

C. House

Company Number: 910628

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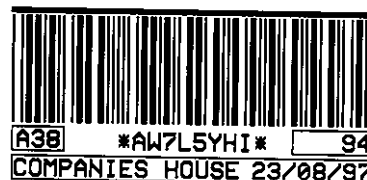
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**Sudpack U.K. Limited**

**Financial Statements**

**for the year ended 31st December 1996**

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**Sudpack U.K. Limited**

**Company Information**

**Company No: 910628**

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**Registered Office**

The Quadrangle  
180 Wardour Street  
London  
W1V 3AA

**Directors**

Mr R.J. Murrell  
Mr A. Remmele  
Mr R. Muller  
Mr W. Birkel  
Mr W. Sonderegger  
Mr G.L. Sowden

**Secretary**

Mrs L.M. Murrell

**Auditors**

Brebner Allen & Trapp  
The Quadrangle  
180 Wardour Street  
London  
W1V 4LB

**Bankers**

Midland Bank Plc  
23 Marlowes  
Hemel Hempstead  
Hertfordshire  
HP1 1LG

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1 and 2	Directors' Report
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5	Balance Sheet
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The directors submit their report together with the audited financial statements for the year ended 31st December 1996.

**Directors' Statement**

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 for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and to enable them to ensure 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.

**Results and Dividends**

The profit on the ordinary activities of the company before taxation amounted to £76,530. After deducting taxation, £52,560 has been transferred to reserves.

The directors do not recommend a dividend.

**Principal Activity and Business Review**

The company is principally engaged in the manufacturing and supply of both plain and printed films for thermoforming and flowwrapping. Additionally, in the manufacturing and supply of vacuum packaging bags, all of which are primarily used in the packaging of food products.

The expansion plan has continued to result in additional business, turnover and profitability.

The Board of Directors are pleased with the activity and results of Sudpack UK Ltd and look forward with confidence for 1997.

**Fixed Assets**

The significant changes in fixed assets are shown in the notes to the financial statements.

**Directors and their Interests**

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1996 No.	1995 No.
Mr R.J. Murrell	-	-
Mr A. Remmele	1	1
Mr R. Muller (Appointed 25th April 1996 and resigned 28th February 1997)	-	-
Mr W. Birkel (Appointed 25th April 1996)	-	-
Mr W. Sonderegger (Appointed 25th April 1996)	-	-
Mr G.L. Sowden (Appointed 25th April 1996)	-	-

**Political and Charitable Contributions**

During the year payments of a charitable nature amounted to £1,339. There were no contributions to political organisations.

**Auditors**

The Auditors, Brebner Allen & Trapp Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Mr R.J. Murrell, Director

24/6/97

**Auditors' Report to the Shareholders**

**on the Accounts for the year ended 31st December 1996**

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We have audited the financial statements on pages 4 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Brebner Allen & Trapp*

Brebner Allen & Trapp  
Chartered Accountants  
and Registered Auditors

20/8/97

The Quadrangle  
180 Wardour Street  
London  
W1V 4LB

**Sudpack U.K. Limited****Profit and Loss Account****for the year ended 31st December 1996**

	Notes	1996 £	1995 £
<b>Turnover</b>	2	6,871,654	4,953,055
Cost of sales		(5,546,635)	(4,228,533)
<b>Gross profit</b>		<u>1,325,019</u>	<u>724,522</u>
Distribution costs		(148,247)	(75,076)
Administration expenses		(1,098,860)	(684,989)
<b>Operating profit/(loss)</b>	3	<u>77,912</u>	<u>(35,543)</u>
Interest receivable		287	630
Interest payable	5	(1,669)	(184)
<b>Profit/(Loss) on ordinary activities before Taxation</b>		<u>76,530</u>	<u>(35,097)</u>
Tax on profit/(loss) on ordinary activities	6	(23,970)	6,061
<b>Profit/(Loss) on ordinary activities after Taxation</b>		<u>52,560</u>	<u>(29,036)</u>
<b>Retained profit/(loss) transferred to/(from) reserves</b>	17	<u>52,560</u>	<u>(29,036)</u>

