

AUTOBAR POLYFILM LIMITED
REPORT AND FINANCIAL STATEMENTS
1995



AUTOBAR POLYFILM LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

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AUTOBAR POLYFILM LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

M J Davey, B.A., F.C.A.
R Kelly, B.Sc.
J J P Muir, M.B.A.
A P Dacey, M.A., F.C.A.

SECRETARY

W T McKay, B.B.S., F.C.A.

REGISTERED OFFICE

41-42 Kew Bridge Road
Brentford
Middlesex
TW8 0DY

BANKERS

Lloyds Bank Plc
City Office
72 Lombard Street
London
EC3P 3BT

AUDITORS

Touche Ross & Co.
Chartered Accountants
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF2 1TS

AUTOBAR POLYFILM LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the financial year ("the year") which was a fifty two week period ended 2 July 1995. The comparative financial year was a fifty three week period ended 3 July 1994.

PRINCIPAL ACTIVITIES

The company manufactures polythene sheet and bags.

BUSINESS REVIEW

The company made a profit before taxation of £182,539 (1994 - profit £108,077). This occurred in spite of a major increase in raw material prices which caused short-term working capital problems. The company was able to maintain both volume and margins in difficult trading conditions.

<u>RESULTS</u>	<u>1995</u>	<u>1994</u>
	£000	£000
Turnover	<u>5,559</u>	<u>3,959</u>
Profit before tax	182	108
Tax	<u>(93)</u>	<u>(35)</u>
Profit after tax	89	73
Dividends	<u>(28)</u>	<u>-</u>
Transferred to reserves	<u>61</u>	<u>73</u>

Dividends of £28,000 have been paid (1994 - £NIL).

FUTURE DEVELOPMENTS

The company will continue to pursue a policy of maximising output together with a steady movement towards more added value sales and production.

AUTOBAR POLYFILM LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

Directors during the year to 2 July 1995 were as follows:

A W C Walford, F.H.C.I.M.A.	(Resigned 30 June 1995)
M J Davey, B.A., F.C.A.	(Appointed 29 June 1995)
R Kelly, B.Sc.	(Appointed 29 June 1995)
J J P Muir, M.B.A.	
A P Dacey, M.A., F.C.A.	

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.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and Officers' Liability Insurance has been purchased on behalf of the company by the intermediate parent company during the year.

EMPLOYEE INVOLVEMENT

The company makes its employees aware of the financial and economic factors affecting its performance by regular meetings supplemented by the issue of newsletters.

FIXED ASSETS

The movements in fixed assets during the year are set out in Note 8 to these accounts.

EMPLOYMENT OF DISABLED PERSONS

Every consideration is given to applications for employment from disabled persons. Where individuals are disabled in the course of their employment every effort is made to retain and assist such persons with their rehabilitation. All employees have equal training and career opportunities.

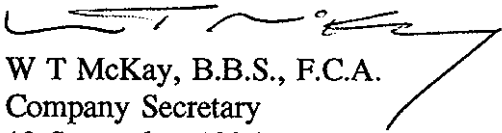
AUTOBAR POLYFILM LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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


W T McKay, B.B.S., F.C.A.
Company Secretary
12 September 1995

AUTOBAR POLYFILM LIMITED

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The directors are required by the Companies Act 1985 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 for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the Company and prevent and detect fraud and other irregularities. They are also responsible for preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and that applicable accounting standards have been followed.

By order of the Board



W T McKay, B.B.S., F.C.A.

Company Secretary

12 September 1995

AUTOBAR POLYFILM LIMITED

AUDITORS' REPORT TO THE MEMBERS OF AUTOBAR POLYFILM LIMITED

Year ended 2 July 1995

We have audited the financial statements on pages 7 to 20 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective Responsibilities of Directors and Auditors

As described on page 5, the company's directors are responsible for the preparation of financial statements. 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 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 2 July 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co

Touche Ross & Co.
Chartered Accountants
and Registered Auditors

Blenheim House
Fitzalan Court
Newport Road
Cardiff CF2 1TS

12 September 1995

AUTOBAR POLYFILM LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 2 July 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER - Continuing operations	2	5,558,821	3,958,977
NET OPERATING CHARGES	3	<u>(5,328,563)</u>	<u>(3,808,842)</u>
OPERATING PROFIT - Continuing operations		230,258	150,135
Net interest payable	4	<u>(47,719)</u>	<u>(42,058)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		182,539	108,077
Tax on profit on ordinary activities	6	<u>(93,148)</u>	<u>(34,652)</u>
PROFIT FOR THE FINANCIAL YEAR		89,391	73,425
Dividends	7	<u>(28,000)</u>	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	<u>61,391</u>	<u>73,425</u>

There are no recognised gains or losses other than the profit for the year in both the current and prior years.

