

**AUTOBAR FLEXIBLE UK LIMITED  
REPORT AND FINANCIAL STATEMENTS**

**2000**



# **AUTOBAR FLEXIBLE UK LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS 2000**

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# **AUTOBAR FLEXIBLE UK LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS 2000**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

M J Davey BA FCA  
M O'Leary FCA  
O G Smadja

#### **SECRETARY**

W T McKay BBS FCA

#### **REGISTERED OFFICE**

41-42 Kew Bridge Road  
Brentford  
Middlesex TW8 0DY

#### **BANKERS**

Lloyds TSB Bank plc  
City Office  
72 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 a fifty three week period ended 2 July 2000. The comparative financial year was a fifty two week period ended 27 June 1999.

## PRINCIPAL ACTIVITIES

The company manufactures polythene sheet and bags.

## BUSINESS REVIEW

The company made a loss before taxation of £1,076,000 (1999 – loss of £17,000). The company was unable to maintain either volume or margins in difficult trading conditions and the result suffered accordingly.

<u>RESULTS</u>	<u>2000</u> <u>£000</u>	<u>1999</u> <u>£000</u>
Turnover	<u>4,995</u>	<u>4,755</u>
Loss before tax	(1,076)	(17)
Tax	<u>319</u>	<u>4</u>
Loss after tax	(757)	(13)
Dividends	<u>-</u>	<u>(32)</u>
Transferred to reserves	<u>(757)</u>	<u>(45)</u>

No dividend has been paid or proposed (1999 - £32,000).

## 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.

## DIRECTORS AND THEIR INTERESTS

Directors during the year ended 2 July 2000 were as follows:

M J Davey	BA FCA	
M O'Leary	FCA	
A P Dacey	MA FCA	Resigned 18.02.00
O G Smadja		Appointed 12.08.99
J J P Muir		Resigned 16.07.99

## **AUTOBAR FLEXIBLE UK LIMITED**

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### **DIRECTORS' REPORT (continued)**

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.

### **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. (1999- £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 2 July 2000 was 47 days (1999 - 86 days).

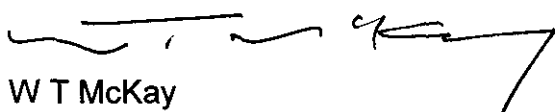
### **YEAR 2000 AND EURO ISSUE**

The directors have recognised the potential issues arising from the Millennium change and, following a programme of reviews, testing and upgrades where appropriate, no significant issues have been encountered with respect to the changeover. The directors continue to monitor any possible effects on the company's operations for the future, but expect these to be minimal. Future compliance costs are not expected to be material.

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 Year 2000 and Euro programmes 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  
13 September 2000

## **AUTOBAR FLEXIBLE UK LIMITED**

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### **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

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## AUDITORS' REPORT TO THE MEMBERS OF AUTOBAR FLEXIBLE UK LIMITED Year Ended 2 July 2000

We have audited the financial statements on pages 6 to 17 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 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 2 July 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants  
and Registered Auditors  
13 September 2000

Blenheim House  
Fitzalan Court  
Newport Road  
Cardiff CF24 0TS

## **AUTOBAR FLEXIBLE UK LIMITED**

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### **PROFIT AND LOSS ACCOUNT**

**Year Ended 2 July 2000**

	<b><u>Note</u></b>	<b><u>2000</u></b> <b>£000</b>	<b><u>1999</u></b> <b>£000</b>
<b>TURNOVER - Continuing operations</b>	2	4,995	4,755
<b>NET OPERATING CHARGES</b>	3	<u>(5,916)</u>	<u>(4,699)</u>
<b>OPERATING (LOSS)/PROFIT - Continuing operations</b>		(921)	56
Net interest payable	4	<u>(155)</u>	<u>(73)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,076)	(17)
Tax on loss on ordinary activities	6	<u>319</u>	<u>4</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(757)	(13)
Dividends	7	<u>-</u>	<u>(32)</u>
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>	14	<u>(757)</u>	<u>(45)</u>

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



## **AUTOBAR FLEXIBLE UK LIMITED**

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### **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Year Ended 2 July 2000**

	<u>2000</u> <u>£000</u>	<u>1999</u> <u>£000</u>
Loss for the Financial Year	(757)	(13)
Dividends	—	<u>(32)</u>
Net reduction in shareholders' funds	(757)	(45)
Opening shareholders' funds	<u>1,023</u>	<u>1,068</u>
Closing shareholders' funds	<u>266</u>	<u>1,023</u>

