

**Alma Products Limited**

**Directors' report and  
financial statements**

Registered number 01665868

31 December 2001



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14/09/02

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

### 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

The directors remain of the opinion that the trading future will remain as difficult as in previous years in terms of price level and competition. It is anticipated that raw material costs will escalate over the coming 12 months and all efforts will have to be made to maintain margins whilst at the same time improving volume and remaining competitive.

A successful outcome of the above will assist significantly towards achieving the Director's targeted predictions of what is considered a generous and ambitious growth throughout the next 12-18 months. The diversification of the business continues to make advances thus providing the continuing confidence for the future.

### Profits and dividend

The profit for the year ended 31 December 2001 after provision for taxation is £271,000 (2000: £147,000). A dividend of £525,000 (2000: £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 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  
Runcorn  
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.



8 Princes Parade  
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.

### **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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants  
Registered Auditors*

12 April 2002

**Profit and loss account**  
*for the year ended 31 December 2001*

	Note	2001		2000	
		£000	£000	As restated £000	£000
<b>Turnover</b>	2	8,686		9,184	
Change in stocks of finished goods and work in progress		32		46	
Own work capitalised		19		83	
Other operating income		17		14	
			8,754		9,327
Raw materials and consumables		(5,395)		(6,263)	
Staff costs	5	(1,079)		(1,057)	
Depreciation and other amounts written off tangible and intangible fixed assets		(423)		(325)	
Other operating charges		(1,302)		(1,359)	
			(8,199)		(9,004)
<b>Operating profit</b>			555		323
Other interest receivable and similar income	6		-		41
Interest payable and similar charges	7		(164)		(145)
<b>Profit on ordinary activities before taxation</b>	3		391		219
Tax on profit on ordinary activities	8		(120)		(72)
<b>Profit after taxation</b>			271		147
Dividends	9		(525)		-
<b>Retained (loss)/profit for the year</b>			(254)		147
Retained profit brought forward			417		270
<b>Retained profit carried forward</b>			163		417

The 2000 figures have been restated for the implementation of FRS 19 on deferred taxation.

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 2001*

	Note	2001		2000	
		£000	£000	As restated £000	£000
<b>Fixed assets</b>					
Intangible assets	10		84		109
Tangible assets	11		2,496		2,434
			<hr/>		<hr/>
			2,580		2,543
<b>Current assets</b>					
Stocks	12	407		338	
Debtors	13	1,922		2,159	
Cash at bank and in hand		1		137	
		<hr/>		<hr/>	
		2,330		2,634	
<b>Creditors: amounts falling due within one year</b>	14	(2,697)		(2,716)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(367)		(82)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			2,213		2,461
<b>Creditors: amounts falling due after more than one year</b>	15		(710)		(707)
<b>Accruals and deferred income</b>	17		-		-
<b>Provisions for liabilities and charges</b>	16		(340)		(337)
			<hr/>		<hr/>
<b>Net assets</b>			1,163		1,417
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Profit and loss account	19		163		417
			<hr/>		<hr/>
<b>Equity shareholders' funds</b>	20		1,163		1,417
			<hr/>		<hr/>

The 2000 figures have been restated for the implementation of FRS 19 on deferred taxation.

These financial statements were approved by the board of directors on 25/3/2002 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.

#### *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 24.

#### *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.

#### *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". This represents a change in accounting policy, from a partial provisioning basis and therefore a prior year adjustment has been made to reflect the change in the comparative figures (see note 8).

