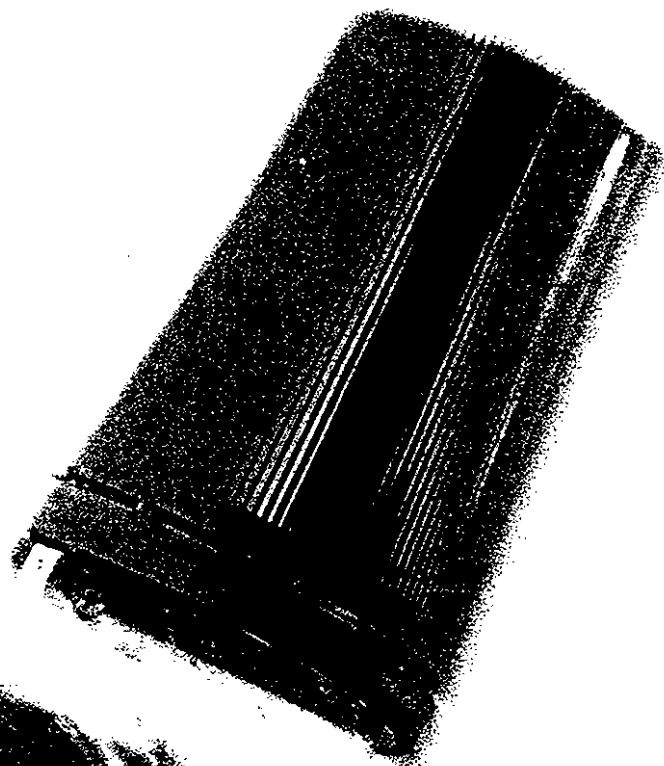
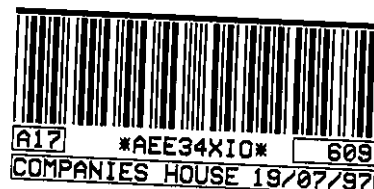


400002

**Plysuplc**



# Report and Accounts 1997





In 1977, Pyral introduced the first standard PET (polyethylene terephthalate) mouthwash bottle and set in the UK to ensure bottle clear resistance and further evidence. Developed at AMK Plastics with joint venture partner Mowlem, the new bottle is available in 250ml and 500ml sizes. Pyral is the leading supplier of mouthwash bottles in the UK.

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Plysu is a leading international manufacturer of plastics containers and other products for industrial and domestic use. The group operates from 14 UK and continental locations, its divisional structure reflecting the range of products and their markets. Plysu is an innovative user of recycled plastics material.



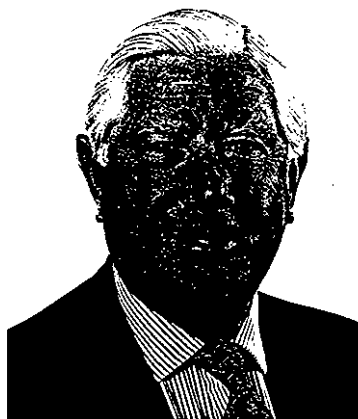
The group's blow-moulded industrial containers are mainly for packaging lubricating oils, chemicals and detergents. The group is also a leading maker of containers for mouthwashes, shampoos and skin care products. Plysu is the major supplier of lightweight polyethylene bottles to the UK's leading milk and juice producers, and is further developing production of PET containers for mineral water and other consumer products.

# successful year...

Injection-moulded products include garden items, storage bins and kitchen and laundry accessories, together with a range of caps and dispensing devices, predominantly for use with the group's industrial containers. Plysu also manufactures a range of welded PVC industrial protective clothing.

# Chairman's statement

2



I am delighted to be able to report on a successful year of further development and increased profitability for the group. Profit before tax showed an increase of 35% to £9.3m (1996: £6.9m) and earnings per share were 12.5p (1996: 9.6p), an increase of 30%.

If the exceptional charge of £1.1m in 1996 is excluded, comparison with the previous year shows a 16% increase in profit and an 11% increase in earnings per share. Despite the strength of sterling, sales increased by 4% from £129m to £134m. The appreciation of sterling had the effect of depressing profit by approximately £0.5m.

At the half year I reported good progress in a number of areas key to our strategic objectives. That

progress has been maintained. We have achieved leading positions in many of our markets, notably those for dairy and juice containers, industrial and agro chemical containers in the UK, gardening products and protection systems.

In the Containers division we have seen increasing benefits from the successful integration of the BlowMocan business which was acquired in February 1996 and we have achieved a significant improvement in performance in the UK. On the other hand, the markets in mainland Europe remain dull and the economic and political situations in Germany and France in particular offer little prospect of an upturn in the immediate future. We are implementing initiatives to

## ..confidence about the future..

95 96 97  
Turnover (£m)

95 96 97  
Profit before tax (£m)

restore margins in those markets where we believe there is potential for considerable improvement. We remain committed to our European strategy and to the support of our pan-European customers.

HDPE material prices increased substantially during the year. As a result of the strength of sterling the impact of these increases was greater on the Continent where, because of weak market conditions, full recovery was difficult to achieve.

Our Dairy & Juice division has continued to prosper, maintaining its leadership position through the achievement of world class manufacturing and service levels. We anticipate further growth in the dairy market, particularly for

smaller containers, as supermarkets phase out cartons in response to consumer preference for plastic bottles for milk.

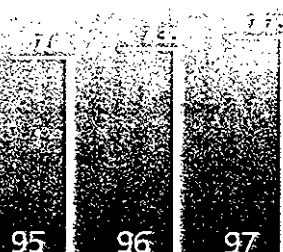
We have recently announced the formation of our Spanish company, Plysu Envases Alimentarios, S.L. We shall exploit opportunities we have identified there for liquid food packaging, capitalising on our technical superiority, particularly in the manufacture of lightweight bottles. We plan further carefully targeted acquisitions to give the appropriate geographical and product coverage. Growth prospects are attractive.

As part of this plan I am pleased to announce the acquisition of Iplast S.A., a company based in Jaén, Andalucia, manufacturing

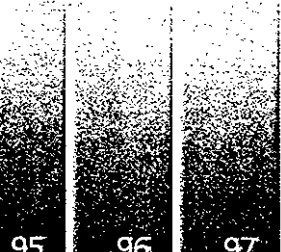
PET and HDPE bottles mainly for the olive oil market. Iplast S.A. is expected to have a turnover of 1,000m Ptas (£4.25m) in 1997 and to make a profit before interest and tax of 210m Ptas (£0.9m). The purchase consideration, including debt acquired, is expected to be just under 1,000m Ptas (£4.25m).

The Personal Care division (based on AMK Plastics) is continuing to make excellent progress and provides a sound base from which to develop our position in this important market sector. We have already doubled capacity for the manufacture of PET containers and further investment is planned in order to grow this division both organically and by acquisition.

# leading manufacturer...better



Dividends per share (pence)



Earnings per share (pence)

Housewares division saw some growth during the year though the marketplace for our products continues to be very competitive. As an element of the strategy for revitalising our housewares operations we recently acquired the business of Ward Products plc. This brings a strong brand name in the garden products sector which is largely complementary to our existing range. Manufacturing of Ward products is being transferred to our factory at Kempston. Prospects are good.

Plysu Protection Systems had an excellent year achieving significant margin improvement on increased sales.

After serving as a non-executive director of the company since 1991, Freddie Bircher will be retiring from the board at the conclusion of this year's AGM. He has made a valuable contribution which will be greatly missed; I have much appreciated his support. I am pleased to say that I will soon be able to announce the appointment of a new non-executive director.

During the year we have invested £12m in the business including the cost of acquisitions. Cash flow from operations is strong and our gearing at 34% still provides plenty of scope for further investment and growth.

In place of a final dividend, the board is paying a second interim dividend of 5.75p per share on

# returns...targeted acquisitions..

Once again I am glad to take this opportunity to thank everyone who works for Plysu for their undoubted efforts and for the vital commitment essential to the achievement of our improving results. It has been a year of further evolution and I am grateful for the support we have received in our continued effort to provide better returns for our shareholders.

1 July 1997, giving a total for the year of 7.75p per share (1996: 7.35p per share).

We are looking forward to another active year, to receiving rewards from the investments recently made, to pursuing our corporate strategy for steady growth in Europe and to taking full advantage of opportunities as they arise. We will continue, in the process of corporate

development, to improve the balance of our portfolio of businesses by placing greater emphasis on products and markets which will have the potential for good returns and growth.

We have good reason to remain confident about the future.

*David O'Shaughnessy*  
David O'Shaughnessy

Chairman

16 June 1997

Winners  
multiple  
supplies  
Problems  
Castrol



Increased profitability vital

# Chief executive's review

6

A fourth year of steady growth and a profit improvement of 35% were achieved in a year in which European material prices increased by around 11% and the strong pound contributed to a lack of export strength in our housewares and gardening operation.

Additionally, a profit translation loss from our Continental earnings adversely affected results; nevertheless, our margins improved by 0.8% through the year.

These improved results have been achieved primarily through organic growth, with only one acquisition right at the end of the year. The acquisition was Ward Products of Darlaston, a long-established family business with a well respected name in the

gardening trade. This acquisition considerably broadens the range of gardening products in our housewares and gardening division, enhancing the portfolio significantly in an area where we see potential for the future.

Our investment in the year was a total of £12m, somewhat behind last year's £18m on a comparable basis, but well ahead of depreciation which is now at £10.4m.

