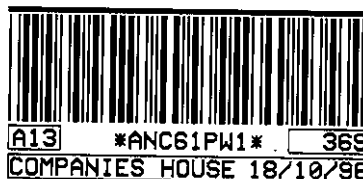


Alma Products Limited

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Annual report for the year ended 31 December 1995

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Alma Products Limited

Directors and advisers

Executive directors

H W Kessler

D Blundell

J S Dick

H R Wild

Secretary and registered office

D Blundell
51/53 Brindley Road
Astmoor Industrial Estate
Runcorn
Cheshire
WA7 1PS

Registered Auditors

Coopers & Lybrand
Abacus Court
6 Minshull Street
Manchester
M1 3ED

Bankers

The Royal Bank of Scotland PLC
38 Mosley Street
Manchester
M60 2BE

Solicitors

Mace & Jones
Drury House
19 Water Street
Liverpool
L2 0RP

Alma Products Limited

Directors' report for the year ended 31 December 1995

The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activities and business review

The company's principal activities are the marketing and manufacturing of plastic products; multi-layered extruded sheet and injection moulded containers primarily for the food industry. In addition, the company is involved in the use of recycled materials in non-food areas. The directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The directors do not recommend the payment of a dividend. The profit for the year after taxation of £825,785 will be transferred to reserves (1994: profit £225,492).

Change in tangible fixed assets

Changes in tangible fixed assets are detailed in note 9 to the financial statements.

Directors

The directors of the company at 31 December 1995, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

Directors' interests in shares

None of the company directors at 31 December 1995 had any interests in the issued share capital of the company. The directors' interests in the parent company are disclosed in the accounts of that company.

Alma Products Limited

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 of the company for that period. In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and to 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 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.

By order of the board



D Blundell
Company Secretary

22nd March 1996

Report of the auditors to the members of Alma Products Limited

We have audited the financial statements on pages 5 to 19.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

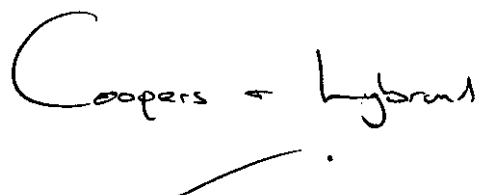
Basis of opinion

We conducted our audit in accordance with 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 at 31 December 1995 and of its profit and cash flows for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "Coopers & Lybrand". The signature is written in dark ink and is positioned above a horizontal line.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Manchester

22nd March 1996

Alma Products Limited

Profit and loss account for the year ended 31 December 1995

	Notes	1995 £	1994 £
Turnover	2	11,826,218	7,149,148
Cost of sales		10,073,779	6,115,487
Gross profit		1,752,439	1,033,661
Warehouse and distribution costs		201,838	131,584
Administrative expenses		557,352	507,892
Operating profit	4	993,249	394,185
Interest payable	7	167,464	168,693
Profit on ordinary activities before taxation		825,785	225,492
Taxation	8	-	-
Retained profit for the year	20	825,785	225,492

Operating profits are derived entirely from continuing operations.

The company has no gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

Alma Products Limited

Note of historical cost profits and losses

	1995 £	1994 £
Reported profit on ordinary activities before taxation	825,785	225,492
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>8,852</u>	<u>9,893</u>
Historical cost profit on ordinary activities before taxation	<u><u>834,637</u></u>	<u><u>235,385</u></u>
Historical cost profit for the year retained after taxation	<u><u>834,637</u></u>	<u><u>235,385</u></u>

Alma Products Limited

Balance sheet at 31 December 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible assets	9	<u>2,229,388</u>	<u>1,720,136</u>
Current assets			
Stocks	10	498,955	404,298
Debtors	11	1,171,379	686,516
Cash at bank and in hand		217,424	18,647
		<u>1,887,758</u>	<u>1,109,461</u>
Creditors: amounts falling due within one year	12	<u>2,413,954</u>	<u>1,776,814</u>
Net current liabilities		<u>(526,196)</u>	<u>(667,353)</u>
Total assets less current liabilities		<u>1,703,192</u>	<u>1,052,783</u>
Creditors: amounts falling due after more than one year	13	374,669	509,816
Deferred income - government grants	14	63,222	103,451
Net assets		<u>1,265,301</u>	<u>439,516</u>
Capital and reserves			
Called up share capital	17	1,000,000	1,000,000
Profit and loss account	18	41,893	(792,744)
Revaluation reserve	18	223,408	232,260
Equity shareholders' funds		<u>1,265,301</u>	<u>439,516</u>