#### *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**

	2001 Turnover £000	2000 Turnover £000
<i>By geographical market</i>		
<b>Sale of plastic products:</b>		
United Kingdom	6,700	7,675
Overseas	1,986	1,509
	8,686	9,184
	8,686	9,184

**3 Profit on ordinary activities before taxation**

	2001 £000	2000 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	11	11
Other services	6	3
Depreciation and other amounts written off tangible fixed assets:		
Owned	185	110
Leased	195	192
Exchange losses	37	-
Hire of plant and machinery - rentals payable under operating leases	23	23
Hire of other assets - operating leases	88	88
Research and development		
Current year expenditure	19	48
Amortisation of deferred expenditure	43	23
Management charges payable to parent company	218	209
<i>after crediting</i>		
Exchange gains	-	41
Amortisation of Government grants	-	10
Profit on sale of fixed assets	-	3
	-	3
	-	3

**4 Remuneration of directors**

	2001 £000	2000 £000
Directors' emoluments	114	103
Company contributions to money purchase schemes	12	12
	126	115
	126	115

Retirement benefits are accruing to 2 directors (2000: 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	
	2001	2000
Administration	7	7
Production	46	47
Sales	4	4
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	57	58
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

The aggregate payroll costs of these persons were as follows:

	2001	2000
	£000	£000
Wages and salaries	967	955
Social security costs	90	87
Other pension costs	22	15
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	1,079	1,057
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

**6 Other interest receivable and similar income**

	2001	2000
	£000	£000
Net exchange gains	-	41
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

**Notes** *(continued)*

**7 Interest payable and similar charges**

	2001 £000	2000 £000
On bank loans and overdrafts	72	55
On all other loans	-	20
Net exchange losses	37	-
Finance charges payable in respect of finance leases and hire purchase contracts	55	70
	164	145
	164	145

Of the above amount £Nil (2000: £Nil) was payable to group undertakings.

**8 Taxation**

	2001 £000	2000 As restated £000
<b>Current tax</b>		
UK corporation tax at 30% (2000: 20%)	122	13
Adjustment in respect of prior periods	(5)	-
	117	13
<b>Deferred tax</b>		
Origination and reversal of timing differences	3	59
	120	72
	120	72

The effect on the current year of the change in accounting policy for deferred tax is to increase the deferred tax charge by £3,000 (2000: £59,000).

**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:

	2001 £000	2000 £000
<b>Profit on ordinary activities before tax</b>	391	219
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2000: 20%)	118	44
Effects of:		
Expenses not deductible for tax purposes	10	3
Capital allowances for year in excess of depreciation	(6)	(16)
Utilisation of tax losses	-	(14)
Provisions adjustment	-	(9)
Adjustments in tax in respect of previous periods	(5)	5
	117	13
	117	13

**Notes** (continued)

**9 Dividends**

	2001 £000	2000 £000
Final dividend paid	525	-

**10 Intangible fixed assets**

	Development costs £000
<i>Cost or valuation</i>	
At beginning of year	141
Additions	18
<b>At end of year</b>	<b>159</b>
<i>Amortisation</i>	
At beginning of year	32
Charge for year	43
<b>At end of year</b>	<b>75</b>
<i>Net book value</i>	
<b>At 31 December 2001</b>	<b>84</b>
At 31 December 2000	109

**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	483	4,736	98	5,317
Additions	-	441	1	442
<b>At end of year</b>	<b>483</b>	<b>5,177</b>	<b>99</b>	<b>5,759</b>
<i>Depreciation</i>				
At beginning of year	146	2,702	35	2,883
Charge for year	9	353	18	380
<b>At end of year</b>	<b>155</b>	<b>3,055</b>	<b>53</b>	<b>3,263</b>
<i>Net book value</i>				
<b>At 31 December 2001</b>	<b>328</b>	<b>2,122</b>	<b>46</b>	<b>2,496</b>
At 31 December 2000	337	2,034	63	2,434

Included in the total net book value of tangible fixed assets is £1,279,113 (2000: £1,173,877) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £194,764 (2000: £191,701).

Included within the cost of freehold land and buildings are depreciable assets of £432,524.

