



ARTHURANDERSEN

**Presspart Manufacturing Limited**

Annual report and accounts  
for the year ended 31 December 2000

Registered number: 995387



## Directors' report

For the year ended 31 December 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 2000.

### Principal activity and business review

The principal activity of the company continues to be the manufacture of deep drawn pressings.

The turnover and profit on ordinary activities before taxation for the year were £15,367,000 (1999 - £17,583,000) and £1,278,000 (1999 - £2,100,000) respectively.

### Results and dividends

|  | £'000         |
|--|---------------|
| Retained profit at 1 January 2000            | 19,877        |
| Profit on ordinary activities after taxation | 873           |
| Dividend                                     | (9,000)       |
| Amortisation of revaluation surplus          | 187           |
| Retained profit at 31 December 2000          | <u>11,937</u> |

The dividend on the ordinary shares, amounting to £360 per share, was paid on 4 October 2000.

### Directors and their interests

The directors of the company who served during the year were as follows:

|                |                              |
|----------------|------------------------------|
| J.R. Ainsworth |                              |
| D. O'Neill     | (appointed 27 November 2000) |
| S.J. Wilkinson | (resigned 31 August 2000)    |
| T.S. Pattinson |                              |
| M.A. Eaves     | (resigned 9 October 2000)    |
| B. Jelbert     |                              |
| I. Edwards     |                              |
| A. Macaulay    | (resigned 30 June 2000)      |

The interests of the directors, who held office at 31 December 2000, in the shares of the parent company are as shown below:

|                | Ordinary shares<br>of 1p each<br>2000 | Ordinary shares<br>of 1p each<br>1999 |
|----------------|---------------------------------------|---------------------------------------|
| T.S. Pattinson | <u>-</u>                              | <u>11,905</u>                         |

## Directors' report (continued)

### Directors and their interests (continued)

The interests of the other directors, who held office at 31 December 2000, in the shares of the parent company are disclosed in the accounts of that company. The directors do not have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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; and
- prepare the accounts 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 enable them to ensure that the accounts 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.

### Creditors payment policy

The company's policy, which is also applied by the group, is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the group at 31 December 2000 were equivalent to 102 days (1999 - 127) days' purchases based on the average daily amount invoiced by supplies during the year.

### Auditors

The directors will place a resolution before the annual general meeting to re-appoint Arthur Andersen as auditors for the ensuing year.

Whitebirk Estate  
Blackburn  
Lancashire  
BB1 5RF

By order of the Board,



B. Jelbert  
Secretary

4 April 2001

**To the Shareholder of Presspart Manufacturing Limited:**

We have audited the accounts on pages 4 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 6 to 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

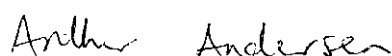
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the company's state of affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

Bank House  
9 Charlotte Street  
Manchester  
M1 4EU

4 April 2001

## Profit and loss account

For the year ended 31 December 2000

|  | Note | 2000<br>£'000  | 1999<br>£'000 |
|--|------|----------------|---------------|
| Turnover   | 1    | 15,367         | 17,583        |
| Cost of sales  |      | (12,803)       | (14,203)      |
| <b>Gross profit</b>                                  |      | <u>2,564</u>   | <u>3,380</u>  |
| Other operating expenses                             | 2    | (1,961)        | (2,025)       |
| <b>Operating profit</b>                              |      | <u>603</u>     | <u>1,355</u>  |
| Finance charges (net)                                | 3    | 675            | 745           |
| <b>Profit on ordinary activities before taxation</b> | 4    | <u>1,278</u>   | <u>2,100</u>  |
| Tax on profit on ordinary activities                 | 6    | (405)          | (633)         |
| <b>Profit on ordinary activities after taxation</b>  |      | <u>873</u>     | <u>1,467</u>  |
| Dividends paid and proposed                          | 7    | (9,000)        | -             |
| <b>Retained (loss) profit for the year</b>           | 16   | <u>(8,127)</u> | <u>1,467</u>  |

There were no recognised gains or losses in either the current or prior year other than the profit for the financial year.