Environmental legislation is now upon us with only the remaining uncertainties of a new government's intentions potentially to change the scene. However, it is clear that moves to encourage recycling will put very large quantities of reprocessible plastics



## commitment...sharper focus..





material on the market. We feel confident that, with our leading environmental position in our industry – our recycling plant joint venture with Milton Keynes Borough Council and our latest initiative in the launch later this year of Plysu Recycling – that we will be able to use such material to grow our housewares business. We intend to use reprocessible material not only to satisfy our legal obligations on packaging waste for next year but also to develop new products through new processes to widen our existing range of gardening, institutional and storage products. In this way we are able to offer customers the environmental benefits of non packaging products made from post consumer waste

as well as satisfying our legal obligations which will come into force from 1998. Those obligations are currently estimated ultimately to be between £0.5m and £1.2m for our UK operations if satisfied by an external body such as Valpak.

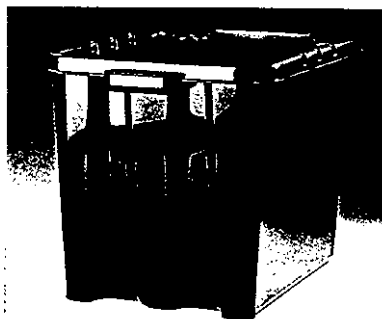
During the last year we have invested significantly in new IT systems that satisfy the growing needs of our pan-European structure and enable us to service our customers through either their own networks, the Internet or the multitude of other EDI opportunities that now abound. This work continues and will bring with it significant benefits in the form of better communications and improved efficiencies for our manufacturing and sales operations.

### Containers division

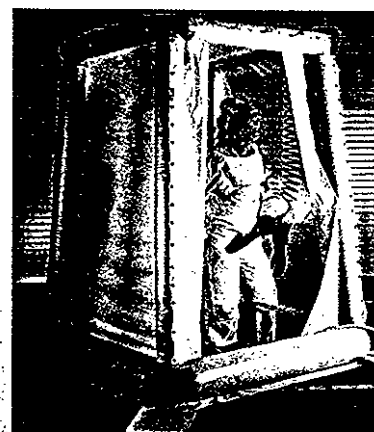
This division now spans both Continental and UK operations concerned with the manufacture of blow-moulded containers outside our Dairy & Juice operation. The three business units covering agrochemical, automotive and consumer packaging help to give this division a sharper focus and generate additional opportunities.

New product development has also been aggressive with an average of one new product per week being launched during the year. The Tip 'n' Measure range of dosage measuring bottles, which was introduced late last year under licence from Containers Manufacturing of the US, is a good example.

# new standard range...leaders



The new standard range...leaders



The new standard range...leaders

## Chief executive's review continued

# in natura e in natura



The acquisition of Ward Products has significantly expanded the range of products within the Housewares division.

## complete solution...product

The integration of BlowMocan's industrial division, acquired at the end of last year, has been extremely successful and has strengthened our market position in the UK for industrial plastics containers.

Containers overall has seen a better performance this year. The Montpont plant in France has now been fully equipped to

satisfy already committed business and the potential for the future is encouraging. However, Continental growth rates and returns remain a concern, and we are therefore continuing to hone our cost base while at the same time exploring opportunities for optimising the throughput of our existing plants.

### Dairy & Juice division

This division has consolidated its position during the year while further improving its already very high levels of service and efficiency. World class manufacturing standards have been achieved, reflecting great credit on employees at all five plants. This degree of excellence, essential in this market, continues to be improved.

10

Our first 'in-dairy' blowmoulding operation at Chadwell Heath is now at full capacity and meeting all the requirements of our customer, Dairy Crest.

Product innovation is no less important in this market than our others, and a number of new products have been launched during the year with still more under discussion with our customers. Development and production of smaller sizes of milk containers are advancing strongly in response to supermarkets' initiatives to replace cartons with plastic bottles, reflecting consumer preference.

Progress in the year has been good both in fresh milk packaging and in the development

of other businesses concerned with liquid foods. Our base of contracted business remains strong for the future.

### Closures division

During the year we decided that our dairy closure operation should be sold to Portola Packaging Inc. of the US, world leaders in the design, manufacture and application of dairy closures. Our continuing association with them ensures that we are able to offer our dairy customers a more complete and technologically-based solution for their needs. This new arrangement has already met with considerable success.

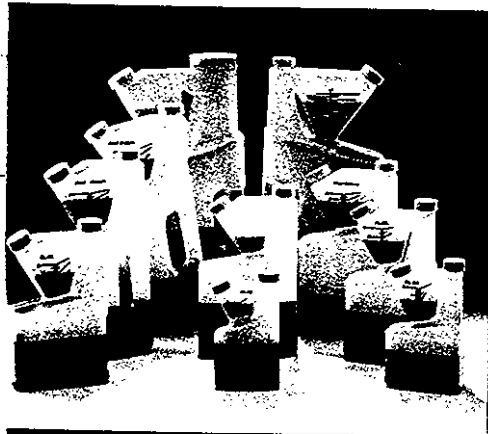
Industrial closures continue to be manufactured within this

division and our joint venture with the Menshen group of Germany was operational during the year and has been successful in growing business, particularly in the personal care market.

### Housewares division

A successful year overall, in particular on the gardening side, counterbalanced the continuing lack of growth in kitchenwares. We are now the leading supplier of gardening products to the DIY multiples and look forward to continuing progress in this market following the acquisition of Wards, which opens up the independent retail sector, and the increasing opportunities that the launch of Plysu Recycling will bring.

# innovation...greater efficiency.



**Tip 'n' Measure containers  
incorporate a measuring  
and dispensing device for  
accurate dosing.**



**Plysu's joint venture with Menshen provides  
a total packaging solution.**

### Personal Care division

AMK Plastics, acquired in November 1995, has shown excellent growth during the year and has become profitable. Here, as in the other divisions, new product development has been a priority, with new standard ranges being introduced against a demanding long-term schedule. In particular, our new standard range of PET mouthwash bottles with tamper-evident child-resistant closures fills an urgent need following press reports of children being harmed by drinking mouthwash. The product is the first standard of this kind on the market.

The division scored another first by introducing PET containers incorporating 25% of post

consumer recycled material in the personal care sector. PET capacity has been doubled since the acquisition and further growth is already planned.

We have been able to use the Plysu network to bring new products and processes into this division and we look forward to continuing growth both organically and by acquisition.

### Protection Systems division

This division had an extremely good year. With turnover and profit ahead of 1996, PPS recorded its third year of improvement and has a continuing strong order book. New product ranges continue to be introduced to complement the traditional manufacture of air-fed

protective suiting. We look forward to a continuation of the positive contribution to the group from this small but profitable division.

### The outlook

The year was a time of consolidation of the organisational changes that we made at the end of 1995. These improved still further the service to our customers and, against that background, we believe that our continuing focus on cost reduction, product development and increasing returns on our assets should lead to another year of progress.

Malcolm Macintyre  
Chief Executive  
16 June 1997



# ...leadership in packaging...



The group's product development team recently supported Simoniz in re-packaging their products.



Continental Europe made all liquid food packaging during the year with a range of ketchup containers for Heinz in Continental Europe.



# latest recycling technology



...one-pint

...

...

...

...

...

...

...

...

...

Concern for the environment is of increasing importance in everyday life with the gradual realisation that our planet's precious resources and ecosystems are in grave jeopardy if decisive action is not taken.

Plysu recognises that industrial concerns have a special responsibility to ensure that the impact of their activities on the environment are assessed and recognised, and that appropriate action is taken to minimise any detrimental effects.

Consideration of environmental issues at central and divisional business unit level is recognised as being essential to good business management. The plastics industry in which we operate is one in which we are using, albeit at a small rate, a non renewable resource. Plysu intends to aggressively pursue and promote this environmental policy, the objects of which are:

1. To ensure that Plysu products, services, machinery, packaging and operations are safe for our employees, customers and the environment, and that proper resources are allocated to achieve this goal.
2. To meet and wherever possible exceed the requirements of all environmental legislation and regulations of the countries in which we operate, and to expect similar environmental standards and commitment from all third parties involved in our business – suppliers, vendors and contractors.
3. To develop and implement environmental management systems, integrating them into divisional BS 5750 (ISO 9000) quality systems.
4. To continue to work in partnership with our customers to develop innovative products incorporating environmentally sound principles, including lightweighting, recyclability and the development of the use of PCR (post-consumer recycled) material in a variety of applications.
5. To continue to ensure that all process wastes are recycled whenever possible or are treated and disposed of without detriment to the environment.
6. To continue to research into, and develop economic, viable methods of collecting, processing and utilising recycled plastics materials, with particular emphasis on assisting our customers.
7. To ensure that all new sites, buildings, plant and vehicles (including delivery routes) are selected and operated to minimise detrimental environmental impact, in consultation where necessary with local bodies.
8. Notwithstanding 7 above, to ensure that all new sites, buildings, plant and vehicles (including delivery routes) are selected and operated to achieve maximum energy efficiency.
9. To ensure that all Plysu employees understand this environmental policy and incorporate its provisions into all aspects of their jobs and business activities, with full accountability.
10. To review our environmental policy on a regular basis.
11. To publish annually a record of our environmental activities and achievements.

Malcolm Macintyre  
Chief Executive

# organic growth

# Plysu plc

## Directors and advisers

14

### Chairman

David O'Shaughnessy is aged 62, was appointed non-executive chairman in September 1993 and is a member of the remuneration and audit committees. He is non-executive chairman of Fulmar plc, a non-executive director of B.W.I. plc and Britton Group plc and is also a director of Pira International.

### Executive directors

Malcolm Macintyre is aged 54 and joined Plysu in 1979. He was appointed to the board as production director in 1982 and became chief executive in 1994. He is a chartered engineer.

