whole scheme was prepared at 3 April 2005 by an independent qualified actuary for the purposes of FRS 17 "Retirement Benefits". At that date, there was an excess of liabilities over assets of £28,140,000 (2004: £33,497,000) and the Group has commenced a planned series of special contributions to the scheme, to fund the deficit. It is not expected that there will be any additional implications for the company itself.

Full disclosure, in accordance with the requirements of FRS 17 "Retirement Benefits" are given in the accounts of Acorn (Netherlands) Z BV, the company's intermediate parent company and the parent of the smallest group for which accounts are drawn up and of which the company is a member.

The pension charge to the company for the year to 3 April 2005 was £37,000 (2004 - £40,000).

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 3<sup>rd</sup> April 2005

### 16. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
Operating loss	(1,485)	(264)
Depreciation charge	102	99
Loss on sale of tangible fixed assets	372	-
Decrease in stocks	597	41
Decrease in debtors	483	341
(Decrease)/increase in creditors	(527)	89
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(458)	306
	<hr/> <hr/>	<hr/> <hr/>

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

	53 weeks ended 3rd April 2005 £'000	52 weeks ended 28 March 2004 £'000
(Decrease)/ increase in cash in the year	(152)	249
Increase in overdraft in the year	(141)	-
	<hr/>	<hr/>
Movement in net debt in the year	(293)	249
Net debt at 28 March 2004	152	(97)
	<hr/>	<hr/>
Net debt at 3 April 2005	(141)	152
	<hr/> <hr/>	<hr/> <hr/>

### 18. ANALYSIS OF NET DEBT

	At 28March 2004 £'000	Cash flow £'000	At 3 April 2005 £'000
Cash at bank and in hand	152	(152)	-
Overdrafts	-	(141)	(141)
	<hr/>	<hr/>	<hr/>
Total	152	(293)	(141)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

53 weeks ended 3<sup>rd</sup> April 2005

### 19. ULTIMATE AND INTERMEDIATE PARENT COMPANY

The ultimate parent and controlling party is the Charterhouse Capital Partners VII Fund. This fund is managed by Charterhouse General Partners VII Limited.

The parent company of the largest group for which consolidated financial statements will be published is Acorn (Netherlands) Z BV, a company incorporated in The Netherlands.

The accounts can be obtained from the following:

Kamer van Koophandel en Fabrieken voor Rotterdam  
Blaak 40  
3011 TA ROTTERDAM  
The Netherlands

### 20. FINANCIAL COMMITMENTS

At 3 April 2005, the company was committed to making the following payments during the next year in respect of operating leases:

	2005	2004
	£'000	£'000
Leases which expire:		
Within two to five years	-	39

### 21. RELATED PARTY TRANSACTIONS

Normal trading transactions also occur between the company and companies within the Acorn (Netherlands) Z BV group. The consolidated financial statements of Acorn (Netherlands) Z BV 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.

### 22. CONTINGENT LIABILITIES

The company together with its parent company and a number of related group companies have put in place cross-guarantees for obligations under facilities agreements. The guarantors thereby have the ability to benefit from the provision of the facilities to the Group and its related entities. The Directors are of the opinion that these arrangements will not have a material impact on the financial statements

Security, in the form of fixed and floating charges over certain of the group's assets, has been given by the company, its parent company, and a number of related companies to secure the obligations under the facilities agreements.