AUTOBAR POLYFILM LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 2 July 1995

	<u>1995</u> £	<u>1994</u> £
Profit for the Financial Year	89,391	73,425
Dividends	<u>(28,000)</u>	-
Net addition to shareholders' funds	61,391	73,425
Opening shareholders' funds	<u>649,756</u>	<u>576,331</u>
Closing shareholders' funds	<u>711,147</u>	<u>649,756</u>

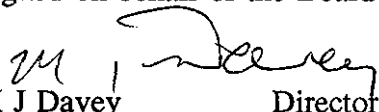
AUTOBAR POLYFILM LIMITED

BALANCE SHEET

2 July 1995

	<u>Note</u>	2 July 1995		3 July 1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		494,282		551,280
CURRENT ASSETS					
Stocks	9	607,079		424,710	
Debtors	10	1,423,243		863,491	
Cash at bank and in hand		<u>313</u>		<u>442</u>	
		2,030,635		1,288,643	
CREDITORS: Amounts falling due within one year	11(a)	<u>(1,813,770)</u>		<u>(1,179,233)</u>	
NET CURRENT ASSETS			<u>216,865</u>		<u>109,410</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			711,147		660,690
CREDITORS: Amounts falling due after more than one year	11(b)		-		(4,388)
PROVISIONS FOR LIABILITIES AND CHARGES	12		<u>-</u>		<u>(6,546)</u>
TOTAL NET ASSETS			<u>711,147</u>		<u>649,756</u>
CAPITAL AND RESERVES					
Called up share capital	13		400,000		400,000
Profit and loss account	14		<u>311,147</u>		<u>249,756</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>711,147</u>		<u>649,756</u>

These financial statements were approved by the Board of Directors on 12 September 1995.
Signed on behalf of the Board of Directors


M J Davey Director

AUTOBAR POLYFILM LIMITED

CASH FLOW STATEMENT

Year ended 2 July 1995

	<u>Note</u>	<u>1995</u>		<u>1994</u>	
		£	£	£	£
NET CASH INFLOW					
FROM OPERATING ACTIVITIES	16		187,108		55,837
RETURNS ON INVESTMENTS					
AND SERVICING OF FINANCE					
Dividends paid to Parent Company		(28,000)		-	
Interest paid		(43,089)		(48,462)	
NET CASH OUTFLOW					
FROM RETURNS ON INVESTMENTS					
AND SERVICING OF FINANCE			(71,089)		(48,462)
TAXATION					
Net group tax relief paid		(40,890)		-	
UK Corporation tax received		-		18,806	
TAX (PAID)/RECEIVED			(40,890)		18,806
INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(102,281)		(40,292)	
Sale of tangible fixed assets		5,150		2,500	
NET CASH OUTFLOW					
FROM INVESTING ACTIVITIES			(97,131)		(37,792)
DECREASE IN CASH					
AND CASH EQUIVALENTS	17		(22,002)		(11,611)

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

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:

Land and buildings:	
Freehold land	No depreciation provided
Freehold buildings	30 - 50 years
Leasehold buildings and additions	Over unexpired period of the lease
Plant and machinery	3 - 10 years
Motor Vehicles	3-7 years
Furniture and office equipment	7 years
Computer equipment	5 years
Fixtures and fittings	4 - 10 years

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

(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.

(g) Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all future costs to completion and all relevant marketing, selling and distribution costs.

(h) Government Grants

Governments grants receivable are treated as deferred income and credited to the profit and loss account in equal instalments over the life of the related assets.

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

2. TURNOVER

Geographical analysis of turnover by destination	1995	1994
	£	£
United Kingdom	5,124,211	3,706,684
Other European countries	<u>434,610</u>	<u>252,293</u>
	<u>5,558,821</u>	<u>3,958,977</u>

Turnover includes £360,323 (1994 - £310,645) made to fellow group companies.