Stephen Nobbs is aged 48 and was appointed finance director in December 1986. He is a chartered accountant.

Nick Templeton-Ward is aged 46. He joined Plysu as sales and marketing director in 1991 and was appointed group managing director in 1996.

### Non-executive directors

Freddie Bircher is aged 64 and was appointed a director in 1991. He is chairman of the remuneration committee and a member of the audit committee. He is a director of Jones & Shipman plc and Sidlaw Group plc. Mr Bircher is also the Independent Chairman of the International Compressed Air and Allied Machinery Manufacturers' Committee.

Alan Brooker is aged 65 and was appointed a director in 1988. He is chairman of the audit committee and a member of the remuneration committee. He is chairman of Kode International plc and a director of Aukett Associates plc and Acal plc. Mr Brooker is a chartered accountant.

### Company secretary

Paul Manuel BA FCIS

### Registered office

120 Station Road  
Woburn Sands  
Milton Keynes  
MK17 8SE

### Registered number

400002

### Auditors

KPMG Audit Plc  
Norfolk House  
499 Silbury Boulevard  
Central Milton Keynes  
MK9 2HA

### Bankers

Barclays Bank plc  
Ashton House  
497 Silbury Boulevard  
Central Milton Keynes  
MK9 2LD

ABN AMRO Bank N.V.  
101 Moorgate  
London  
EC2M 6SB

Clydesdale Bank PLC  
30 St Vincent Place  
Glasgow  
G1 2HL

### Merchant bankers

Robert Fleming & Co.  
Limited  
25 Copthall Avenue  
London  
EC2R 7DR

### Public relations

Walter Judd  
Prince Rupert House  
64 Queen Street  
London  
EC4R 1AJ

### Registrars

Independent Registrars  
Group Limited  
Bourne House  
34 Beckenham Road  
Beckenham  
Kent  
BR3 4TU

### Solicitors

Clifford Chance  
200 Aldersgate Street  
London  
EC1A 4JJ

Howes Percival  
Oxford House  
Cliftonville  
Northampton  
NN1 5PN

### Stockbrokers

UBS Ltd.  
100 Liverpool Street  
London  
EC2M 2RH

Matheson Securities Ltd  
63 St Mary Axe  
London  
EC3A 8AA



**Business review**

The Chairman's Statement and Chief Executive's Review on pages 2 to 12 outline the significant developments during the year and the future prospects of the group.

**Dividends and group profit**

An interim dividend of 2.0p (1996: 2.0p) per share was paid on 3 February 1997. A second interim dividend of 5.75p (1996 final: 5.35p) will be paid in place of a final dividend on 1 July 1997 to holders of ordinary shares on the register at the close of business on 24 June 1997. This will result in a total dividend for the year of 7.75p (1996: 7.35p).

Dividends account for £3.7m (1996: £3.5m) of the profit on ordinary activities after taxation, leaving a retained profit for the year of £2.3m (1996: £1.1m).

**Fixed assets**

The directors are of the opinion that the market value of land and buildings is in excess of the net book value shown in the financial statements.

**Directors**

The names of the executive and non-executive directors at the end of the year are set out on page 14.

Messrs O'Shaughnessy, Bircher, Brooker, Macintyre, Nobbs and Templeton-Ward served as directors throughout the year. In accordance with the articles of association, Mr O'Shaughnessy will retire by rotation at the annual general meeting and, being eligible, offers himself for re-election. Mr Bircher will retire from the Board at the conclusion of the annual general meeting.

**Directors' interests in shares in Plysu plc**

Directors' interests in the ordinary shares and options to subscribe for ordinary shares of the company at 31 March 1997 are shown in the tables on page 21. There have been no changes in these interests since that date. The executive directors hold share options under the terms of the Plysu Executive Share Option Schemes and Plysu Savings Related Share Option Scheme.

**Substantial shareholdings**

As at 11 June 1997 (the latest practicable date before publication of this report) the company had been notified of the following substantial interests in the issued share capital of the company:

PDFM	16.29%
Britannic Assurance	9.37%
Prudential Corporation	8.34%
Norwich Union	5.19%
C S J Summerlin	5.14%

**Employees**

Plysu actively encourages the involvement of its employees in the performance of the business in which they are employed and aims to achieve a sense of shared commitment. In addition to a regular magazine providing information on the group's developments there is regular consultation with employees through works councils.

It is the group's policy that disabled people should have the same consideration as others for all job vacancies for which they apply as suitable candidates. Employees who become disabled during their working life will be retained in employment wherever possible and given help with rehabilitation or training.

**Employee share schemes**

There are four schemes under which employees may obtain an interest in the share capital of the company:

**1. Plysu Savings Related Share Option Scheme**

During the year the company has granted options to employees under the terms of this scheme over 245,749 shares at an option price of 140p each. The total number of shares subject to options granted and outstanding under this scheme at 31 March 1997 was 758,237 shares at exercise prices between 93p and 239p, exercisable by the year 2003.

**2. Plysu Executive Share Option Scheme**

No further grants have been made under the terms of this scheme. The total number of shares subject to options granted and outstanding at 31 March 1997 was 481,060 shares exercisable by 2005 at exercise prices between 197.6p and 240p.

*3. Plysu 1996 Executive Share Option Scheme*

During the year the company granted options to directors and executives over 414,300 shares at exercise prices between 158.5p and 165p, exercisable by the year 2006.

*4. Plysu Share Purchase Scheme*

This scheme, an equity participation plan requiring executives to invest in the company, was approved by shareholders at the extraordinary general meeting held on 4 January 1996. No awards have been made to date.

All remaining shares held in trust under the terms of the Plysu Employee Profit Share Scheme were released during the year and the scheme was terminated.

**Political and charitable donations**

The group made no political donations during the year. Donations to UK charities amounted to £7,000 (1996: £3,000).

**Research and development**

It is the group's policy to commit sufficient funds to enable it to keep abreast of all product, process, market and system developments in the fields in which it operates.

**Share capital**

51,578 ordinary shares were issued to employees under the terms of the Plysu Savings Related Share Option Scheme and 240,800 ordinary shares were issued under the terms of the Plysu Executive Share Option Scheme.

**Auditors**


A resolution is to be proposed at the annual general meeting for the re-appointment of KPMG Audit Plc as auditors of the company.

**Supplier payment policy**

The group does not follow a specific standard or code for the payment of suppliers. It agrees payment terms with its suppliers when it enters into purchase contracts. It then seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. As at 31 March 1997, 55 days purchases remained outstanding.

**Going concern**

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.



By order of the board  
Paul Manuel  
Secretary  
16 June 1997

**Statement on compliance**

The directors consider that the company has complied throughout the accounting period with the Cadbury Committee's Code of Best Practice.

**Principal board committees**

In furtherance of the principles of good corporate governance, the board has appointed the following committees, each with a formal constitution. The membership of the committees is shown on page 14.

*Audit committee*

The committee is chaired by Alan Brooker and normally meets three times a year, with the chief executive, the finance director and representatives of the auditors in attendance as required. The committee assists the board in the discharge of its duties concerning the announcements of results, the annual report and accounts and the maintenance of proper internal controls. It reviews the scope and planning of the audit, reviews the auditors' findings and considers group accounting policies and the compliance of those policies with applicable legal and accounting standards.

*Remuneration committee*

The committee is chaired by Freddie Bircher. Its members are the non-executive directors of the company having no personal financial interest, other than as shareholders, in the matters to be decided, no potential conflicts of interest arising from cross-directorships and no day-to-day involvement in running the business. It meets on a regular basis twice a year and additionally when required. The meetings are normally attended by the chief executive. The committee determines the remuneration and other benefits of the chairman and executive directors. The report of the committee is set out on pages 19 to 21.

**Internal financial control**

The board of directors has overall responsibility for the group's systems of internal financial control and reviews them regularly for their effectiveness. Internal control systems can, however, provide only reasonable and not absolute assurance against material misstatement or loss.

The key components of the group's systems of internal financial control comprise:

- an organisational structure of divisions with defined reporting lines, levels of responsibility and delegation of authority;
- procedures to assess the major risks faced by the group, quantify their potential financial effects and ensure that controls are in place to manage them. Responsibility for internal control at divisional level rests with divisional management, with guidance being provided by written policies and procedures which define minimum control standards applicable throughout the group;
- a comprehensive system of financial planning and reporting in which operating divisions prepare annual budgets and forecasts, based on agreed corporate objectives, which are reviewed and approved by the board. Financial performance and plans are monitored regularly within individual divisions and monthly by the executive directors;
- central monitoring and divisional self-assessment of the principal financial controls operating across the group to ensure that they are comprehensive and appropriate;
- procedures to appraise, review and control acquisitions and capital investment.

The audit committee has reviewed the effectiveness of the group's systems of internal financial control and reported on them to the board. The audit committee is assisted by its executive body, the control review committee, group management and external auditors.

In addition to our audit of the financial statements, we have reviewed the directors' statements on pages 16 and 17 on the company's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the financial statements. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43 (j) and 12.43(v).

**Basis of opinion**

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform any additional work necessary to express a separate opinion on the effectiveness of either the group's system of internal financial control or the company's corporate governance procedures, or on the ability of the group to continue in operational existence.

**Opinion**

With respect to the directors' statements on internal financial control on page 17 and going concern on page 16, in our opinion the directors have provided the disclosures required by the Listing Rules and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.