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

**Sudpack U.K. Limited**

**Balance Sheet**

**as at 31st December 1996**

	Notes	1996 £	1996 £	1995 £	1995 £
<b>Fixed Assets</b>					
Tangible fixed assets	7		91,532		58,957
Investments	8		2		-
			<u>91,534</u>		<u>58,957</u>
<b>Current Assets</b>					
Stock	10	1,278,887		1,331,251	
Debtors	11	1,814,338		1,469,797	
Cash at bank and in hand		226,723		3,793	
		<u>3,319,948</u>		<u>2,804,841</u>	
<b>Creditors:</b>					
Amounts falling due within one year	12	(2,169,622)		(1,696,269)	
<b>Net Current Assets</b>			<u>1,150,326</u>		<u>1,108,572</u>
<b>Total Assets Less Current Liabilities</b>			<u>1,241,860</u>		<u>1,167,529</u>
<b>Creditors:</b>					
Amounts falling due after more than one year	13		(21,771)		-
			<u>1,220,089</u>		<u>1,167,529</u>
<b>Capital and Reserves</b>					
Called up share capital	16	1,000,000		1,000,000	
Profit and loss account	17	220,089		167,529	
Shareholders' funds	18		<u>1,220,089</u>		<u>1,167,529</u>
<b>Analysis of shareholders' funds</b>					
Equity interests			<u>1,220,089</u>		<u>1,167,529</u>

These accounts were approved by the board on **24 JUNE 1997**

Mr R.J. Murrell



Director



## Cash Flow Statement

for the year ended 31st December 1996

	Notes	1996 £	1996 £	1995 £	1995 £
Net Cash Inflow/(Outflow) from Operating Activities	19		304,978		(110,962)
<b>Returns on Investments and Servicing of Finance</b>					
Interest received		287		630	
Interest paid		-		-	
Interest element of finance lease rental payments		(1,669)		(184)	
<b>Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance</b>			(1,382)		446
<b>Taxation</b>					
Corporation tax (paid)		(287)		(14,735)	
<b>Tax (Paid)</b>			(287)		(14,735)
<b>Investing Activities</b>					
Purchase of tangible fixed assets		(32,793)		(28,886)	
Purchase of fixed assets investments		(2)		-	
Proceeds from the sale of fixed assets		225		5,299	
<b>Net Cash (Outflow) from Investing Activities</b>			(32,570)		(23,587)
<b>Net Cashflow before Financing</b>			270,739		(148,838)
<b>Financing</b>					
Capital element of finance lease rentals		(7,649)		(8,024)	
<b>Net Cash (Outflow) from Financing</b>			(7,649)		(8,024)
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	20		263,090		(156,862)

**1 Principal Accounting Policies**

***Accounting Convention***

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

***Turnover***

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Leasehold land and buildings	Amortised over the period of the lease
Plant and machinery	5 years - straight line
Motor vehicles	3 years - straight line
Fixtures and fittings	4 years - straight line

***Investments***

Investments are included at cost/cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

***Foreign Currencies***

Transactions in foreign currencies are translated into sterling at the rate of exchange current at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange gains and losses are taken to the profit and loss account.

***Contribution to Pension Funds***

The company operates a defined contribution scheme for the directors and employees. The assets are held separately from those of the company, being invested with Insurance Companies. Contributions to the scheme are calculated on a percentage of pensionable salary.

## Notes to the Financial Statements

for the year ended 31st December 1996

***Leased Assets***

When the company enters into operating and/or finance leases, its policy is to regard leases as finance leases when their terms give rights approximating to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Rentals under operating leases are charged on a straight-line basis over the lease term.

**2 Turnover**

The turnover and operating profit/(loss) for the year was derived from the company's principal activity and was carried out wholly in the UK.