3. NET OPERATING CHARGES

	1995	1994
	£	£
Change in stocks of finished goods and work in progress	(125,608)	(23,512)
Raw materials and consumables	3,425,168	2,003,294
Goods purchased for resale	144,277	69,551
Other external charges	968,801	909,181
Staff costs:		
Wages and salaries	674,203	599,960
Social security costs	49,389	46,002
Other pension costs	41,473	39,016
Depreciation and other amounts written off tangible fixed assets - owned assets	159,279	172,620
Auditors remuneration:		
Audit fees	5,500	6,850
Other services	900	850
Grants released to the profit and loss account	(9,669)	(12,470)
Profit on sale of tangible fixed assets	<u>(5,150)</u>	<u>(2,500)</u>
	<u>5,328,563</u>	<u>3,808,842</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

4.	<u>NET INTEREST PAYABLE</u>	<u>1995</u>	<u>1994</u>
		£	£
	Interest payable and similar charges:		
	- Bank loans and overdrafts and other loans repayable within five years	(47,719)	(42,058)
		<u>(47,719)</u>	<u>(42,058)</u>

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>1995</u>	<u>1994</u>
	£	£
Directors' emoluments:		
Fees	84,500	85,000
Other emoluments	10,598	11,396
Pension contributions	<u>8,704</u>	<u>8,178</u>
Emoluments (excluding pension contributions of Directors) in respect of services as Directors of the Company:		
Chairman	<u>-</u>	<u>-</u>
Highest paid Director	<u>58,643</u>	<u>60,603</u>

Other Directors' emoluments excluding pension contributions fell within the following ranges:

	<u>1995</u>	<u>1994</u>
	Number	Number
£0 - £5,000	2	-
£35,001 - £40,000	<u>1</u>	<u>1</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

	<u>1995</u>	<u>1994</u>
	Number	Number
Average number of persons employed:		
Production	49	43
Sales and Distribution	5	5
Administration	<u>4</u>	<u>4</u>
	<u>58</u>	<u>52</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
United Kingdom corporation tax at 33% (1994 - 33%) based on the profits for the year	(53,021)	(40,802)
United Kingdom deferred taxation	6,546	6,150
Prior year adjustment	<u>(46,673)</u>	<u>-</u>
	<u>(93,148)</u>	<u>(34,652)</u>

It is currently anticipated that the tax on profit on ordinary activities of £99,606 will be relieved by the surrender of losses by another group company in exchange for payment of the same amount.

7. DIVIDENDS

	<u>1995</u>	<u>1994</u>
	Per Share	Per Share
	£	£
Ordinary dividends on equity shares	<u>0.07p</u> <u>28,000</u>	<u>-</u> <u>-</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

8. TANGIBLE FIXED ASSETS

	<u>Freehold land & buildings</u> £	<u>Leasehold land & buildings</u> £	<u>Plant and machinery</u> £	<u>Fixtures and fittings</u> £	<u>Total</u> £
COST					
At 4 July 1994	150,919	61,413	2,167,710	91,719	2,471,761
Additions	-	-	102,281	-	102,281
Disposals	-	-	(43,883)	-	(43,883)
At 2 July 1995	<u>150,919</u>	<u>61,413</u>	<u>2,226,108</u>	<u>91,719</u>	<u>2,530,159</u>
ACCUMULATED DEPRECIATION					
At 4 July 1994	53,501	17,769	1,777,172	72,039	1,920,481
Charge for year	2,866	1,228	147,200	7,985	159,279
Disposals	-	-	(43,883)	-	(43,883)
At 2 July 1995	<u>56,367</u>	<u>18,997</u>	<u>1,880,489</u>	<u>80,024</u>	<u>2,035,877</u>
NET BOOK VALUE					
At 2 July 1995	<u>94,552</u>	<u>42,416</u>	<u>345,619</u>	<u>11,695</u>	<u>494,282</u>
At 3 July 1994	<u>97,418</u>	<u>43,644</u>	<u>390,538</u>	<u>19,680</u>	<u>551,280</u>

Plant and machinery costing £874,431 (1994 - £873,732) and fixtures and fittings costing £50,310 (1994 - £50,310) and which are fully depreciated, remain in use.