Based on enquiry of certain directors and officers of the company, and examination of relevant documents, in our opinion the directors' statements on pages 16 and 17 appropriately reflect the company's compliance with the other paragraphs of the Code specified for our review by the Listing Rules.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
16 June 1997

# Report of the remuneration committee

for the year ended 31 March 1997

## Remuneration policy

The remuneration committee, constituted as stated on page 17, aims to ensure that the remuneration packages offered are competitive and designed to attract, retain and motivate directors and senior executives of the right calibre. The committee also seeks to recognise and reward performance in achieving growth both annually and in the long term. The remuneration committee's composition, responsibilities and operations have complied throughout the period with the best practice provisions in Section A of the annex to the London Stock Exchange Listing Rules. In forming its remuneration policy the committee has given full consideration to the provisions of Section B of the annex to the Listing Rules.

## Executive directors

The main components of the package for each executive director are:

### Basic salary

Basic salary is determined after taking into account the performance of the individual and information from independent sources on the rates of salary for similar positions in companies of comparable size in a range of competitive industries.

### Annual bonus scheme

The annual performance bonus is based on the achievement of specific profit and cash flow targets selected each year which will prove to be of value to the company and its shareholders. The bonus targets are set by the board each year. Bonuses payable under this scheme are capped at 21% of each director's basic salary.

Bonuses totalling £39,000 are payable to the executive directors under the terms of the annual bonus scheme in respect of the year ended 31 March 1997.

### Medium-term incentive scheme

This scheme is based on meeting cash flow and earnings per share targets set initially for the three years ending with the financial year ending 31 March 1998, and every year for rolling three-year periods thereafter.

Bonuses payable under this scheme are capped at 150% of the highest year's salary in a three-year period.

### Share purchase scheme

At the invitation of the remuneration committee an executive director may acquire an interest in company shares using part or all of the bonuses payable to him under the annual bonus and medium-term incentive schemes. No funds from other sources may be provided by participants who qualify for eligibility under this scheme in acquiring shares. The participant deposits such shares acquired by him with the trustees of the Plysu 1995 Employees' Share Ownership Plan Trust (Mourant & Co. Trustees Limited, an independent trustee company based in Jersey) and the trustees grant to the participant a right to purchase up to a matching number of company shares at a nominal price. This right can in normal circumstances only be exercised if the participant is still employed by the group five years after the right is granted. It is not intended that participants in the share purchase scheme be granted options under the Plysu 1996 Executive Share Option Scheme.

As at 16 June 1997 no shares have been deposited under the terms of this scheme.

Directors' emoluments	1997 Salary	1997 Bonus	1997 Fees	1997 Share options §	1997 Benefits*	1997 Pension contributions	1997 Total	1996 Total
	£000	£000	£000	£000	£000	£000	£000	£000
<i>Chairman</i>								
D H O'Shaughnessy †	—	—	45	—	—	—	45	40
<i>Executive directors</i>								
M V S Macintyre	129	15	—	11	9	12	176	136
S S Nobbs	98	11	—	6	8	9	132	96
N D Templeton-Ward	127	13	—	—	8	10	158	115
<i>Non-executive directors</i>								
F M St L Bircher †	—	—	16	—	—	—	16	16
A B Brooker †	—	—	16	—	—	—	16	16
<b>Totals</b>	<b>354</b>	<b>39</b>	<b>77</b>	<b>17</b>	<b>25</b>	<b>31</b>	<b>543</b>	<b>419</b>

† Denotes non-executive director. § Gain upon exercise of share options. \*Benefits comprise all benefits arising from employment by the company: these relate mainly to the provision of a company car and private medical cover.

#### *Share options*

Options are held by the executive directors under the executive share option and savings related share option schemes. Details of these are shown on page 21.

#### *Pensions*

The executive directors are entitled to pensions of two-thirds of their pensionable salary upon retirement at age 60 but N D Templeton-Ward's entitlement from the company pension plan is limited to the level of the earnings cap. An additional contribution is paid annually to Mr Templeton-Ward to fund the balance of his pension benefits up to the level due as if the earnings cap did not apply. All executive directors' pension arrangements include dependants' pensions and lump sums payable in the event of death in service. All pensions in payment are reviewed annually with a guaranteed increase in line with RPI up to a maximum of 5%. Pensionable salary is the director's basic salary.

#### **Chairman**

The remuneration of the chairman is determined in his absence by the remuneration committee after consultation with the chief executive and reflects the nature and extent of his part-time responsibilities.

#### **Non-executive directors**

The fees of the non-executive directors are determined by the board (but with the non-executive directors themselves abstaining from voting) on the chairman's recommendation based on comparable market levels.

#### **Service agreements**

Each executive director has a service agreement providing for a notice period from the company of two years and for retirement on the 60th birthday of the director. The remuneration committee considers that two-year notice periods are appropriate. No other director has a service agreement.

#### **Directors' emoluments**

The table on page 19 shows salary and other benefits for each director. The chairman and non-executive directors are not entitled to pension benefits. The executive directors are all members of the Plysu plc Staff Pension Plan and the pension contributions made by the company were as agreed with the actuary to the plan. The table does not include the value of pension entitlements. These will be required to be disclosed next year and will be calculated during the forthcoming year for inclusion in the 1998 report of the remuneration committee.

In addition to the foregoing information the table below provides details, as required by schedule 6 to the Companies Act 1985, of the aggregate amount of directors' emoluments.

<b>Details of directors' emoluments</b>	<b>1997</b>	<b>1996</b>
	<b>£000</b>	<b>£000</b>
Fees as directors	77	72
Emoluments as executives (including bonuses and gains on exercise of share options)	435	324
Pension contributions	31	23
Aggregate emoluments	<u>543</u>	<u>419</u>

## Report of the remuneration committee

continued

## Directors and their interests in shares in Plysu plc at 31 March

	<i>Age</i>	<i>Year of appointment</i>	<i>1997 Ordinary shares</i>	<i>1997 Ordinary shares under option</i>	<i>1996 Ordinary shares</i>	<i>1996 Ordinary shares under option</i>
D H O'Shaughnessy	62	1993	8,000	—	8,000	—
M V S Macintyre	54	1982	14,695	103,939	14,695	137,547
S S Nobbs	48	1987	16,596	120,447	16,596	124,055
N D Templeton-Ward	46	1991	—	171,348	—	146,348
F M St L Bircher	64	1991	600	—	600	—
A B Brooker	65	1988	2,000	—	2,000	—

## Directors' share options

<i>Director and date of grant of option</i>	<i>At 1 April 1996</i>	<i>Number of options</i>		<i>At 31 March 1997</i>	<i>Exercise price (pence)</i>	<i>Market price at date of exercise (pence)</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>
		<i>Granted</i>	<i>Exercised</i>					
<b>M V S Macintyre</b>								
15 January 1987	60,000	—	60,000	—	148.3	166.0	15/01/90	15/01/97
22 December 1992	44,000	—	—	44,000	240.0	—	22/12/95	22/12/02
8 October 1993	1,825	—	—	1,825	189.0	—	08/10/98	08/03/99
10 January 1994	25,000	—	—	25,000	217.4	—	10/01/97	10/01/04
25 August 1994	4,539	—	—	4,539	152.0	—	14/10/99	14/04/00
7 July 1995	2,183	—	—	2,183	158.0	—	18/09/00	18/03/01
9 July 1996	—	1,392	—	1,392	140.0	—	13/09/99	13/03/00
13 December 1996	—	25,000	—	25,000	158.5	—	13/12/99	13/12/03
	137,547	26,392	60,000	103,939				
<b>S S Nobbs</b>								
23 June 1989	36,000	—	36,000	—	148.3	166.0	23/06/92	23/06/99
23 January 1991	14,516	—	—	14,516	93.0	—	01/03/98	01/09/98
22 December 1992	44,000	—	—	44,000	240.0	—	22/12/95	22/12/02
10 January 1994	25,000	—	—	25,000	217.4	—	10/01/97	10/01/04
25 August 1994	4,539	—	—	4,539	152.0	—	14/10/99	14/04/00
9 July 1996	—	7,392	—	7,392	140.0	—	13/09/01	13/03/02
13 December 1996	—	25,000	—	25,000	158.5	—	13/12/99	13/12/03
	124,055	32,392	36,000	120,447				
<b>N D Templeton-Ward</b>								
22 December 1992	110,000	—	—	110,000	240.0	—	22/12/95	22/12/02
10 January 1994	25,000	—	—	25,000	217.4	—	10/01/97	10/01/04
25 August 1994	11,348	—	—	11,348	152.0	—	14/10/99	14/04/00
13 December 1996	—	25,000	—	25,000	158.5	—	13/12/99	13/12/03
	146,348	25,000	—	171,348				

The options granted on 23 January 1991, 8 October 1993, 25 August 1994, 7 July 1995 and 9 July 1996 relate to the Plysu Savings Related Share Option Scheme. All other options relate to the Plysu Executive Share Option Schemes.

Mr Macintyre and Mr Nobbs exercised options under the terms of the Plysu Executive Option Scheme on 9 January 1997.

The market price of Plysu plc ordinary shares at 31 March 1997 was 175.5p and the range during the year was 156.5p to 199p.

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 group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 group 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 group and to prevent and detect fraud and other irregularities.

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## **Auditors' report on the financial statements**

to the members of Plysu plc

We have audited the financial statements on pages 23 to 39. We have also examined the amounts disclosed relating to emoluments and share options of the directors which form part of the report of the remuneration committee on pages 19 to 21.

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

As described above, 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 group'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 affairs of the company and the group as at 31 March 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
Milton Keynes  
16 June 1997



### Financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain land and buildings, and in accordance with the Companies Act 1985 and applicable accounting standards.