# AUTOBAR FLEXIBLE UK LIMITED

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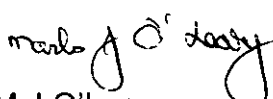
## BALANCE SHEET

2 July 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£000	£000
<b>FIXED ASSETS</b>			
Tangible assets	8	1,860	1,670
<b>CURRENT ASSETS</b>			
Stocks	9	636	477
Debtors	10	<u>1,616</u>	<u>1,429</u>
		2,252	1,906
<b>CREDITORS: Amounts</b>			
falling due within one year	11	<u>(3,685)</u>	<u>(2,455)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,433)</u>	<u>(549)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		427	1,121
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	<u>(161)</u>	<u>(98)</u>
<b>TOTAL NET ASSETS</b>		<u>266</u>	<u>1,023</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	400	400
Profit and loss account	14	<u>(134)</u>	<u>623</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>266</u>	<u>1,023</u>

These financial statements were approved by the Board of Directors on 13 September 2000.

Signed on behalf of the Board of Directors

  
M J O'Leary Director

## AUTOBAR FLEXIBLE UK LIMITED

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### CASH FLOW STATEMENT

Year Ended 2 July 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£000	£000
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	16	(582)	252
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		<u>(155)</u>	<u>(59)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(155)	(59)
<b>TAXATION</b>		78	(42)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(422)	(956)
Sale of tangible fixed assets		<u>46</u>	<u>9</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		(376)	(947)
<b>DIVIDENDS PAID</b>		<u>-</u>	<u>(32)</u>
<b>DECREASE IN CASH IN THE PERIOD</b>	18	<u>(1,035)</u>	<u>(828)</u>

# **AUTOBAR FLEXIBLE UK LIMITED**

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## **NOTES TO THE ACCOUNTS**

**Year Ended 2 July 2000**

### **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

Year Ended 2 July 2000

### (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	<u>2000</u> £000	<u>1999</u> £000
United Kingdom	4,747	4,410
Other European countries	<u>248</u>	<u>345</u>
	<u>4,995</u>	<u>4,755</u>

The company has one class of business.

### 3. NET OPERATING CHARGES

	<u>2000</u> £000	<u>1999</u> £000
Change in stocks of finished goods and work in progress	(103)	2
Other operating income	-	(82)
Raw materials and consumables	3,390	2,552
Goods purchased for resale	143	63
Other external charges	1,102	1,042
Staff costs:		
Wages and salaries	869	872
Social security costs	66	68
Other pension costs	52	56
Exceptional redundancy costs	197	-
Depreciation and other amounts written off tangible fixed assets		
- owned assets	194	122
Auditors remuneration:		
Audit fees	6	6
Other services	8	4
Profit on sale of tangible fixed assets	<u>(8)</u>	<u>(6)</u>
	<u>5,916</u>	<u>4,699</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 2 July 2000

### 4. NET INTEREST PAYABLE

	<u>2000</u> £000	<u>1999</u> £000
Interest payable and similar charges:		
- Bank loans and overdrafts	(155)	(73)

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	<u>2000</u> £000	<u>1999</u> £000
Directors' emoluments (excluding pension contribution)	44	110
Compensation for loss of office	<u>96</u>	<u>-</u>
	<u>140</u>	<u>110</u>

All Directors who served during the current and previous years are members of a defined benefit scheme.

	<u>2000</u> Number	<u>1999</u> Number
Average monthly number of persons employed (including Directors):		
Production	46	52
Sales and Distribution	7	7
Administration	<u>8</u>	<u>5</u>
	<u>61</u>	<u>64</u>

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

	<u>2000</u> £000	<u>1999</u> £000
United Kingdom corporation tax at 30% (1999 – 30.75%)	382	79
United Kingdom deferred taxation	<u>(63)</u>	<u>(75)</u>
	<u>319</u>	<u>4</u>

It is currently anticipated that the tax credit of £382,000 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.

### 7. DIVIDENDS

	<u>2000</u>		<u>1999</u>	
	Per Share	£000	Per Share	£000
Ordinary dividends on equity shares	<u>-</u>	<u>-</u>	<u>8p</u>	<u>32</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 2 July 2000