9. STOCKS

	<u>1995</u> £	<u>1994</u> £
Raw Materials and Consumables	261,548	204,787
Finished Goods and Goods for Resale	<u>345,531</u>	<u>219,923</u>
	<u>607,079</u>	<u>424,710</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

10. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	1,342,345	770,963
Amounts owed by Group undertakings:		
- Parent or fellow subsidiary undertakings	28,752	54,203
Other debtors	630	600
Prepayments and accrued income	<u>51,516</u>	<u>37,725</u>
	<u>1,423,243</u>	<u>863,491</u>

11. CREDITORS

	<u>1995</u>	<u>1994</u>
	£	£
(a) Amounts falling due within one year:		
Bank loans and overdrafts	27,991	6,118
Trade creditors	442,022	327,105
Bills of exchange payable	86,229	139,607
Amounts owed to Group undertakings:		
- Parent or fellow subsidiary undertakings	934,903	487,305
Taxation & social security	56,830	24,623
Capital Grants	4,388	9,669
Accruals and deferred income	<u>261,407</u>	<u>184,806</u>
	<u>1,813,770</u>	<u>1,179,233</u>
	<u>1995</u>	<u>1994</u>
	£	£
(b) Amounts falling due after more than one year:		
Capital Grants	<u>-</u>	<u>4,338</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

12. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Tax</u> £	<u>Total</u> £
At 4 July 1994	6,546	6,546
Profit and loss credit	<u>(6,546)</u>	<u>(6,546)</u>
At 2 July 1995	<u>—</u>	<u>—</u>

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

	<u>1995</u> £	<u>Provided 1994</u> £	<u>Unprovided 1995</u> £	<u>1994</u> £
Capital allowances in excess of depreciation	<u>—</u>	<u>6,546</u>	<u>—</u>	<u>—</u>

13. CALLED UP SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised, allotted and fully paid: 400,000, ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

All of the company's shareholders' funds are equity interests.

14. PROFIT AND LOSS ACCOUNT

	£
At 4 July 1994	249,756
Retained profit for the year	<u>61,391</u>
At 2 July 1995	<u>311,147</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

15. PENSIONS

The Company is member of the Autobar Group Retirement Benefit Plan which is fully funded defined benefit scheme. The Company's contribution to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employee's 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 1994.

The pension charge for the year was £41,473 (1994 - £39,016).

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

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Operating profit	230,258	150,135
Depreciation charge	159,279	172,620
Profit on sale of tangible fixed assets	(5,150)	(2,500)
Increase in stocks	(182,369)	(67,429)
(Increase)/Decrease in debtors	(559,752)	149,073
Increase/(Decrease) in creditors	<u>544,842</u>	<u>(346,062)</u>
Net cash inflow from operating activities	<u>187,108</u>	<u>55,837</u>

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>Bank overdraft</u>	<u>Cash at bank and in hand</u>	<u>Total</u>
	£	£	£
Balance at 28 June 1993	-	5,935	5,935
Net cash outflow	(6,118)	(5,493)	(11,611)
Balance at 3 July 1994	(6,118)	442	(5,676)
Net cash outflow	<u>(21,873)</u>	<u>(129)</u>	<u>(22,002)</u>
Balance at 2 July 1995	<u>(27,991)</u>	<u>313</u>	<u>(27,678)</u>

AUTOBAR POLYFILM LIMITED

NOTES TO THE ACCOUNTS

Year ended 2 July 1995

18. ULTIMATE AND INTERMEDIATE PARENT COMPANY

At 2 July 1995, St Martins Holdings Limited was the company's ultimate parent company and Autobar Group Limited its intermediate parent company. Both companies are registered in England and Wales and their financial statements can be obtained from Companies House, Crown Way, Maindy Cardiff, CF4 3UZ.

19. FINANCIAL COMMITMENTS

	<u>1995</u>
	£
(a) Capital Commitments	
Amounts not provided in accounts but contracted	<u>57,000</u>
Authorised but not contracted	<u>100,000</u>
(b) Operating Lease Commitments	

At 2nd July 1995 the company was not committed to any payments during the next year in respect of operating leases.