### Consolidation

The consolidated financial statements incorporate the assets and liabilities of the company and all of its subsidiary undertakings at 31 March 1997 and their results for the periods during the year to that date in which they were part of the group. Advantage is taken of the exemption provided by section 230 of the Companies Act 1985 and a separate profit and loss account of Plysu plc is not presented. The results of the company are disclosed in note 17. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the separable net assets acquired and is written off against the merger reserve on acquisition.

### Depreciation

Depreciation is provided to write off the cost or valuation of tangible fixed assets to their residual values over their estimated useful economic lives as follows:

#### *Straight line*

Freehold buildings	50 years
Plant and machinery	5 to 12 years
Moulds	2 to 5 years

#### *Reducing balance*

Motor vehicles	25% to 33% per year
----------------	---------------------

No depreciation is provided on freehold land.

Profits and losses on the sale of fixed assets which represent marginal adjustments to depreciation previously charged are included in the profit and loss account in the same place as their related depreciation.

### Stocks

Stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the average purchase price is used. For work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of 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. Provision for deferred taxation is made if it is probable that such deferred taxation will be payable in the foreseeable future.

### Foreign currencies

For consolidation purposes, attributable profits of overseas subsidiaries are translated into sterling at the average rate for the year and their assets and liabilities are translated at the rate ruling at the balance sheet date. The exchange differences arising are taken directly to reserves.

### Pension costs

The group operates both defined benefit and defined contribution pension schemes, the assets of which are held independently from the group. Contributions paid to the defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' average working lives with the group. Contributions paid to defined contribution schemes are charged to the profit and loss account in the period in which they arise.

### Government grants

Government grants are credited to the profit and loss account evenly during the development phase of the project to which they relate.

### Leases

Rental charges for the group's operating leases are charged to the profit and loss account. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital element of future obligations under these leases and hire purchase contracts are included as liabilities in the balance sheet.

### Research and development

The research and development costs of new products and services are written off in the year of expenditure except for projects where recovery is reasonably certain, in which case development costs may be capitalised and amortised over the period expected to benefit from the development.

for the year ended 31 March 1997

	Notes	1997 £m	1996 £m
<b>Turnover</b>	1	134.1	129.3
Cost of sales	3	(99.4)	(98.2)
<b>Gross profit</b>		<u>34.7</u>	<u>31.1</u>
Net operating expenses	2-3	(23.8)	(22.9)
<b>Operating profit on ordinary activities before interest</b>		<u>10.9</u>	<u>8.2</u>
Interest receivable	5	—	0.1
Interest payable	5	(1.6)	(1.4)
<b>Profit on ordinary activities before taxation</b>		<u>9.3</u>	<u>6.9</u>
Taxation on profit on ordinary activities	6	(3.3)	(2.3)
<b>Profit on ordinary activities after taxation</b>		<u>6.0</u>	<u>4.6</u>
Appropriated for dividends paid and to be paid	7	(3.7)	(3.5)
<b>Retained profit for the year</b>	17	<u>2.3</u>	<u>1.1</u>
<b>Earnings per fully paid ordinary share</b>	8	<u>12.5p</u>	<u>9.6p</u>
<b>Earnings per fully paid ordinary share before exceptional costs</b>	8	<u>12.5p</u>	<u>11.3p</u>

All of the profits for the current and prior year relate to continuing activities. The acquisitions in the year were not material in the context of the group's turnover and operating profit and have therefore not been separately disclosed.

### Consolidated statement of total recognised gains and losses

for the year ended 31 March 1997

	1997 £m	1996 £m
Profit on ordinary activities after taxation	6.0	4.6
Exchange losses on foreign currency net investments	(4.1)	(0.3)
<b>Total recognised gains and losses for the financial year</b>	<u>1.9</u>	<u>4.3</u>

as at 31 March 1997

	Notes	Group		Company	
		1997 £m	1996 £m	1997 £m	1996 £m
<b>Fixed assets</b>					
Tangible assets	9	62.3	67.0	48.7	47.1
Investments	10	—	—	17.4	20.4
		<u>62.3</u>	<u>67.0</u>	<u>66.1</u>	<u>67.5</u>
<b>Current assets</b>					
Stocks	11	11.2	8.9	8.2	5.7
Debtors	12	28.1	28.7	20.7	18.3
Cash		2.9	2.8	0.9	1.0
		<u>42.2</u>	<u>40.4</u>	<u>29.8</u>	<u>25.0</u>
<b>Creditors</b>					
Amounts falling due within one year	13	(37.4)	(36.2)	(37.0)	(27.5)
		<u>4.8</u>	<u>4.2</u>	<u>(7.2)</u>	<u>(2.5)</u>
<b>Net current assets/(liabilities)</b>					
		<u>67.1</u>	<u>71.2</u>	<u>58.9</u>	<u>65.0</u>
<b>Total assets less current liabilities</b>					
		<u>67.1</u>	<u>71.2</u>	<u>58.9</u>	<u>65.0</u>
<b>Creditors</b>					
Amounts falling due after more than one year	13	(14.8)	(15.7)	(14.7)	(15.1)
Provisions for liabilities and charges	14-15	(2.2)	(2.9)	(1.8)	(2.6)
		<u>50.1</u>	<u>52.6</u>	<u>42.4</u>	<u>47.3</u>
<b>Net assets</b>					
		<u>50.1</u>	<u>52.6</u>	<u>42.4</u>	<u>47.3</u>
<b>Capital and reserves</b>					
Called up equity share capital	16	4.8	4.8	4.8	4.8
Share premium account	17	0.9	0.5	0.9	0.5
Merger reserve	17	4.3	5.3	5.0	10.0
Profit and loss account	17	40.2	42.0	31.7	32.0
		<u>50.2</u>	<u>52.6</u>	<u>42.4</u>	<u>47.3</u>
<b>Shareholders' funds</b>					
Minority interest		(0.1)	—	—	—
		<u>50.1</u>	<u>52.6</u>	<u>42.4</u>	<u>47.3</u>

These financial statements were approved by the board of directors on 16 June 1997 and were signed on its behalf by:

M V S Macintyre  
Chief Executive



for the year ended 31 March 1997

	Notes	1997 £m	1996 £m
<b>Consolidated cash flow</b>			
Cash flow from operating activities	20	20.2	16.9
Returns on investments and servicing of finance	22	(1.6)	(1.3)
Taxation	22	(2.2)	(1.6)
Capital expenditure and financial investment	22	(8.6)	(12.2)
Acquisitions and disposals	22	(4.1)	(1.2)
Equity dividends paid		(3.5)	(3.3)
		<u>          </u>	<u>          </u>
Cash inflow/(outflow) before use of liquid resources and financing		0.2	(2.7)
Financing – Issue of shares	22	0.4	0.1
– (Decrease)/increase in debt	22	(2.7)	6.2
		<u>          </u>	<u>          </u>
(Decrease)/increase in cash in the period		<u>(2.1)</u>	<u>3.6</u>

	Notes	1997 £m	1997 £m	1996 £m	1996 £m
<b>Reconciliation of net cash flow to movement in net debt</b>					
Decrease in cash in the period		(2.1)		3.6	
Cash inflow from decrease in debt and lease financing		<u>2.7</u>		<u>(6.2)</u>	
Change in net debt resulting from cash flows			0.6		(2.6)
Loans and finance leases acquired with subsidiaries			–		(1.5)
Translation difference			<u>(0.4)</u>		<u>–</u>
Movement in net debt in the period			0.2		(4.1)
Net debt at 31 March 1996	21		<u>(17.6)</u>		<u>(13.5)</u>
Net debt at 31 March 1997	21		<u>(17.4)</u>		<u>(17.6)</u>

**Note of consolidated historical cost profits and losses**  
for the year ended 31 March 1997

	1997	1996
	£m	£m
Profit on ordinary activities before taxation	9.3	6.9
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	—	—
<b>Historical cost profit on ordinary activities before taxation</b>	<b>9.3</b>	<b>6.9</b>
<b>Historical cost profit for the year retained after taxation and dividends</b>	<b>2.3</b>	<b>1.1</b>

**Reconciliation of movements in shareholders' funds**  
for the year ended 31 March 1997

	1997	1996
	£m	£m
Profit on ordinary activities after taxation	6.0	4.6
Dividends	(3.7)	(3.5)
Other recognised gains and losses related to the year (net)	(4.1)	(0.3)
New share capital issued including share premium	0.4	0.1
Goodwill written off in the year	(1.0)	(1.4)
<b>Net (reduction in)/addition to shareholders' funds</b>	<b>(2.4)</b>	<b>(0.5)</b>
Opening shareholders' funds	52.6	53.1
<b>Closing shareholders' funds</b>	<b>50.2</b>	<b>52.6</b>

# Notes to the financial statements

## 1. Turnover and operating assets

Turnover comprises the value of sales (excluding sales taxes and net of discounts) of goods and services in the normal course of business.

