

**Alma Products Limited**

Directors' report and  
financial statements  
Registered number 01665868  
31 December 2003



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

### Principal activities

The principal activities of the company are the manufacture and marketing of plastic products, primarily multi and mono-layered sheet for the food industry. In addition, the company is involved in the use of recycled materials for non-food applications.

### Business review

Turnover has increased by 11% from 2002 despite the company suffering the loss of two major customers as a result of plant closures early in the year. Without these losses business growth would have been in the order of 25% in-line with the Directors' original expectations. Trading remains difficult as in previous years in terms of price and competition but the Directors are of the opinion that the growth trend seen in 2003 will continue in 2004. The diversification of the business continues and new projects and developments are in the pipeline providing the continuing confidence for the future.

### Profits and dividend

The profit for the year ended 31 December 2003 after provision for taxation is £36,223 (2002:£201,000). A dividend of £nil (2002: £nil) has been paid.

### Research and development

Research and development costs are charged as an expense in the financial period during which they are incurred, except for certain development costs which are capitalised as and when it is probable that a development project will be a success and certain criteria, including commercial and technological feasibility, have been met. Capitalisation ceases and amortisation begins when the product becomes available to customers. The amortisation period of these capitalised assets is from three to five years.

### Directors and directors' interests

The directors who held office during the year were as follows:

H W Kessler  
D Blundell  
J S Dick  
H R Wild

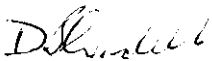
None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. As the company is a wholly owned subsidiary of a body corporate incorporated outside Great Britain, any interests in shares or debentures of that body corporate or any other body corporate incorporated outside Great Britain are not disclosable to the company.

**Directors' report** *(continued)*

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



*D Blundell*  
Secretary

51-53 Brindley Road  
Astmoor Industrial Estate  
Runcom  
Cheshire  
WA7 1PF

## 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 and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Liverpool L3 1QH  
United Kingdom

## **Independent auditors' report to the members of Alma Products Limited**

We have audited the financial statements on pages 5 to 17.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 with the company is not disclosed.

### **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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

*14 April 2004*

*KPMG LLP  
Chartered Accountants  
Registered Auditor*

## Profit and loss account

for the year ended 31 December 2003

	Note	2003 £000	2002 £000	£000
<b>Turnover</b>	2	9,727	8,762	
Change in stocks of finished goods and work in progress		(104)	33	
Own work capitalised		-	-	
Other operating income		19	25	
		<u>9,642</u>	<u>8,820</u>	
Raw materials and consumables		(6,303)	(5,880)	
Staff costs	5	(1,177)	(1,041)	
Depreciation and other amounts written off tangible and intangible fixed assets		(480)	(317)	
Other operating charges		(1,561)	(1,284)	
		<u>(9,521)</u>	<u>(8,522)</u>	
<b>Operating profit</b>		121	298	
Other interest receivable and similar income	6	47	41	
Interest payable and similar charges	7	(117)	(93)	
		<u>51</u>	<u>246</u>	
<b>Profit on ordinary activities before taxation</b>	3	51	246	
Tax on profit on ordinary activities	8	(15)	(45)	
		<u>36</u>	<u>201</u>	
<b>Profit after taxation</b>		36	201	
Dividends	9	-	-	
		<u>36</u>	<u>201</u>	
<b>Retained profit/(loss) for the year</b>		36	201	
Retained profit brought forward		364	163	
		<u>400</u>	<u>364</u>	


All turnover and operating profit are derived from continuing operations in both the current and preceding years.

The company has no recognised gains or losses other than the profit for the year.

**Balance sheet**  
*at 31 December 2003*

	<i>Note</i>	2003		2002	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	<i>10</i>		10		41
Tangible assets	<i>11</i>		2,308		2,714
			<hr/>		<hr/>
			2,318		2,755
<b>Current assets</b>					
Stocks	<i>12</i>	435		465	
Debtors	<i>13</i>	2,154		2,188	
Cash at bank and in hand		120		171	
		<hr/>		<hr/>	
		2,709		2,824	
<b>Creditors: amounts falling due within one year</b>	<i>14</i>	(3,016)		(3,014)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(307)		(190)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			2,011		2,565
<b>Creditors: amounts falling due after more than one year</b>	<i>15</i>		(294)		(846)
<b>Accruals and deferred income</b>			-		-
<b>Provisions for liabilities and charges</b>	<i>16</i>		(317)		(355)
			<hr/>		<hr/>
<b>Net assets</b>			1,400		1,364
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>17</i>		1,000		1,000
Profit and loss account	<i>18</i>		400		364
			<hr/>		<hr/>
<b>Equity shareholders' funds</b>	<i>19</i>		1,400		1,364
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 26/3/2004 and were signed on its behalf by:

  
 D Blundell  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Plasticos Holding AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Plasticos Holding AG, within which this company is included, can be obtained from the address given in note 23.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	-	2 - 20% per annum
Plant and machinery	-	10 - 33.3% per annum
Fixtures and fittings	-	20 - 33.3% per annum
Motor vehicles	-	25 - 50% per annum

No depreciation is provided on freehold land.