The financial statements on pages 5 to 19 were approved by the board of directors on 22/3/96 and signed on its behalf by:

D Blundell

D Blundell
Director

Alma Products Limited

Cash flow statement for the year ended 31 December 1995

	Notes	1995 £	1994 £
Net cash inflow from operating activities	19	<u>1,461,377</u>	<u>351,146</u>
Returns on investments and servicing of finance			
Interest paid on mortgage		(29,910)	(29,171)
Interest paid on loans and overdrafts		(56,979)	(58,768)
Interest paid on finance lease and hire purchase agreements		<u>(80,575)</u>	<u>(80,754)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(167,464)</u>	<u>(168,693)</u>
Investing activities			
Purchase of tangible fixed assets		(947,213)	(31,071)
Sale of tangible fixed assets		3,100	2,000
Net cash outflow from investing activities		<u>(944,113)</u>	<u>(29,071)</u>
Net cash inflow before financing		<u>349,800</u>	<u>153,382</u>
Financing			
Bank loan		20,000	-
Repayment of mortgage		(6,090)	(6,829)
Repayment of bank loan		(1,665)	(32,420)
Repayment of principal under finance leases and hire purchase contracts		<u>(163,268)</u>	<u>(180,708)</u>
Net cash outflow from financing	22	<u>(151,023)</u>	<u>(219,957)</u>
Increase/(decrease) in cash and cash equivalents	21	<u><u>198,777</u></u>	<u><u>(66,575)</u></u>

Alma Products Limited

Notes to the financial statements for the year ended 31 December 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently is set out below.

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting, modified to include the revaluation of certain tangible fixed assets.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost or revalued amount less depreciation.

Depreciation is charged on a straight line basis at the following principal annual rates:

Land and buildings	2% on cost
Plant and machinery	10 - 20% on cost
Fixtures and fittings	20 - 33.3% on cost
Motor vehicles	25 - 50% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is the actual cost of materials, and in the case of finished goods, all relevant direct expenditure and production overheads incurred in bringing products to their present location and condition.

Deferred taxation

The company provides for deferred taxation on the liability method where it is likely that a liability will arise in the foreseeable future.

Government grants

Government grants received that relate to specific capital expenditure are credited to profit and loss account over the estimated useful lives of the assets to which they relate. Other grants are credited to the profit and loss account when received.

Alma Products Limited

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling using the rate of exchange at the balance sheet date or, where appropriate, the rate of exchange fixed under the terms of the relevant transaction. Transactions in foreign currencies are translated into sterling using the monthly average rate at the date of the transaction. Differences on translation are written-off to the profit and loss account.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the leased assets. The corresponding leasing commitments are shown as obligations to the lessor. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful life of equivalent owned assets. Assets purchased under hire purchase agreements are depreciated over the useful economic life of the asset.

Turnover

Turnover represents the value of goods and services supplied to customers during the year, exclusive of value added tax.

Pension costs

The company operates a defined contribution pension scheme. Pension costs charged to the profit and loss account represent contributions payable by the company in the year.

2 Turnover

	1995	1994
	£	£
Geographical market supplied		
Sale of plastic products:		
In the UK	10,533,672	6,813,049
Overseas	1,292,546	336,099
	<u>11,826,218</u>	<u>7,149,148</u>

As it is not possible to accurately allocate shared costs as between the markets supplied, the profit before taxation split by geographical market has not been given.

3 Administrative expenses

Administrative expenses include £215,206 (1994: £166,968) in respect of management charges payable to the parent undertaking.

Alma Products Limited

4 Operating profit

	1995	1994
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation charge for the year:		
Tangible owned fixed assets	247,214	229,119
Tangible fixed assets held under finance leases and hire purchase agreements	188,987	188,987
Interest payable on finance lease and hire purchase agreements	80,575	80,754
Auditors' remuneration	10,500	10,000
Government grant released	(85,229)	(86,610)
Hire of plant and equipment	4,624	9,583
(Profit)/loss on asset disposal	(1,340)	(2,000)
Exchange (gain)/loss	(854)	28,561
Bad debt charge	9,622	-
	<u> </u>	<u> </u>

Fees charged by the auditor of the company for non-audit services in 1995 were £7,950 (1994: £6,000).

