1665868

Alma Products Limited

Directors' report and financial statements

Registered number 01665868

31 December 2005

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Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

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

Trading throughout the Plastics Industry in general remained difficult in 2005. The polystyrene market in particular continued to be turbulent as a direct reflection of worldwide, volatile market forces. This in turn was evidenced by a reduction in the size of certain polystyrene related UK industrial markets.

Raw material price movements continued to alter dramatically on a monthly basis in proportions not experienced previously, which had a negative impact on profitability, although not to the extent as in 2004. Profitability is highly sensitive to raw material price fluctuations and therefore requires careful management and control of pricing arrangements with both suppliers and customers. Management believes that it now has in place pricing systems assuring the achievement of the required profitability levels on a consistent basis.

As a result of the above, expansion in line with previous expectations became more difficult to achieve. However, in spite of current market conditions, management continues its positive outlook and anticipates significant growth in most areas including export for 2006 and beyond.

Profits and dividend

The profit for the year ended 31 December 2005 after provision for taxation is £115,346 *(2004: loss £69,856)*. A dividend of £nil *(2004: £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

D Blundell
Secretary

Unit 2
Lancer Court
Chadwick Road
Astmoor Industrial Estate
Runcorn
Cheshire
WA9 1PN

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditors' report to the members of Alma Products Limited

We have audited the financial statements of Alma Products Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditor's 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

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK 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).

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 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.

Independent auditors' report to the members of Alma Products Limited *(continued)*

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

23 June 2006.

KPMG LLP
Chartered Accountants
Registered Auditor

Profit and loss account
for the year ended 31 December 2005

	Note	2005 £000	2005 £000	2004 £000	2004 £000
Turnover	2	**13,295**		9,930	
Change in stocks of finished goods and work in progress		**(28)**		122	
Other operating income		**71**		4	
			13,338		10,056
Raw materials and consumables		**(9,827)**		(6,568)	
Staff costs	5	**(1,238)**		(1,348)	
Depreciation and other amounts written off tangible and intangible fixed assets		**(439)**		(460)	
Other operating charges		**(1,595)**		(1,677)	
			(13,099)		(10,053)
Operating profit			**239**		3
Other interest receivable and similar income	6		**10**		6
Interest payable and similar charges	7		**(82)**		(105)
Profit/(loss) on ordinary activities before taxation	3		**167**		(96)
Tax on profit on ordinary activities	8		**(51)**		26
Profit/(loss) for the year			**116**		(70)
Retained profit brought forward			**330**		400
Retained profit carried forward			**446**		330

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 2005

	Note	2005 £000	2005 £000	2004 £000	2004 £000
Fixed assets					
Intangible assets	*9*		**36**		-
Tangible assets	*10*		**1,670**		1,963
			1,706		1,963
Current assets					
Stocks	*11*	**466**		646	
Debtors	*12*	**2,532**		2,156	
Cash at bank and in hand		**129**		60	
		3,127		2,862	
Creditors: amounts falling due within one year	*13*	**(3,094)**		(3,047)	
Net current liabilities			**33**		(185)
Total assets less current liabilities			**1,739**		1,778
Creditors: amounts falling due after *more than one year*	*14*		**(83)**		(192)
Provisions for liabilities and charges	*15*		**(210)**		(256)
Net assets			**1,446**		1,330
Capital and reserves					
Called up share capital	*16*		**1,000**		1,000
Profit and loss account	*17*		**446**		330
Equity shareholders' funds	*18*		**1,446**		1,330

These financial statements were approved by the board of directors on 16/06/06 and were signed on its behalf by:

D Blundell

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.

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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

2 Analysis of turnover

	2005 Turnover £000	2004 Turnover £000
By geographical market		
Sale of plastic products:		
United Kingdom - external sales	**7,806**	6,244
Overseas - external sales	**5,471**	3,109
Overseas - intragroup sales	**18**	577
	13,295	9,930

Notes *(continued)*

3 Profit/(loss) on ordinary activities before taxation

	2005	2004
	£000	£000
Profit/(loss) on ordinary activities before taxation is stated		
after charging		
Auditors' remuneration:		
Audit	**13**	15
Other services	**3**	7
Depreciation and other amounts written off tangible fixed assets:		
Owned	**241**	260
Leased	**191**	190
Hire of plant and machinery - rentals payable under operating leases	**33**	32
Hire of other assets - operating leases	**89**	88
Research and development		
Amortisation of deferred expenditure	**7**	10
Management charges payable to parent company	**249**	238
After crediting		
Exchange gains	**10**	6

4 Remuneration of directors

	2005	2004
	£000	£000
Directors' emoluments	**150**	147
Company contributions to money purchase schemes	**19**	18
	169	165

Retirement benefits are accruing to 2 directors *(2004: 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	
	2005	2004
Administration	**6**	6
Production	**44**	45
Sales	**4**	4
	54	55

The aggregate payroll costs of these persons were as follows:

	2005	2004
	£000	£000
Wages and salaries	**1,101**	1,212
Social security costs	**115**	117
Other pension costs	**22**	19
	1,238	1,348

6 Other interest receivable and similar income

	2005	2004
	£000	£000
Net exchange gains	**10**	6

7 Interest payable and similar charges

	2005	2004
	£000	£000
On bank loans and overdrafts	**43**	52
Finance charges payable in respect of finance leases and hire purchase contracts	**13**	27
Discounts allowed	**26**	26
	82	105