Classes of business	Containers and other activities		Housewares and Closures		Group	
	1997	1996	1997	1996	1997	1996
Turnover	£m	£m	£m	£m	£m	£m
Total sales	131.2	125.9	11.5	13.2	142.7	139.1
Inter-divisional sales	(5.3)	(3.0)	(3.3)	(6.8)	(8.6)	(9.8)
Sales to third parties	125.9	122.9	8.2	6.4	134.1	129.3
Operating assets						
Divisional operating assets	58.1	58.5	8.0	9.9	66.1	68.4
Geographical segments	1997	1996				
Turnover by destination	£m	£m				
United Kingdom	101.7	91.5				
Netherlands	10.1	12.4	Unallocated provisions and creditors		(16.0)	(15.8)
Belgium	8.2	9.4				
France	9.4	11.1	Net assets		50.1	52.6
Germany	3.3	3.0				
Rest of Europe	1.3	1.8				
Rest of the world	0.1	0.1				
Group	134.1	129.3				
	Total sales		Inter-divisional sales		Sales to third parties	
	1997	1996	1997	1996	1997	1996
Turnover by origin	£m	£m	£m	£m	£m	£m
United Kingdom	110.9	93.9	(8.0)	(1.2)	102.9	92.7
Netherlands	15.0	17.0	(0.3)	(0.1)	14.7	16.9
Belgium	14.3	18.2	(0.2)	—	14.1	18.2
France	1.6	1.5	—	—	1.6	1.5
Germany	0.8	—	—	—	0.8	—
Group	142.6	130.6	(8.5)	(1.3)	134.1	129.3
Operating assets	1997	1996				
	£m	£m				
United Kingdom	49.0	46.5				
Netherlands	9.0	11.6				
Belgium	7.7	9.1				
France	0.2	1.2				
Germany	0.1	—				
Spain	0.1	—				
Divisional operating assets	66.1	68.4				
Unallocated provisions and creditors	(16.0)	(15.8)				
Net assets	50.1	52.6				

Results by class of business and geographical segment have not been disclosed as, in the opinion of the directors, this would be seriously prejudicial to the interests of the group.

continued

## 2. Operating expenses

	1997	1996
	£m	£m
Distribution costs	11.4	9.4
Administration charges (see note 3)	12.4	13.5
	<u>23.8</u>	<u>22.9</u>

## 3. Operating profit

	1997	1996
	£m	£m
<i>Stated after charging:</i>		
Depreciation on tangible fixed assets	10.4	10.7
Auditors' remuneration:		
Audit fees – company £0.1m (1996: £0.1m)	0.2	0.2
Non-audit fees – to the auditor and its associates	0.1	0.1
Charges under operating leases for hire of plant and machinery	0.3	0.1
Research and development costs	0.5	0.6
Exceptional costs	–	1.1
<i>And after crediting:</i>		
Net exchange movements	<u>0.5</u>	<u>0.2</u>

The exceptional costs in 1996 of £1.1m related to the integration of BlowMocan's industrial containers division. £0.9m was charged to cost of sales and £0.2m to administration charges.

## 4. Staff costs including directors' emoluments

	1997	1996
	£m	£m
Wages and salaries	31.3	28.3
Social security costs	4.4	5.0
Cost to group of employees' pension funds (see note 23)	1.2	0.7
	<u>36.9</u>	<u>34.0</u>
	<i>Numbers</i>	<i>Numbers</i>
Average number of employees involved in:		
Production	1,374	1,384
Administration, sales and distribution	379	358
	<u>1,753</u>	<u>1,742</u>

The disclosures of directors' emoluments and share interests required by statute are set out in the report of the remuneration committee on pages 19 to 21.

continued

## 5. Interest

	1997	1996
	£m	£m
Interest receivable	—	0.1
Interest payable on overdrafts and bank loans	(1.5)	(1.4)
Interest on finance leases	(0.1)	—
Net interest	<u>(1.6)</u>	<u>(1.3)</u>

## 6. Taxation on profit for the year on ordinary activities

	1997	1996
	£m	£m
UK corporation tax at 33% (1996: 33%)	2.5	2.0
Adjustment in respect of previous years	(0.1)	0.1
Overseas tax	0.5	0.2
	<u>2.9</u>	<u>2.3</u>
Charge for deferred tax	0.4	—
	<u>3.3</u>	<u>2.3</u>

## 7. Dividends on fully paid ordinary shares

	1997	1996
	£m	£m
Interim of 2.0p (1996: 2.0p) paid 3 February 1997	1.0	1.0
Second interim of 5.75p (1996 final: 5.35p) payable 1 July 1997	2.7	2.5
	<u>3.7</u>	<u>3.5</u>

## 8. Earnings per fully paid ordinary share

	1997	1996
Normal earnings per share	<u>12.5p</u>	<u>9.6p</u>

Earnings per fully paid ordinary share are calculated by dividing the profit attributable to ordinary shareholders of £6.0m (1996: £4.6m) by 47,908,068 shares (1996: 47,741,637), the average number of ordinary shares in issue during the year. The earnings per share on a fully diluted basis are not materially different from the earnings per share on a normal basis.

	1997	1996
	£m	£m
Earnings per share excluding exceptional costs		
Profit attributable to ordinary shareholders	6.0	4.6
Add reorganisation costs (1996: 2.4p per share)	—	1.1
Less tax effect of reorganisation costs (1996: 0.7p per share)	—	(0.3)
Profit attributable to ordinary shareholders after adjusting for reorganisation costs	<u>6.0</u>	<u>5.4</u>
Earnings per share based on profits attributable to ordinary shareholders after adjusting for reorganisation costs divided by the average number of ordinary shares in issue during the year	<u>12.5p</u>	<u>11.3p</u>



continued

## 9. Tangible fixed assets

	Group			Company		
	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Total</i>	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Total</i>
	£m	£m	£m	£m	£m	£m
<i>Cost or valuation</i>						
At 31 March 1996	30.5	122.0	152.5	16.1	82.6	98.7
Exchange rate adjustments	(2.6)	(6.2)	(8.8)	—	—	—
On acquisitions	—	0.3	0.3	—	0.2	0.2
Additions	0.1	10.2	10.3	—	6.3	6.3
Intra-group transfers	—	—	—	0.2	8.4	8.6
Disposals	—	(4.1)	(4.1)	—	(3.3)	(3.3)
Transfers to group companies	—	—	—	—	(1.4)	(1.4)
At 31 March 1997	<u>28.0</u>	<u>122.2</u>	<u>150.2</u>	<u>16.3</u>	<u>92.8</u>	<u>109.1</u>
<i>Depreciation</i>						
At 31 March 1996	(5.9)	(79.6)	(85.5)	(2.1)	(49.5)	(51.6)
Exchange rate adjustments	0.6	5.3	5.9	—	—	—
Charge for year	(0.5)	(9.9)	(10.4)	(0.2)	(7.6)	(7.8)
Intra-group transfers	—	—	—	(0.1)	(2.9)	(3.0)
Disposals	—	2.1	2.1	—	1.4	1.4
Transfers to group companies	—	—	—	—	0.6	0.6
At 31 March 1997	<u>(5.8)</u>	<u>(82.1)</u>	<u>(87.9)</u>	<u>(2.4)</u>	<u>(58.0)</u>	<u>(60.4)</u>
At 31 March 1996						
<i>Net book value</i>	<u>24.6</u>	<u>42.4</u>	<u>67.0</u>	<u>14.0</u>	<u>33.1</u>	<u>47.1</u>
<i>Non depreciable assets content</i>						
Land	4.5	—	4.5	3.6	—	3.6
Assets in the process of commissioning	0.5	5.1	5.6	0.5	4.9	5.4
At 31 March 1997						
<i>Net book value</i>	<u>22.2</u>	<u>40.1</u>	<u>62.3</u>	<u>13.9</u>	<u>34.8</u>	<u>48.7</u>
<i>Non depreciable assets content</i>						
Land	3.6	—	3.6	3.6	—	3.6
Assets in the process of commissioning	—	2.7	2.7	—	2.6	2.6

Details of assets held under finance leases and included within plant and machinery:

	Group		Company	
	<i>1997 Plant and machinery</i>	<i>1996 Plant and machinery</i>	<i>1997 Plant and machinery</i>	<i>1996 Plant and machinery</i>
	£m	£m	£m	£m
Net book value	<u>1.6</u>	<u>1.8</u>	<u>1.2</u>	<u>0.7</u>
Depreciation charge for year	<u>0.2</u>	<u>0.2</u>	<u>0.1</u>	<u>—</u>

continued

## 9. Tangible fixed assets *continued*

	1997	1996
Details of revalued assets of the group and company	£m	£m
Land and buildings at 1978 open market valuation	2.9	2.9
Aggregate depreciation thereon	(0.8)	(0.7)
Net book value	2.1	2.2
Historical cost of revalued assets	1.4	1.4
Aggregate depreciation based thereon	(0.6)	(0.6)
Net book value based on historical cost	0.8	0.8

## 10. Fixed asset investments at cost

	Ordinary shares in subsidiary undertakings	Loans to subsidiary undertakings	Total
Company	£m	£m	£m
At 31 March 1996	13.1	7.3	20.4
Write down on hive-up	(0.6)	—	(0.6)
Exchange rate adjustments	—	(1.1)	(1.1)
Repayment of loans	—	(1.3)	(1.3)
At 31 March 1997	12.5	4.9	17.4

### Trading subsidiaries

Manufacture and sale of moulded plastics containers	Country of incorporation	Sale of moulded plastics containers	Country of incorporation
Thermakeep Plastics Limited*	Great Britain	Plysu Containers Limited	Great Britain
AMK Plastics Limited*	Great Britain	Plysu Belgium N.V.	Belgium
Plysu Halfweg B.V.	Netherlands	Plysu France S.A.	France
Plysu Kerkrade B.V.	Netherlands	Plysu Deutschland VinbH	Germany
Plysu Gent N.V.	Belgium		
Plysu Montpont S.A.	France		
Plysu Envases Alimentarios, S.L.	Spain		

### Sale of moulded plastics, housewares and garden products

Plysu Housewares Limited	Great Britain	Plysu Protection Systems Limited	Great Britain
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### Sale of plastics protection systems

### Overseas holding company

Plysu Continental Holdings B.V.	Netherlands
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### Sale of plastics closures

Menshen Packaging UK Limited †	Great Britain
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All companies are wholly owned and operate principally in their country of incorporation. All non-UK subsidiaries are owned by Plysu Continental Holdings B.V. with the exception of Plysu Montpont S.A. which is owned by Plysu France S.A. All companies draw up their accounts to 31 March.