**3 Operating Profit/(Loss)**

*The operating profit/(loss) is stated after charging or crediting:*

	1996	1995
	£	£
Other operating lease rentals	55,472	55,472
Amounts payable to the auditors in respect of audit services	6,500	5,500
Depreciation - owned assets	32,800	26,857
Depreciation - assets held under hire purchase or finance lease contracts	3,981	-
(Profit)/Loss on disposal of fixed assets	(225)	2,285

## Notes to the Financial Statements

for the year ended 31st December 1996

**4 Directors and Employees**

Staff costs during the year were as follows:

	1996	1995
	£	£
Wages and salaries	407,168	299,727
Social security costs	42,618	32,641
Other pension costs	38,361	19,115
	<u>488,147</u>	<u>351,483</u>

The average weekly number of employees, including directors, during the year was as follows:

	1996	1995
	Number	Number
Office and management	10	8
Factory	7	6
	<u>17</u>	<u>14</u>

Remuneration in respect of directors was as follows:

	1996	1995
	£	£
Management remuneration	119,794	36,901
Pensions	22,454	6,454
	<u>142,248</u>	<u>43,355</u>

The emoluments, excluding pension contributions, of the highest paid director were £65,993 (1995 - £36,901).

Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	1996	1995
	Number	Number
£ 0 - £ 5,000	4	3
£ 50,001 - £ 55,000	1	-

**5 Interest Payable**

	1996	1995
	£	£
Finance charges in respect of finance leases	<u>1,669</u>	<u>184</u>

**6 Tax on Profit/(Loss) on Ordinary Activities**

	1996	1995
	£	£
<i>Based on the profit/(loss) for the year:</i>		
U.K. Corporation tax at 33% (1995: 33%)	<u>23,970</u>	<u>(6,061)</u>

The company is a "close" company within the provisions of the Income and Corporation Taxes Act 1988

## Notes to the Financial Statements

for the year ended 31st December 1996

## 7 Tangible Fixed Assets

	Leasehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
<b>Cost</b>	£	£	£	£	£
At 1st January 1996	12,808	67,184	53,852	88,264	222,108
Additions	-	10,425	39,609	19,321	69,355
Disposals	-	-	(3,700)	-	(3,700)
At 31st December 1996	12,808	77,609	89,761	107,585	287,763
<b>Depreciation</b>					
At 1st January 1996	3,502	63,751	39,490	56,408	163,151
Charged for the year	767	3,433	18,897	13,683	36,780
Eliminated on disposal	-	-	(3,700)	-	(3,700)
At 31st December 1996	4,269	67,184	54,687	70,091	196,231
<b>Net Book Value</b>					
Owned assets	8,539	10,425	4,441	37,494	60,899
Leased assets	-	-	30,633	-	30,633
At 31st December 1996	8,539	10,425	35,074	37,494	91,532
At 31st December 1995	9,306	3,433	14,362	31,856	58,957

## 8 Fixed Asset Investments

	Shares in Group Undertakings £
<b>Cost</b>	
Additions	2
At 31st December 1996	2
<b>Net Book Value</b>	
At 31st December 1996	2

## Notes to the Financial Statements

for the year ended 31st December 1996

## 9 Principal Fixed Asset Investments

The company holds more than 10% of the share capital of the following:

Name	Country of registration (or incorporation) and operation	Class of share	Proportion held	Nature of business	Total reserves	Net profit / (loss) for the year
					£	£
<i>Principal subsidiary undertakings:</i>						
Action Packaging Company Limited	England	Ordinary shares	100%	Dormant Company	2	-

10	<b>Stocks</b>	1996 £	1995 £
	Raw materials	1,019,748	1,044,304
	Finished goods	259,139	286,947
		<u>1,278,887</u>	<u>1,331,251</u>
11	<b>Debtors</b>	1996 £	1995 £
	Trade debtors	1,752,889	1,374,589
	Corporation tax recoverable	6,886	6,062
	Other debtors	691	28,360
	Prepayments and accrued income	53,872	60,786
		<u>1,814,338</u>	<u>1,469,797</u>
12	<b>Creditors: Amounts falling due within one year</b>	1996 £	1995 £
	Bank loans and overdrafts	-	40,159
	Net obligations under hire purchase and finance lease contracts	7,142	-
	Trade creditors	283,325	109,478
	Amounts owed to other group undertakings	1,592,384	1,347,555
	Corporation tax	25,267	760
	Other taxes and social security costs	180,359	188,157
	Accruals and deferred income	81,145	10,160
		<u>2,169,622</u>	<u>1,696,269</u>

The bank overdraft is secured by a Fixed Charge over book debts and a Floating Charge over the assets of the company.

