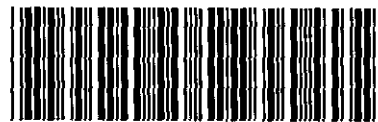


Autobar Flexible UK Limited
Annual report
for the 52 weeks ended 2 April 2006

Registered Number 1016094

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Autobar Flexible UK Limited
Annual report
for the 52 weeks ended 2 April 2006
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Autobar Flexible UK Limited

Directors and Advisors

Directors

S R Dawson

D M Edwards (Appointed 12 April 2005)

Secretary

S R Dawson

Auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Solicitors

Boyes Turner

Abbots House

Abbey Street

Reading

Berks

RG1 3BD

Speechly Bircham

6 St Andrew Street

London

EC4A 3LX

Registered Office

Dragonville Industrial Estate

Durham

Co. Durham

DH1 2RL

Registered Number

1016094

Autobar Flexible UK Limited

Directors' report for the 52 weeks ended 2 April 2006

The directors present their report and the audited financial statements of the company for the 52 weeks ended 2 April 2006.

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.

Review of business and future developments

The company made a loss before taxation of £68,000 (2005: £1,510,000).

Results and dividends

	52 weeks ended 2 April 2006 £'000	53 weeks ended 3 April 2005 £'000
Turnover	-	5,250
Loss before tax	(68)	(1,510)
Tax (charge)/credit on loss on ordinary activities	(3)	134
Loss after tax transferred to reserves	(71)	(1,376)

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 (2005: £Nil).

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.

Autobar Flexible UK Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company 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 judgments 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, and
- 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.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



S R Dawson
Secretary

18th December 2006

Autobar Flexible UK Limited

Independent auditors' report to the members of Autobar Flexible UK Limited

We have audited the financial statements of Autobar Flexible UK Limited for the 52 weeks ended 2 April 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 purpose. 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 2 April 2006 and of its loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
18 December 2006

Autobar Flexible UK Limited

Profit and loss account for the 52 weeks ended 2 April 2006

	Note	2006 £'000	2005 £'000
Turnover: discontinued operations		-	5,250
Net operating charges	2	(75)	(6,363)
Operating loss: discontinued operations		(75)	(1,113)
Profit/(loss) on sale of tangible fixed assets		6	(372)
Net interest receivable/(payable)	3	1	(25)
Loss on ordinary activities before taxation		(68)	(1,510)
Taxation	5	(3)	134
Loss for the financial year transferred to reserves	9	(71)	(1,376)

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.

Autobar Flexible UK Limited

Balance sheet as at 2 April 2006

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
Current assets					
Debtors	6	2		992	
Cash		50		-	
		52		992	
Creditors: amounts falling due within one year	7	(22)		(891)	
Net current assets			30		101
Total assets less current liabilities			30		101
Capital and reserves					
Called up equity share capital	8		400		400
Profit and loss account	9		(370)		(299)
Total equity shareholders' funds			30		101

These financial statements on pages 5 to 16 were approved by the board of directors on 18th December 2006 and are signed on their behalf by



S R Dawson
Director

Autobar Flexible UK Limited

Cash flow statement for the 52 weeks ended 2 April 2006

	Note	2006 £'000	2006 £'000	2005 £'000	2005 £'000
Net cash inflow/(outflow) from operating activities	11		187		(458)
Returns on investment and servicing of finance					
Interest received/(paid)		1		(25)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			1		(25)
Taxation			(3)		-
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		-		(104)	
Receipts from sales of tangible fixed assets		6		294	
Net cash inflow from capital expenditure and financial investment			6		190
Increase/(decrease) in cash in the year	12		191		(293)

Autobar Flexible UK Limited

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.

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.

Depreciation and amortisation

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

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.

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.

Autobar Flexible UK Limited

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 and work in progress

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 financial statements for the 52 weeks ended 2 April 2006

1 Analysis of turnover

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

Turnover is analysed below:

	2006	2005
	£'000	£'000
Geographical analysis of turnover by destination		
United Kingdom	-	4,467
Other European countries	-	783
	-	5,250

The origin of all turnover is the United Kingdom.

2 Net operating charges

	2006	2005
	£'000	£'000
Change in stocks of finished goods and work-in-progress	-	413
Raw materials and consumables	-	3,802
Goods purchased for resale	-	107
Staff costs:		
- wages and salaries	-	1,042
- social security costs	-	71
- other pension costs	-	37
Depreciation and other amounts written off tangible fixed assets:		
- owned assets	-	102
Auditors' remuneration:		
- audit fees	-	9
- other services	-	5
Other operating charges	75	786
Exchange gains	-	(11)
	75	6,363

Autobar Flexible UK Limited

2 Net operating charges (continued)

Net operating charges includes exceptional costs amounting to £75,000 relating to closure costs.