Costs include directly attributable finance costs.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the previous month end rate to the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Government grants*

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. Assets purchased under hire purchase agreements are depreciated over the useful economic life of the asset.

#### *Post-retirement benefits*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Research and development expenditure*

Research and development costs are charged as an expense in the financial period during which they are incurred, except for certain development costs which are capitalised as and when it is probable that a development project will be a success and certain criteria, including commercial and technological feasibility, have been met. Capitalisation ceases and amortisation begins when the product becomes available to customers. The amortisation period of these capitalised assets is from three to five years.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the actual cost is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred tax under Financial Reporting Standard 19 "Deferred Tax".

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

**Notes** (continued)

**2 Analysis of turnover**

	2003 Turnover £000	2002 Turnover £000
<i>By geographical market</i>		
<b>Sale of plastic products:</b>		
United Kingdom - external sales	5,763	6,960
Overseas - external sales	2,916	1,055
Overseas - intragroup sales	1,048	747
	9,727	8,762
	9,727	8,762

**3 Profit on ordinary activities before taxation**

	2003 £000	2002 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	14	12
Other services	4	4
Depreciation and other amounts written off tangible fixed assets:		
Owned	259	147
Leased	190	127
Exchange losses	-	-
Hire of plant and machinery - rentals payable under operating leases	32	40
Hire of other assets - operating leases	88	88
Research and development		
Current year expenditure	-	-
Amortisation of deferred expenditure	31	44
Management charges payable to parent company	251	229
Debts written off in year	38	-
<i>after crediting</i>		
Exchange gains	47	41
	47	41
	47	41

**4 Remuneration of directors**

	2003 £000	2002 £000
Directors' emoluments	140	120
Company contributions to money purchase schemes	17	14
	157	134
	157	134

Retirement benefits are accruing to 2 directors (2002: 2) under money purchase schemes.

**Notes** *(continued)*

**5 Staff numbers and costs**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2003	2002
Administration	7	7
Production	43	42
Sales	3	3
	<u>53</u>	<u>52</u>

The aggregate payroll costs of these persons were as follows:

	2003	2002
	£000	£000
Wages and salaries	1,059	940
Social security costs	99	83
Other pension costs	19	18
	<u>1,177</u>	<u>1,041</u>

**6 Other interest receivable and similar income**

	2003	2002
	£000	£000
Net exchange gains	<u>47</u>	<u>41</u>

**Notes** *(continued)*

**7 Interest payable and similar charges**

	2003 £000	2002 £000
On bank loans and overdrafts	56	45
Finance charges payable in respect of finance leases and hire purchase contracts	45	48
Discounts allowed	16	-
	117	93
	117	93

**8 Taxation**

	2003 £000	2002 As restated £000
<b>Current tax</b>		
UK corporation tax at 30% (2002: 30%)	53	15
Adjustment in respect of prior periods	-	15
	53	30
<b>Deferred tax</b>		
Origination and reversal of timing differences	(38)	60
Adjustment in respect of prior periods	-	(45)
	(38)	15
<b>Tax on profit on ordinary activities</b>	15	45

**Factors affecting tax charge for the year**

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

	2003 £000	2002 £000
<b>Profit on ordinary activities before tax</b>	51	246
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002:30%)	15	74
Effects of:		
Expenses not deductible for tax purposes	2	5
Capital allowances for year in excess of depreciation	35	(45)
Provisions adjustment	1	(16)
Adjustments in tax in respect of previous periods	-	15
Small companies relief	-	(3)
<b>Current tax charge for period</b>	53	30

**Notes** (continued)

**9 Dividends**

	2003 £000	2002 £000
Final dividend paid	-	-
	-	-

**10 Intangible fixed assets**

	Development costs £000
<i>Cost or valuation</i>	
At beginning of year	159
Additions	-
<b>At end of year</b>	<b>159</b>
<i>Amortisation</i>	
At beginning of year	118
Charge for year	31
<b>At end of year</b>	<b>149</b>
<i>Net book value</i>	
<b>At 31 December 2003</b>	<b>10</b>
At 31 December 2002	41

**11 Tangible fixed assets**

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
<i>Cost or valuation</i>				
At beginning of year	486	5,146	100	5,732
Additions	2	29	12	43
Disposals	(7)	(35)	(14)	(56)
<b>At end of year</b>	<b>481</b>	<b>5,140</b>	<b>98</b>	<b>5,719</b>
<i>Depreciation</i>				
At beginning of year	170	2,775	73	3,018
Charge for year	16	418	15	449
Disposals	(7)	(35)	(14)	(56)
<b>At end of year</b>	<b>179</b>	<b>3,158</b>	<b>74</b>	<b>3,411</b>
<i>Net book value</i>				
<b>At 31 December 2003</b>	<b>302</b>	<b>1,982</b>	<b>24</b>	<b>2,308</b>
At 31 December 2002	316	2,371	27	2,714

Included in the total net book value of tangible fixed assets is £1,152,970 (2002: £1,343,405) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £190,435 (2002: £126,802).