13	<b>Creditors: Amounts falling due after one year</b>	1996 £	1995 £
	Net obligations under hire purchase and finance lease contracts	21,771	-
		<u>21,771</u>	<u>-</u>

## Notes to the Financial Statements

for the year ended 31st December 1996

**14 Obligations Under Hire Purchase & Finance Leases****1996**  
**£****1995**  
**£**

Net obligations under finance leases and hire purchase contracts are analysed as follows:

Within one year	7,142	-
Between one and two years	5,775	-
Between two and five years	15,996	-
	<u>28,913</u>	<u>-</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets concerned.

**15 Operating lease commitments**

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	<b>1996</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>1996</b> <b>Other</b> <b>£</b>	<b>1995</b> <b>Land and</b> <b>buildings</b> <b>£</b>	<b>1995</b> <b>Other</b> <b>£</b>
Expiring:				
Within two to five years	-	22,099	-	22,099
After five years	62,660	-	62,660	-
	<u>62,660</u>	<u>22,099</u>	<u>62,660</u>	<u>22,099</u>

**16 Share Capital****Authorised****1996**  
**£****1995**  
**£**

1,000,000 Ordinary shares of £1 each (1995: 1,000,000)

1,000,000

1,000,000

1,000,0001,000,000**Allotted and fully paid****1996**  
**£****1995**  
**£**

1,000,000 Ordinary shares of £1 each (1995: 1,000,000)

1,000,000

1,000,000

## Notes to the Financial Statements

for the year ended 31st December 1996

## 17 Reserves

	Profit and Loss Account £
At 1st January 1996	167,529
Profit for the year	52,560
At 31st December 1996	<u>220,089</u>

## 18 Reconciliation of the movement in shareholders' funds

	1996 £	1995 £
Profit/(Loss) for the financial year	52,560	(29,036)
Increase/(Decrease) in shareholders' funds	52,560	(29,036)
Opening shareholders' funds	1,167,529	1,196,565
Closing shareholders' funds	<u>1,220,089</u>	<u>1,167,529</u>

## 19 Reconciliation of Operating Profit/(Loss) to Net Cash Flow from Operating Activities

	1996 £	1995 £
Operating profit/(loss)	77,912	(35,543)
Depreciation	36,781	26,857
(Profit)/Loss on disposal of fixed assets	(225)	2,285
Decrease/(Increase) in stocks	52,364	(486,300)
(Increase) in debtors	(343,717)	(250,794)
Increase in creditors	481,863	632,533
Net Cash Inflow/(Outflow) from Operating Activities	<u>304,978</u>	<u>(110,962)</u>

## 20 Analysis of Changes in Cash and Cash Equivalents During the Year

	1996 £	1995 £
Balance at 1st January 1996	(36,366)	120,496
Balance at 31st December 1996	226,723	(36,366)
Net cash movement	<u>263,089</u>	<u>(156,862)</u>



## Notes to the Financial Statements

for the year ended 31st December 1996

**21 Analysis of Changes in Cash or Cash Equivalents  
as Shown in the Balance Sheet**

	Cash at Bank and in Hand £	Bank Overdrafts £	Total £
At 31st December 1996	226,723	-	226,723
At 1st January 1996	3,793	(40,159)	(36,366)
Change in the year	<u>222,930</u>	<u>40,159</u>	<u>263,089</u>

**22 Analysis of Changes in Financing During the Year**

	Share Capital £	Finance Lease Obligation £
Balance at 1st January 1995	1,000,000	-
Cash inflow/(outflow) from financing	-	(7,649)
Inception/(Cancellation) of finance lease contracts	-	36,562
Balance at 31st December 1996	<u>1,000,000</u>	<u>28,913</u>

**23 Ultimate Parent Undertaking**

The directors consider Sudpack - Export AG (incorporated in Switzerland) to be the company's ultimate parent undertaking.

**24 Pensions - Defined Contribution Scheme**

The company operates a defined contribution pension scheme with the assets of the scheme held separately by Insurance Companies. The charge in the year amounts to £28,361 (1994: £19,115).