\* AMK Plastics Limited and Thermakeep Plastics Limited became dormant at the end of the year as part of a group reorganisation.

† The group owns 50% of the ordinary share capital of Menshen Packaging UK Limited which has been established as a joint venture with Menshen UK Limited, part of the Menshen group of Germany.

## 11. Stocks

	Group		Company	
	1997	1996	1997	1996
	£m	£m	£m	£m
Raw materials and consumables	6.0	4.8	4.3	3.1
Work in progress	0.4	0.3	0.4	0.2
Finished goods	4.8	3.8	3.5	2.4
	<u>11.2</u>	<u>8.9</u>	<u>8.2</u>	<u>5.7</u>

## 12. Debtors

	Group		Company	
	1997	1996	1997	1996
	£m	£m	£m	£m
Trade debtors	24.3	24.7	1.6	—
Amounts owed by subsidiary undertakings	—	—	17.2	16.9
Other debtors	2.7	3.0	1.0	0.7
Prepayments and accrued income	1.1	1.0	0.9	0.7
	<u>28.1</u>	<u>28.7</u>	<u>20.7</u>	<u>18.3</u>

£0.8m (1996: £0.4m) of group other debtors and £0.4m (1996: £0.4m) of group prepayments are due after more than one year.

## 13. Creditors

	Group		Company	
	1997	1996	1997	1996
	£m	£m	£m	£m
<b>Amounts falling due within one year</b>				
Bank loans and overdrafts	5.4	5.0	5.4	4.2
Trade creditors	16.3	16.6	10.8	9.9
Amounts due to subsidiary undertakings	—	—	6.5	0.9
Other taxes and social security	2.2	2.7	2.0	2.1
Corporation tax	2.5	2.8	2.4	2.2
Other creditors and accruals	7.8	6.0	6.7	5.4
Finance lease creditors	0.4	0.5	0.4	0.2
Dividend	2.8	2.6	2.8	2.6
	<u>37.4</u>	<u>36.2</u>	<u>37.0</u>	<u>27.5</u>

**Amounts falling due after more than one year  
and repayable within five years**

	1997	1996	1997	1996
	£m	£m	£m	£m
Bank loans	14.1	14.2	14.1	14.0
Other creditors	0.3	0.8	0.3	0.8
Finance lease creditors	0.4	0.7	0.3	0.3
	<u>14.8</u>	<u>15.7</u>	<u>14.7</u>	<u>15.1</u>

The group has no secured borrowings (1996: £0.2m). £14.1m (1996: £14.2m) of group and £14.1m (1996: £14.0m) of company bank loans falling due after more than one year are repayable between one and two years.

#### 14. Provisions for liabilities and charges

	Deferred taxation provisions	Provision for integration costs	Pensions	Total
Group	£m	£m	£m	£m
At 31 March 1996	1.6	1.1	0.2	2.9
Utilised	—	(0.9)	—	(0.9)
Charge/(credit) to profit and loss account	0.4	(0.2)	—	0.2
At 31 March 1997	<u>2.0</u>	<u>—</u>	<u>0.2</u>	<u>2.2</u>
<b>Company</b>				
At 31 March 1996	1.5	1.1	—	2.6
Utilised	—	(0.9)	—	(0.9)
Charge/(credit) to profit and loss account	0.3	(0.2)	—	0.1
At 31 March 1997	<u>1.8</u>	<u>—</u>	<u>—</u>	<u>1.8</u>

#### 15. Deferred taxation

	1997		1996	
	Provided	Unprovided	Provided	Unprovided
Group	£m	£m	£m	£m
Accelerated capital allowances	2.6	1.2	2.3	2.0
Other timing differences	—	—	0.2	—
On integration provision	—	—	(0.2)	—
Advance corporation tax	(0.6)	—	(0.6)	—
Withholding tax	—	—	(0.1)	—
	<u>2.0</u>	<u>1.2</u>	<u>1.6</u>	<u>2.0</u>
<b>Company</b>				
Accelerated capital allowances	2.4	1.2	2.2	2.0
Other timing differences	—	—	0.2	—
On integration provision	—	—	(0.2)	—
Advance corporation tax	(0.6)	—	(0.6)	—
Withholding tax	—	—	(0.1)	—
	<u>1.8</u>	<u>1.2</u>	<u>1.5</u>	<u>2.0</u>

No provision is made for taxation which would arise in the event of the distribution of the retained profits of overseas subsidiaries unless such a distribution is proposed.

continued

## 16. Equity share capital of the company

	1997 £m	1996 £m
<b>Authorised</b>		
At 31 March: 54 million ordinary shares of 10p each (1996: 54 million)	5.4	5.4
<b>Allotted, called up and fully paid</b>		
At 31 March 1996: 47,822,989 ordinary shares of 10p each	4.8	
292,378 shares issued on exercise of share options for £29,238	—	
At 31 March 1997: 48,115,367 ordinary shares of 10p each	4.8	

Details of share options are given in the report of the directors on pages 15 to 16.

Note: The company's adjusted share price for capital gains tax purposes on 31 March 1982 was 35.97p before indexation.

## 17. Reserves

	Share premium account £m	Merger reserve £m	Profit and loss account £m	Total £m
<b>Group</b>				
At 31 March 1996	0.5	5.3	42.0	47.8
Retained profit for the year	—	—	2.3	2.3
Premium on issue of shares (nominal value £29,238)	0.4	—	—	0.4
Goodwill written off in the year	—	(1.0)	—	(1.0)
Currency translation differences on foreign currency net investments	—	—	(4.1)	(4.1)
At 31 March 1997	0.9	4.3	40.2	45.4

The cumulative amount of goodwill written off resulting from acquisitions made up until 31 March 1997 was £7.6m (1996: £6.6m) of which the amount relating to subsidiary undertakings was £7.0m (1996: £6.0m).

	Share premium account £m	Merger reserve £m	Profit and loss account £m	Total £m
<b>Company</b>				
At 31 March 1996	0.5	10.0	32.0	42.5
Retained profit for the year	—	—	(0.3)	(0.3)
Premium on issue of shares	0.4	—	—	0.4
Goodwill written off in the year				
External	—	(1.0)	—	(1.0)
Intra-group	—	(4.0)	—	(4.0)
At 31 March 1997	0.9	5.0	31.7	37.6

The cumulative amount of goodwill written off resulting from acquisitions made up until 31 March 1997 was £5.6m (1996: £0.6m). The company's profit for the year before dividends was £3.4m (1996: £4.3m).

## 18. Commitments

	Group		Company	
	1997	1996	1997	1996
	£m	£m	£m	£m
<b>Capital expenditure</b>				
Committed	<u>1.9</u>	<u>2.4</u>	<u>1.8</u>	<u>1.1</u>
<b>Operating leases</b>				
Commitments for payments in the next year for plant and machinery under operating leases expiring as follows:				
Within one year	0.2	—	0.2	—
Between two and five years	0.5	—	0.5	—
	<u>0.7</u>	<u>—</u>	<u>0.7</u>	<u>—</u>

## 19. Acquisitions

Group and company	On acquisition	Fair value adjustments	Fair value net assets
	£m	£m	£m
<b>Net assets acquired</b>			
Tangible fixed assets	0.2	—	0.2
Stocks	0.7	(0.1)	0.6
Debtors	—	—	—
Bank loans and overdrafts	—	—	—
Creditors	(0.2)	—	(0.2)
Net assets	<u>0.7</u>	<u>(0.1)</u>	<u>0.6</u>
Goodwill			0.9
Purchase consideration			<u>1.5</u>
The purchase consideration was financed as follows:			
Deferred consideration			1.3
Contingent consideration			0.2
			<u>1.5</u>
<b>Analysis of the net outflow of cash in respect of acquisitions</b>		1997	1996
		£m	£m
Cash consideration including acquisition costs		4.1	0.7
Bank overdrafts and loans acquired		—	0.5
Net outflow of cash		<u>4.1</u>	<u>1.2</u>

On 27 March 1997 trade and assets of Ward Products plc were acquired for a deferred consideration of £1.3m, payable in cash and contingent consideration of £0.2m, payable dependent upon post-acquisition sales.

## 19. Acquisitions continued

An adjustment has been made to write down the value of acquired stock to its realisable value. As a result of the proximity of the acquisition of the Ward Products business to the company's year end, fair value adjustments relating to those assets have been stated on a provisional basis.

Thermakeep Plastics Limited became a subsidiary undertaking on 23 March 1995 as on that date the company acquired a participating interest in it and from that date it has demonstrably exercised a dominant influence over it. The company acquired unconditional full title to Thermakeep on 19 April 1996.

The directors have considered the fair value adjustments made with regard to the BlowMocan business acquired last year and they do not propose to make any changes to that valuation.

In addition, during the year the group acquired a 50% interest in Menshen Packaging UK Limited for a nominal consideration, giving rise to goodwill of £0.1m.

The trading results of these acquisitions are not material and have not therefore been disclosed separately as 'the results of acquired operations' on the face of the profit and loss account. The acquisitions have been accounted for by the acquisition method of accounting.

### Company

During the year the company acquired the net assets and businesses of Thermakeep Plastics Limited and AMK Plastics Limited, its wholly owned subsidiaries. The consideration was £5.4m and goodwill of £4.0m arose.