Included within the cost of freehold land and buildings are depreciable assets of £438,694 (2002: £436,444).

The amount of finance costs capitalised during the year is £nil.

**Notes** *(continued)*

**12 Stocks**

	2003 £000	2002 £000
Raw materials and packaging	293	216
Finished goods and goods for resale	95	197
Engineering stocks and other consumables	47	52
	435	465
	435	465

**13 Debtors**

	2003 £000	2002 £000
Trade debtors	1,412	1,193
Amounts owed by group undertakings	602	615
Other debtors	120	37
Prepayments and accrued income	20	343
	2,154	2,188
	2,154	2,188

Included within Amounts owed by group undertakings is £180,000 (2002: £nil) falling due after more than one year

**14 Creditors: amounts falling due within one year**

	2003 £000	2002 £000
Mortgage loan (see note 15)	27	26
Bank loans and overdrafts	162	192
Obligations under finance leases and hire purchase contracts (see note 15)	200	237
Bank finance secured on trade debtors	574	570
Trade creditors	1,828	1,670
Amounts owed to group undertakings	28	44
Corporation tax	53	116
Taxation and social security	36	52
Other creditors	-	7
Accruals and deferred income	108	100
	3,016	3,014
	3,016	3,014

The bank overdraft facility is secured by a second legal charge on the freehold land and buildings of the company, and interest is charged at commercial rates.

**Notes** *(continued)*

**15 Creditors: amounts falling due after more than one year**

	2003 £000	2002 £000
Mortgage loan	128	155
Obligations under finance leases and hire purchase contracts	166	365
Amounts owed to group undertakings	-	326
	294	846
	294	846

**Analysis of mortgage loan:**

	2003 £000	2002 £000
Debt can be analysed as falling due:		
In one year or less, or on demand	27	26
Between one and two years	29	27
Between two and five years	99	93
In five years or more	-	35
	155	181
	155	181

The mortgage loan is secured by first charge upon the freehold land and buildings and interest is charged at commercial rates. Repayment is being made over a 25 year term by equal monthly instalments which are adjusted every April for changes in the interest rate.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2003 £000	2002 £000
Within one year	200	237
In the second to fifth years	166	365
Over five years	-	-
	366	602
	366	602



**Notes** *(continued)*

**16 Provisions for liabilities and charges**

	Deferred taxation £000
At beginning of year	355
Charge to the profit and loss account in year	(38)
	317
<b>At end of year</b>	<b>317</b>

The amounts provided for deferred taxation are set out below:

	2003 £000	2002 £000
Difference between accumulated depreciation and Amortisation and capital allowances	335	371
Other timing differences	(18)	(16)
	317	355
<b>At end of year</b>	<b>317</b>	<b>355</b>

**17 Called up share capital**

	2003 £000	2002 £000
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	1,000	1,000
	1,000	1,000
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	1,000	1,000
	1,000	1,000

**Notes (continued)**

**18 Reserves**

	2003 £000	2002 £000
Retained reserves at the beginning of the year	364	163
Retained profit/(loss) for year	36	201
<b>At end of year</b>	<b>400</b>	<b>364</b>

**19 Reconciliation of movements in shareholders' funds**

		2003 £000		2002 £000
Opening shareholders' funds		1,364		1,163
<b>Profit for the financial year</b>	<b>36</b>		<b>201</b>	
Dividends	-		-	
<b>Net addition to shareholders' funds</b>	<b>36</b>		<b>201</b>	
<b>Closing shareholders' funds</b>		<b>1,400</b>		<b>1,364</b>

**20 Commitments**

(a) Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2003 £000	2002 £000
Contracted	-	-
	-	-

(b) Annual commitments under non-cancellable operating leases are as follows:

	2003		2002	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	-	5	-	4
In the second to fifth years inclusive	-	21	-	30
Over five years	88	-	88	-
	<b>88</b>	<b>26</b>	<b>88</b>	<b>34</b>

**Notes** *(continued)*

**21 Pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £14,990 (2002:£18,275).

**22 Related party disclosures**

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 to avoid disclosing transactions and balances with group companies which would normally be eliminated on consolidation.

**23 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary undertaking of Plasticos Holding AG, a company incorporated in Switzerland.

The largest group in which the results of the company are consolidated is that headed by Plasticos Holding AG. The consolidated accounts of this company are available to the public and may be obtained from Dammstrasse 19, CH-6300 Zug, Switzerland. No other group accounts include the results of the company. The directors of the company believe that HW Kessler is the ultimate controlling party by virtue of his holding in the share capital of the ultimate holding company.