### 8. TANGIBLE FIXED ASSETS

	Freehold land & buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<b>COST</b>				
At 28 June 1999	435	3,534	129	4,098
Additions	16	272	134	422
Transfers to Group Company	-	(143)	-	(143)
Disposals	-	(199)	-	(199)
At 2 July 2000	<u>451</u>	<u>3,464</u>	<u>263</u>	<u>4,178</u>
<b>ACCUMULATED DEPRECIATION</b>				
At 28 June 1999	(95)	(2,233)	(100)	(2,428)
Charge for year	(10)	(177)	(7)	(194)
Transfer to Group Company	-	161	-	161
Disposals	-	143	-	143
At 2 July 2000	<u>(105)</u>	<u>(2,106)</u>	<u>(107)</u>	<u>(2,318)</u>
<b>NET BOOK VALUE</b>				
At 2 July 2000	<u>346</u>	<u>1,358</u>	<u>156</u>	<u>1,860</u>
At 27 June 1999	<u>340</u>	<u>1,301</u>	<u>29</u>	<u>1,670</u>

### 9. STOCKS

	<u>2000</u> £000	<u>1999</u> £000
Raw materials and consumables	256	200
Finished goods and goods for resale	<u>380</u>	<u>277</u>
	<u>636</u>	<u>477</u>

### 10. DEBTORS

	<u>2000</u> £000	<u>1999</u> £000
Trade debtors	1,114	1,262
Amounts owed by Group undertakings:		
- Subsidiary undertakings	40	19
- Parent undertakings	383	79
Prepayments and accrued income	<u>79</u>	<u>69</u>
	<u>1,616</u>	<u>1,429</u>

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 2 July 2000

### 11. CREDITORS

	<u>2000</u> £000	<u>1999</u> £000
Amounts falling due within one year:		
Bank overdraft	2,509	1,474
Trade creditors	419	486
Amounts owed to Group Undertakings:		
- Parent undertakings	70	27
Amounts owed to undertakings under common control	246	120
Taxation & social security	115	79
Accruals and deferred income	<u>326</u>	<u>269</u>
	<u>3,685</u>	<u>2,455</u>

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Tax</u> £000
At 28 June 1999	98
Profit and loss charge	<u>63</u>
	<u>161</u>

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

	<u>Provided</u>		<u>Unprovided</u>	
	<u>2000</u> £000	<u>1999</u> £000	<u>2000</u> £000	<u>1999</u> £000
Capital allowances in excess of depreciation	<u>161</u>	<u>98</u>	=	=

### 13. CALLED UP SHARE CAPITAL

	<u>2000</u> £000	<u>1999</u> £000
Authorised, allotted and fully paid: 400,000 ordinary shares of £1 each	<u>400</u>	<u>400</u>



## **AUTOBAR FLEXIBLE UK LIMITED**

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### **NOTES TO THE ACCOUNTS**

**Year Ended 2 July 2000**

#### **14. RESERVES**

	<b>Profit &amp; Loss Account £000</b>
At 28 June 1999	623
Retained Loss for the year	<u>(757)</u>
At 2 July 2000	<u>(134)</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 1997.

The pension charge for the year was £52,000 (1999 - £56,000).

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**

	<b><u>2000</u> £000</b>	<b><u>1999</u> £000</b>
Operating (Loss)/Profit	(921)	56
Depreciation charge	194	122
Gain on sale of tangible fixed assets	(8)	(6)
Increase in stocks	(159)	(19)
Decrease/(Increase) in debtors	117	(68)
Increase in creditors	<u>195</u>	<u>167</u>
Net cash (outflow)/inflow from operating activities	<u>(582)</u>	<u>252</u>

## AUTOBAR FLEXIBLE UK LIMITED

### NOTES TO THE ACCOUNTS

Year Ended 2 July 2000

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

	<u>2000</u>		<u>1999</u>	
	£000	£000	£000	£000
DECREASE IN CASH IN THE PERIOD	(1,035)		(828)	
MOVEMENT IN DEBT IN THE PERIOD		(1,035)		(828)
NET DEBT AT 28 JUNE 1999		(1,474)		(646)
NET DEBT AT 2 JULY 2000		(2,509)		(1,474)

#### 18. ANALYSIS OF NET DEBT

	At 28 June 1999 £000	Cash Flow £000	At 2 July 2000 £000
Overdrafts	(1,474)	(1,035)	(2,509)

#### 19. ULTIMATE AND INTERMEDIATE PARENT COMPANY

At 2 July 2000, 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

	<u>2000</u>	<u>1999</u>
	£000	£000
(a) Capital Commitments		
Amounts not provided in accounts but contracted	—	12

# AUTOBAR FLEXIBLE UK LIMITED

## NOTES TO THE ACCOUNTS

Year Ended 2 July 2000

### 21. RELATED PARTY TRANSACTIONS

As identified in Note 19 at 2 July 2000 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. All material related party transactions are summarised below:-

	<u>2000</u> £000	<u>1999</u> £000
Purchases from undertakings under common control	<u>69</u>	<u>284</u>

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.