3 Net interest receivable/(payable)

	2006	2005
	£'000	£'000
<hr/>		
Interest payable and similar charges:		
- group company loans	(3)	(25)
- bank interest receivable	4	-
	<hr/>	
	1	(25)
	<hr/>	

4 Directors and employees

	2006	2005
	£'000	£'000
<hr/>		
Directors' emoluments (excluding pension contributions)	-	-
	<hr/>	

2 directors (2005: 5) who served during the year are members of a defined benefit scheme.

	2006	2005
	Number	Number
<hr/>		
Average monthly number of persons employed (including directors):		
- production	-	32
- sales and distribution	-	8
- administration	2	3
	<hr/>	
	2	43
	<hr/>	

Autobar Flexible UK Limited

5 Taxation

	2006	2005
	£'000	£'000
United Kingdom corporation tax at 30% (2005: 30%)	-	-
Deferred tax	-	(134)
Adjustments in respect of previous periods	3	-
	3	(134)

Factors affecting tax charge/(credit) for the current year:

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK: 30% (2005: 30%). The differences are explained below:

	2006	2005
	£'000	£'000
Loss on ordinary activities before tax	(68)	(1,510)
Tax credit on loss on ordinary activities at standard rate of 30%	(20)	(453)
Effects of:		
Expenses not deductible for tax purposes	-	114
Accelerated capital allowances and other timing differences	-	134
Group relief surrendered	20	205
Adjustments in respect of previous periods	3	-
Current tax charge for the year	3	-

6 Debtors

	2006	2005
	£'000	£'000
Trade debtors	-	793
Amounts owed by fellow subsidiary undertakings	1	67
Prepayments and other debtors	1	132
	2	992

Autobar Flexible UK Limited

7 Creditors

	2006	2005
	£'000	£'000
Amounts falling due within one year:		
Bank overdraft	-	141
Trade creditors	11	256
Amounts owed to group undertakings:		
- parent undertakings	-	175
- fellow subsidiary undertakings	-	125
Taxation and social security	-	129
Other creditors and accruals	11	65
	22	891

8 Called up share capital

	2006	2005
	£'000	£'000
Authorised, called up, allotted and fully paid		
400,000 ordinary shares of £1 each	400	400

9 Reserves

	Profit and loss account
	£'000
At 4 April 2005	(299)
Loss for the year	(71)
At 2 April 2006	(370)

Autobar Flexible UK Limited

10 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.

Pension costs are determined on a defined contribution approach i.e. based on company contributions payable. This approach is permitted by Financial Reporting Standard 17 for multi-employer defined benefit pension schemes. The company has adopted this approach because it is unable to identify its share of the underlying assets and liabilities of the Plan 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. However, it has been possible to identify the share of underlying assets and liabilities of the Plan attributable to the Charden and Acorn sub-groups of the Autobar group. Autobar Flexible UK Limited is a member of the Acorn sub-group. A review of the whole scheme was prepared at 2 April 2006 by an independent qualified actuary for the purposes of FRS 17 "Retirement Benefits". At that date the portion of the scheme attributable to the Acorn group had an excess of liabilities over assets of £3,186,000 (2005: £11,915,000) following the Group's commencement of 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 B.V., 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.

11 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2006	2005
	£'000	£'000
Operating loss	(75)	(1,113)
Depreciation charge	-	102
Decrease in stocks	-	597
Decrease in debtors	990	483
(Decrease)/increase in creditors	(728)	(527)
Net cash inflow/(outflow) from operating activities	187	(458)

Autobar Flexible UK Limited

12 Reconciliation of net cash flow to movement in net debt

	2006	2005
	£'000	£'000
Increase/(decrease) in cash in the year	50	(152)
Decrease in overdraft in the year	141	(141)
Movement in net debt in the year	191	(293)
Net debt at 4 April 2005	(141)	152
Net funds/(debt) at 2 April 2006	50	(141)

13 Analysis of net debt

	At 4 April 2005	Cash flow	At 2 April 2006
	£'000	£'000	£'000
Cash at bank and in hand	-	50	50
Overdrafts	(141)	141	-
Total	(141)	191	50

14 Related party transactions

During the year no related party transactions occurred. In the prior year normal trading transactions occurred 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.

15 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 agreement.

Autobar Flexible UK Limited

16 Ultimate and intermediate parent company

The ultimate 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 are 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