5 Directors' emoluments

	1995	1994
	£	£
Emoluments (including pension contributions)	104,062	73,110
	<u> </u>	<u> </u>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1995	1994
	£	£
The chairman	-	-
	<u> </u>	<u> </u>
The highest-paid director	48,056	34,336
	<u> </u>	<u> </u>

Alma Products Limited

The number of directors (including the chairman and the highest-paid director) who received emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£0 to £5,000	2	2
£25,001 to £30,000	-	1
£30,001 to £35,000	-	1
£45,001 to £50,000	2	-

6 Employee information

The average number of persons employed by the company, including directors, were as follows:

	1995 Number	1994 Number
Administration	6	6
Production	49	42
Sales	2	2
	<u>57</u>	<u>50</u>

	1995 £	1994 £
Staff costs for the above persons		
Wages and salaries	773,333	659,085
Social security	72,974	59,285
Other pension costs	8,355	8,303
	<u>854,662</u>	<u>726,673</u>

7 Interest payable

	1995 £	1994 £
On overdrafts and other loans:		
Repayable within five years, not by instalments	52,923	58,768
Repayable within five years, by instalments	84,631	80,754
Repayable wholly or in part in more than five years	29,910	29,171
	<u>167,464</u>	<u>168,693</u>

Interest payable includes £3,839 (1994: £13,936) payable to the parent undertaking.

Alma Products Limited

8 Taxation

	1995	1994
	£	£
UK Corporation tax at 25%:		
Current	-	-
	<u> </u>	<u> </u>

The company has tax losses of £90,000 available for utilisation in future periods.

9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 1995	631,616	2,875,925	50,625	14,621	3,572,787
Additions	47,235	875,834	1,797	22,347	947,213
Disposals	(6,909)	(10,462)	(21,241)	(14,621)	(53,233)
At 31 December 1995	<u>671,942</u>	<u>3,741,297</u>	<u>31,181</u>	<u>22,347</u>	<u>4,466,767</u>
Depreciation					
At 1 January 1995	59,762	1,739,403	38,865	14,621	1,852,651
Charge for the year	18,046	405,645	5,682	6,828	436,201
Eliminated on disposal	(6,909)	(9,731)	(20,212)	(14,621)	(51,473)
At 31 December 1995	<u>70,899</u>	<u>2,135,317</u>	<u>24,335</u>	<u>6,828</u>	<u>2,237,379</u>
Net book value					
At 31 December 1995	<u>601,043</u>	<u>1,605,980</u>	<u>6,846</u>	<u>15,519</u>	<u>2,229,388</u>
Net book value at 31 December 1994	<u>571,854</u>	<u>1,136,522</u>	<u>11,760</u>	<u>-</u>	<u>1,720,136</u>

The net book value of tangible fixed assets includes an amount of £406,444 (1994: £579,911) in respect of finance leases and hire purchase contracts.

Freehold land and buildings were professionally revalued on the basis of an open market valuation for existing use at 31 December 1991.

	Freehold land and buildings £
Cost or valuation at 31 December 1995 is represented by	
Cost	436,940
Valuation in 1989	185,002
Valuation in 1991	50,000
	<u>671,942</u>

Alma Products Limited

If land and buildings had not been revalued, they would have been included at the following amounts:

	1995 £	1994 £
Cost	436,940	396,614
Aggregate depreciation on cost	(59,305)	(57,020)
Net book value	<u>377,635</u>	<u>339,594</u>

10 Stocks

	1995 £	1994 £
Stocks comprise		
Raw materials and packaging	449,545	341,030
Finished goods	49,410	63,268
	<u>498,955</u>	<u>404,298</u>

Stocks include £50,290 (1994: £113,415) of goods which were not paid for at the balance sheet date and are covered by supplier's reservation of title clauses.

11 Debtors

	1995 £	1994 £
Amounts falling due within one year		
Trade debtors	1,059,376	645,494
Other debtors	80,343	5,836
Prepayments	31,660	35,186
	<u>1,171,379</u>	<u>686,516</u>

Alma Products Limited

12 Creditors: amounts falling due within one year

	1995	1994
	£	£
Mortgage loan	6,270	6,816
Bank loan	9,696	-
Bank finance secured on trade debtors	328,856	140,441
Trade creditors	1,304,778	1,143,214
Other creditors	96,165	127,595
Obligations under finance leases and hire purchase contracts	152,343	177,369
Other creditors including taxation and social security payable	51,450	17,208
Amounts due to group undertakings	354,438	90,686
Accruals and deferred income	109,958	73,485
	<u>2,413,954</u>	<u>1,776,814</u>

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

13 Creditors: amounts falling due after more than one year

	1995	1994
	£	£
Mortgage loan	279,654	285,198
Bank loan	8,639	-
Obligations under finance leases and hire purchase contracts	86,376	224,618
	<u>374,669</u>	<u>509,816</u>

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 bank loan represents a loan from Cheshire County Council under the Seedcorn Capital Assistance Scheme. The loan is administered by Barclays Bank Plc, interest being charged at 2% above the variable base rate. The loan is repayable over 24 months by equal monthly instalments, which may be adjusted after 12 months to take account of any changes in the base rate.