## 20. Reconciliation of operating profit to operating cash flows

	1997	1996
	£m	£m
Operating profit	10.9	8.2
Depreciation charges	10.4	10.7
(Profit) on sale of tangible fixed assets	(0.5)	(0.1)
Release of integration and reorganisation provision	(1.1)	1.1
Payments in respect of fair value provisions	—	(0.7)
(Increase) in stocks	(2.3)	—
(Increase) in debtors	(1.2)	(0.6)
Increase/(decrease) in creditors and provisions	4.0	(1.7)
<b>Cash flow from operating activities</b>	<b>20.2</b>	<b>16.9</b>

## 21. Analysis of net debt

	At 31 March 1996	Cash flow of group	Exchange movement	At 31 March 1997
	£m	£m	£m	£m
Cash in hand and at bank	2.8	0.5	(0.4)	2.9
Overdrafts	(2.8)	(2.6)	—	(5.4)
Debt due after 1 year	(14.2)	0.1	—	(14.1)
Debt due within 1 year	(2.2)	2.2	—	—
Finance leases	(1.2)	0.4	—	(0.8)
<b>Total</b>	<b>(17.6)</b>	<b>0.6</b>	<b>(0.4)</b>	<b>(17.4)</b>

continued

**22. Analysis of cash flows for headings netted in the cash flow statement**

	1997		1996	
	£m	£m	£m	£m
<b>Returns on investments and servicing of finance</b>				
Interest received	-		0.1	
Interest paid	(1.5)		(1.4)	
Interest element of finance lease rental payments	(0.1)		-	
<b>Net cash flow for returns on investments and servicing of finance</b>		<b>(1.6)</b>		<b>(1.3)</b>
<b>Taxation</b>				
Tax paid	(2.3)		(1.7)	
Tax received	0.1		0.1	
<b>Net cash outflow for taxation</b>		<b>(2.2)</b>		<b>(1.6)</b>
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	(10.3)		(12.4)	
Sale of plant and machinery	1.7		0.2	
<b>Net cash outflow for capital expenditure and financial investment</b>		<b>(8.6)</b>		<b>(12.2)</b>
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings	(4.1)		(0.7)	
Net overdrafts acquired with subsidiary	-		(0.5)	
<b>Net cash outflow for acquisitions and disposals</b>		<b>(4.1)</b>		<b>(1.2)</b>
<b>Financing</b>				
Issue of ordinary share capital		0.4		0.1
<i>Debt due within a year:</i>				
(Decrease)/increase in short-term borrowings				
Unsecured	(2.0)		2.0	
Repayment of amounts borrowed				
Secured	(0.2)		(0.4)	
<i>Debt due beyond a year:</i>				
New unsecured loan	7.0		5.0	
Repayment of unsecured loan	(7.1)		-	
Capital element of finance lease rental payments	(0.4)		(0.4)	
		<b>(2.7)</b>		<b>6.2</b>
<b>Net cash (outflow)/inflow from financing</b>		<b>(2.3)</b>		<b>6.3</b>



## 23. Pension costs

The total cost to the group of its pensions arrangements was £1.2m (1996: £0.7m). These costs arose as follows:

### UK defined benefit schemes

Costs have been assessed in accordance with SSAP24. The contributions and pension cost are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit credit method of valuation. The most recent valuations were at 1 April 1995. The assumptions which have the most significant effect on the results of the valuations are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed for the purpose of the pension cost calculations that investment returns would exceed the rate of increase in salaries by 2.5% per annum for members of the Plysu plc Pension Plan and by 2.0% per annum for members of the Plysu plc Staff Pension Plan and that investment returns would exceed the rate of increase in pensions by 4.5% per annum.

Dividends were assumed to increase by 0.5% per annum more than the rate of pension escalation.

The most recent actuarial valuations for SSAP24 purposes showed that the aggregate market value of the schemes' assets was £24.3m and that the actuarial value of those assets (£26.2m) represented 132% of the benefits that had accrued to members after allowing for expected future increases in earnings.

The pension cost for the year for the two plans amounted to £0.7m (1996: £0.3m). The pension cost has increased following the latest actuarial valuation.

### UK defined contribution schemes

Both Thermakeep Plastics Limited and AMK Plastics Limited have continued to operate their existing money purchase pension schemes with UK insurance companies with pension costs for the relevant accounting period of £58,000 (1996: £44,000).

### Overseas defined benefit schemes

There are five overseas schemes in force, providing benefits based upon final pensionable pay, with contributions being charged to the profit and loss account in order to spread the cost of pension over the employees' average working lives with the group.

Costs have been assessed by qualified actuaries in accordance with SSAP24. Assumptions have been made about the future experience of the investment return, wage and price inflation, and on the expected mortality within the group schemes. The main assumptions adopted in arriving at the cost are investment returns of 7% per annum and general wage inflation of 2.5% per annum adjusted for career progression increases averaging a further 2.5% per annum.

The guaranteed benefits are funded through insurance contracts. Any future surpluses which arise from these benefits will be used to reduce the group's contributions. The pension cost for these schemes was £0.5m (1996: £0.3m).

### Group

Amounts included in the balance sheet in respect of pensions are £0.2m (1996: £nil) in other creditors and £0.2m (1996: £0.2m) in provisions for liabilities and charges.

**Plysu plc**  
**Five-year record**

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	<i>Years ended 31 March</i>				
	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
<b>Group turnover</b>					
Containers					
Dairy and juice	22.7	26.8	36.5	56.2	56.9
Industrial and personal care	54.7	53.6	55.2	65.2	67.3
Housewares	7.3	7.0	6.4	6.4	8.2
Protection Systems and other	1.7	1.4	1.4	1.5	1.7
<b>Total</b>	<b>86.4</b>	<b>88.8</b>	<b>99.5</b>	<b>129.3</b>	<b>134.1</b>
<b>Depreciation</b>	<b>7.7</b>	<b>9.0</b>	<b>9.6</b>	<b>10.7</b>	<b>10.4</b>
<b>Interest payable (net)</b>	<b>—</b>	<b>0.6</b>	<b>0.9</b>	<b>1.3</b>	<b>1.6</b>
<b>Group profit before tax</b>	<b>10.8</b>	<b>5.4</b>	<b>6.5</b>	<b>6.9</b>	<b>9.3</b>
<b>Expenditure on fixed assets and moulds</b>	<b>12.3</b>	<b>14.5</b>	<b>8.4</b>	<b>13.2</b>	<b>10.3</b>
<b>Earnings per share</b>	<b>15.3p</b>	<b>7.3p</b>	<b>9.0p</b>	<b>9.6p</b>	<b>12.5p</b>
<b>Dividends per share</b>	<b>7.0p</b>	<b>7.0p</b>	<b>7.0p</b>	<b>7.35p</b>	<b>7.75p</b>
<b>Shareholders' funds</b>	<b>53.0</b>	<b>52.9</b>	<b>53.0</b>	<b>52.6</b>	<b>50.2</b>

1994 results are stated after charging £1.4m of exceptional reorganisation costs. 1996 results are stated after charging £1.1m of exceptional costs arising on the integration of BlowMocan's industrial containers division.

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# Plysu plc Notice of meeting

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Notice is hereby given that the 50th annual general meeting of Plysu plc will be held at the offices of Robert Fleming & Co, 25 Copthall Avenue, London EC2R 7DR at 12.15 pm on 16 July 1997 for the following purposes:

1. To consider the company's financial statements and the reports of the directors and auditors for the year ended 31 March 1997.
2. To re-elect as a director Mr D H O'Shaughnessy who retires by rotation in accordance with the articles of association and offers himself for re-election.
3. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

That, in substitution for all existing authorities, the directors be and are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ('the Act') to exercise all or any of the powers of the company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £588,463, representing not more than 12.2% of the issued ordinary share capital of the company at 16 June 1997, for a period expiring (unless previously renewed, varied or revoked by the company in general meeting) 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the company following the passing of this resolution, whichever first occurs but the company may make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement. The directors have no present intention of exercising the above authority.

4. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

That, in substitution for all existing authorities and subject to the passing of the resolution under item 3, the directors be and are hereby generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) of the company pursuant to the authority conferred by the resolution under item 3 as if section 89(1) of the Act did not apply to such allotment provided that this power:

- a. shall expire 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the company following the passing of this resolution, whichever first occurs, save that the company may make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer or agreement; and

b. shall be limited to:

- i. allotments of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares made in proportion (as nearly as may be) to their existing holdings of ordinary shares but subject to the directors having a right to make such exclusions or other arrangements in connection with such offering as they deem necessary or expedient:
  - to deal with equity securities representing fractional entitlements; and
  - to deal with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory; and
- ii. other allotments of equity securities for cash up to an aggregate nominal amount of £240,576, representing not more than 5% of the issued ordinary share capital of the company at 16 June 1997.

5. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

That KPMG Audit Plc be and are hereby appointed auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company at a remuneration to be fixed by the directors.

By order of the board  
Paul Manuel  
Secretary  
16 June 1997

Woburn Sands  
Milton Keynes  
Buckinghamshire  
MK17 8SE

## Notes

- i Every member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in their stead.
- ii A proxy need not be a member of the company. Completion of a form of proxy will not preclude a member from attending and voting in person. To be valid, the instrument appointing such a proxy must be deposited at the office of the company's registrars not less than 48 hours before the time of the meeting.
- iii The register of directors' interests and copies of all directors' service agreements and bonus schemes are available for inspection at the registered office of the company during normal business hours on each business day and at the offices of Robert Fleming & Co on the day of the annual general meeting for at least 15 minutes prior to and during the meeting.

# Financial calendar

Record date for second interim dividend	24 June 1997
Second interim dividend paid	1 July 1997
Annual general meeting	16 July 1997
Announcement of half-year results	Mid December 1997
Interim dividend paid	Early February 1998
Announcement of full-year results	Mid June 1998

The group's standard range  
of PET containers can now  
incorporate 25% of post  
consumer recycled material





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