Notes *(continued)*

8 Taxation

	2005 £000	2004 £000
Current tax		
UK corporation tax at 30% *(2004: 30%)*	**98**	25
Adjustment in respect of prior periods	**-**	10
Total current tax	**98**	35
Deferred tax		
Origination and reversal of timing differences	**(47)**	(52)
Adjustment in respect of prior periods	**-**	(9)
Tax on profit/(loss) on ordinary activities	**51**	(26)

Factors affecting tax charge for the year

The tax assessed for the year is higher *(2004: higher)* than the standard rate of corporation tax in the UK (30%, *2004:30%*). The differences are explained below:

	2005 £000	2004 £000
Profit/(loss) on ordinary activities before tax	**167**	(96)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% *(2004:30%)*	**50**	(29)
Effects of:		
Expenses not deductible for tax purposes	**1**	4
Capital allowances for year in excess of depreciation	**57**	54
Provisions adjustment	**(10)**	(2)
Adjustments in tax in respect of previous periods	**-**	10
Small companies relief	**-**	(2)
Current tax charge for period	**98**	35

9 Intangible fixed assets

	Development costs £000
Cost or valuation	
At beginning of year	159
Additions	43
At end of year	**202**
Amortisation	
At beginning of year	159
Charge for year	7
At end of year	**166**
Net book value	
At 31 December 2005	**36**
At 31 December 2004	-

Notes *(continued)*

10 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000
Cost or valuation				
At beginning of year	504	5,163	157	5,824
Additions	-	149	6	155
Disposals	-	(47)	-	(47)
At end of year	**504**	**5,265**	**163**	**5,932**
Depreciation				
At beginning of year	194	3,578	89	3,861
Charge for year	16	398	18	432
Disposals	-	(31)	-	(31)
At end of year	**210**	**3,945**	**107**	**4,262**
Net book value				
At 31 December 2005	**294**	**1,320**	**56**	**1,670**
At 31 December 2004	310	1,585	68	1,963

Included in the total net book value of tangible fixed assets is £962,715 *(2004:£962,715)* in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £190,615 *(2004:£190,255)*.

Included within the cost of freehold land and buildings are depreciable assets of £454,679 *(2004:£454,679)*.

11 Stocks

	2005	2004
	£000	£000
Raw materials and packaging	**245**	392
Finished goods and goods for resale	**189**	217
Engineering stocks and other consumables	**32**	37
	466	646

Notes *(continued)*

12 *Debtors*

	2005	2004
	£000	£000
Trade debtors	**1,944**	1,429
Amounts owed by group undertakings	**291**	623
Other debtors	**155**	73
Prepayments and accrued income	**142**	31
	2,532	2,156

Included within Amounts owed by group undertakings is £230,000 (*2004: £180,000*) falling due after more than one year

13 Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Mortgage loan (see note 15)	**30**	28
Bank loans and overdrafts	**81**	74
Obligations under finance leases and hire purchase contracts (see note 15)	**79**	93
Bank finance secured on trade debtors	**90**	839
Trade creditors	**2,430**	579
Amounts owed to group undertakings	**216**	1,289
Corporation tax	**98**	35
Taxation and social security	**36**	33
Accruals and deferred income	**34**	77
	3,094	3,047

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)*

14 Creditors: amounts falling due after more than one year

	2005 £000	2004 £000
Mortgage loan	**70**	100
Obligations under finance leases and hire purchase contracts	**13**	92
	83	192

Analysis of mortgage loan:

	2005 £000	2004 £000
Debt can be analysed as falling due:		
In one year or less, or on demand	**30**	28
Between one and two years	**32**	30
Between two and five years	**38**	70
In five years or more	-	-
	100	128

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:

	2005 £000	2004 £000
Within one year	**79**	93
In the second to fifth years	**13**	92
Over five years	-	-
	92	185

Notes *(continued)*

15 Provisions for liabilities and charges

	Deferred taxation £000
At beginning of year	256
Adjustment in respect of prior year	1
Charge to the profit and loss account in year	(47)
At end of year	**210**

The amounts provided for deferred taxation are set out below:

	2005 £000	2004 £000
Difference between accumulated depreciation and	**256**	281
Adjustment in respect of prior year	**1**	-
Amortisation and capital allowances	**(47)**	(25)
At end of year	**210**	256

16 Called up share capital

	2005 £000	2004 £000
Authorised		
Equity: Ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
Equity: Ordinary shares of £1 each	**1,000**	1,000

17 Reserves

	2005 £000	2004 £000
Retained reserves at the beginning of the year	**330**	400
Retained profit/(loss) for year	**116**	(70)
At end of year	**446**	330

Notes *(continued)*

18 Reconciliation of movements in shareholders' funds

	2005 £000	2004 £000
Profit/(loss) for the financial year	**116**	(70)
Dividends	**-**	-
	116	(70)
Opening shareholders funds	**1,330**	1,400
Closing shareholders funds	**1,446**	1,330

19 Commitments

(a) There are no capital commitments at the end of the financial year for which no provision has been made.

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

	2005		2004	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	**-**	**-**	-	5
In the second to fifth years inclusive	**-**	**20**	-	12
Over five years	**89**	**-**	89	-
	89	**20**	89	17

20 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 £21,920 *(2004:£18,000)*.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

21 Related party disclosures

As a wholly owned subsidiary of Plasticos Holding AG, the company has taken advantage of the exemption under Financial Reporting Standard No. 8 not to disclose transactions and balances with group companies which would normally be eliminated on consolidation.

22 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.