Alma Products Limited

Bank and mortgage loans

	1995	1994
	£	£
Repayable as follows:		
In under one year	17,233	6,816
Between one and two years	16,974	7,538
Between two and five years	30,398	27,744
In five years or more	239,653	249,916
	<u>304,258</u>	<u>292,014</u>

Finance leases

The future minimum finance lease payments to which the company is committed are:

	1995	1994
	£	£
In under one year	152,344	177,369
Between one and two years	86,376	144,895
Between two and five years	-	79,723
	<u>238,720</u>	<u>401,987</u>

14 Deferred income - government grants

	1995	1994
	£	£
At 1 January 1995	103,451	190,061
Receivable	45,000	-
Transfer to profit and loss account	(85,229)	(86,610)
	<u>63,222</u>	<u>103,451</u>

15 Deferred taxation

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1995	1994	1995	1994
	£	£	£	£
Tax effect of timing differences because of:				
Tax allowances over depreciation	-	-	13,447	49,153
Losses	-	-	(13,447)	(49,153)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax effect of timing differences because of revaluation of land and buildings			-	11,689
			<u>-</u>	<u>11,689</u>

Alma Products Limited

16 Pension and similar obligations

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 represents contributions payable by the company to the fund and amounted to £8,355.

17 Called up share capital

	1995 £	1994 £
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

18 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 1995	232,260	(792,744)
Retained profit for the year	-	825,785
Transferred to profit and loss	(8,852)	8,852
At 31 December 1995	<u>223,408</u>	<u>41,893</u>

19 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	993,249	394,185
Depreciation on tangible fixed assets	436,201	418,106
(Gain)/loss on sale of tangible fixed assets	(1,340)	(2,000)
Government grant released	(85,229)	(86,610)
Stocks	(94,657)	39,751
Debtors	(439,863)	159,169
Trade creditors	349,979	(177,134)
Amounts owed to group undertakings	263,752	(421,861)
Other creditors, accruals, taxation and social security	39,285	27,540
Net cash inflow from operating activities	<u>1,461,377</u>	<u>351,146</u>

Alma Products Limited

20 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit for the financial year and net addition to shareholders' funds	825,785	225,492
Opening shareholders' funds	439,516	214,024
	<u>1,265,301</u>	<u>439,516</u>

21 Cash and cash equivalents

	1995	1994
	£	£
Changes during the year		
At 1 January 1995	18,647	85,222
Net cash inflow	198,777	(66,575)
	<u>217,424</u>	<u>18,647</u>

Analysis of balances

	1995	1994	Change in year
	£	£	£
Cash in hand	82	219	(137)
Cash at bank	217,342	18,428	198,914
	<u>217,424</u>	<u>18,647</u>	<u>198,777</u>

22 Analysis of changes in financing during the year

	Loans, hire purchase and finance lease obligations £
At 1 January 1995	694,001
Received bank loan	20,000
Loan repayments	(1,665)
Repayment of principal on finance lease and hire purchase	(163,268)
Repayment of mortgage	(6,090)
	<u>542,978</u>

Alma Products Limited

23 Other financial commitments

The company has the following annual commitments under non-cancellable operating leases:

	1995		1994	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within one year	-	-	-	-
Expiring between two and five years	-	-	-	-
Expiring in over five years	87,860	-	87,860	-
	<u>87,860</u>	<u>-</u>	<u>87,860</u>	<u>-</u>
	<u><u>87,860</u></u>	<u><u>-</u></u>	<u><u>87,860</u></u>	<u><u>-</u></u>

24 Ultimate and immediate parent undertaking

The company's ultimate and immediate parent undertaking at 31 December 1995 was Plastics Holding AG, a company incorporated in Switzerland and whose registered office is Kolinplatz 2, 6300 Zug, Switzerland.