**Notes** (continued)

**12 Stocks**

	2001 £000	2000 £000
Raw materials and packaging	185	140
Finished goods and goods for resale	170	138
Engineering stocks and other consumables	52	60
	407	338
	407	338

**13 Debtors**

	2001 £000	2000 £000
Trade debtors	1,166	1,520
Amounts owed by group undertakings	699	558
Other debtors	39	45
Prepayments and accrued income	18	36
	1,922	2,159
	1,922	2,159

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

	2001 £000	2000 £000
Mortgage loan (see note 14)	26	19
Bank loans and overdrafts	46	302
Obligations under finance leases and hire purchase contracts (see note 14)	210	154
Bank finance secured on trade debtors	532	462
Trade creditors	1,579	1,630
Amounts owed to group undertakings	19	3
Corporation tax	122	13
Taxation and social security	45	31
Other creditors	32	72
Accruals and deferred income	86	30
	2,697	2,716
	2,697	2,716

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**

	2001 £000	2000 £000
Mortgage loan	179	207
Obligations under finance leases and hire purchase contracts	531	500
	710	707
	710	707

**Analysis of mortgage loan:**

	2001 £000	2000 £000
Debt can be analysed as falling due:		
In one year or less, or on demand	26	19
Between one and two years	27	21
Between two and five years	91	72
In five years or more	61	114
	205	226
	205	226

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:

	2001 £000	2000 £000
Within one year	210	154
In the second to fifth years	531	480
Over five years	-	20
	741	654
	741	654



**Notes** (continued)

**16 Provisions for liabilities and charges**

	Deferred taxation £000
At beginning of year as restated	337
Charge to the profit and loss account in year	3
	340
<b>At end of year</b>	<b>340</b>

The company adopted a full provision basis in line with the requirements of FRS 19.

The amounts provided for deferred taxation are set out below:

	2001 £000	As restated 2000 £000
Difference between accumulated depreciation and Amortisation and capital allowances	356	351
Other timing differences	(16)	(14)
	340	337
<b>At end of year</b>	<b>340</b>	<b>337</b>

**17 Accruals and deferred income**

	2001 £000	2000 £000
<b>Government grants</b>		
At beginning of the period	-	10
Transfer to profit and loss account	-	(10)
	-	-
<b>At end of year</b>	<b>-</b>	<b>-</b>

**18 Called up share capital**

	2001 £000	2000 £000
<b>Authorised</b>		
Equity: Ordinary shares of £1 each	1,000	1,000
	1,000	1,000
<b>Allotted, called up and fully paid</b>		
Equity: Ordinary shares of £1 each	1,000	1,000
	<b>1,000</b>	<b>1,000</b>

**Notes** (continued)

**19 Reserves**

	2001	2000
	£000	As restated £000
As beginning of year as previously stated	417	548
Prior year adjustment	-	(278)
Retained reserves at the beginning of the year as restated	<u>417</u>	<u>270</u>
Retained (loss)/profit for year	(254)	147
<b>At end of year</b>	<u><u>163</u></u>	<u><u>417</u></u>

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

	2001	2000
	£000	As restated £000
Opening shareholders' funds as previously stated	1,417	1,548
Prior year adjustment	-	(278)
Opening shareholders' funds as restated	<u>1,417</u>	<u>1,270</u>
<b>Profit for the financial year</b>	271	147
Dividends	(525)	-
<b>Net (reduction in)/addition to shareholders' funds</b>	<u>(254)</u>	<u>147</u>
<b>Closing shareholders' funds</b>	<u><u>1,163</u></u>	<u><u>1,417</u></u>

**21 Commitments**

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

	2001	2000
	£000	£000
Contracted	<u>56</u>	<u>-</u>

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

	2001		2000	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	-	9	-	3
In the second to fifth years inclusive	-	21	-	24
Over five years	88	-	88	-
	<u>88</u>	<u>30</u>	<u>88</u>	<u>27</u>

**Notes** *(continued)*

**22 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 £21,500 (2000:£12,300).

**23 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.

**24 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 Kolinplatz 2, 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.