The accompanying notes are an integral part of this profit and loss account.

## Note of historical cost profits and losses

For the year ended 31 December 2000

|  | 2000<br>£'000  | 1999<br>£'000 |
|--|----------------|---------------|
| Profit on ordinary activities before taxation  | 1,278          | 2,100         |
| Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount | 187            | 197           |
| <b>Historical cost profit on ordinary activities before taxation</b>   | <u>1,465</u>   | <u>2,297</u>  |
| <b>Historical cost (loss) profit for the year retained after taxation and dividends</b>  | <u>(7,940)</u> | <u>1,664</u>  |

The accompanying notes are an integral part of this statement.

Balance sheet  
31 December 2000

|  | Note | 2000<br>£'000  | 1999<br>£'000  |
|--|------|----------------|----------------|
| <b>Fixed assets</b>  |      |                |                |
| Tangible assets  | 8    | 7,679          | 8,392          |
| Investments  | 9    | 1,690          | 1,690          |
|  |      | <u>9,369</u>   | <u>10,082</u>  |
| <b>Current assets</b>  |      |                |                |
| Stocks   | 10   | 1,633          | 1,613          |
| Debtors  |      |                |                |
| - due within one year  | 11   | 2,103          | 2,131          |
| - due after one year   | 11   | 4,734          | 6,485          |
| Cash at bank and in hand                                       |      | 409            | 5,405          |
|  |      | <u>8,879</u>   | <u>15,634</u>  |
| <b>Creditors: Amounts falling due within one year</b>          | 12   | <u>(4,537)</u> | <u>(3,879)</u> |
| <b>Net current assets</b>                                      |      | <u>4,342</u>   | <u>11,755</u>  |
| <b>Total assets less current liabilities</b>                   |      | 13,711         | 21,837         |
| <b>Creditors: Amounts falling due after more than one year</b> | 13   | (279)          | (144)          |
| <b>Provisions for liabilities and charges</b>                  | 14   | <u>(863)</u>   | <u>(997)</u>   |
| <b>Net assets</b>  |      | <u>12,569</u>  | <u>20,696</u>  |
| <b>Capital and reserves</b>                                    |      |                |                |
| Called-up share capital  | 15   | 25             | 25             |
| Revaluation reserve  | 16   | 607            | 794            |
| Profit and loss account  | 16   | 11,937         | 19,877         |
| <b>Equity shareholder's funds</b>                              |      | <u>12,569</u>  | <u>20,696</u>  |

Signed on behalf of the Board



B. Jelbert

Director

4 April 2001

The accompanying notes are an integral part of this balance sheet.

## Statement of accounting policies

31 December 2000

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

### Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Presspart Group Limited which prepares consolidated accounts which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

### Tangible fixed assets

Land and buildings and plant and machinery are shown at original historical cost or subsequent valuation less accumulated depreciation and provision for impairment. Other fixed assets are shown at cost less accumulated depreciation and provision for impairment.

The company has taken advantage of the transitional provisions of FRS 15 "Tangible fixed assets" and retained the book amounts of certain plant and machinery and properties which were revalued prior to implementation of that standard. The plant and machinery was last revalued in 1988 and the properties were last revalued in 1991 and the valuations have not subsequently been updated.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

|                       |                     |
|-----------------------|---------------------|
| Freehold buildings    | 2.5% per annum      |
| Plant and machinery   | 7.5% per annum      |
| Tooling               | 33% - 50% per annum |
| Fixtures and fittings | 10% per annum       |
| Computers             | 20% - 33% per annum |
| Motor vehicles        | 15% - 25% per annum |

### Investments

Fixed asset investments are shown at cost less provision for impairment.

### Stocks

Stocks are stated at the lower of cost and net realisable value. Raw materials are stated at purchase cost on a first-in, first-out basis. For finished goods and goods for resale, the cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

## Statement of accounting policies (continued)

### **Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

### **Turnover**

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

### **Pension costs**

The company provides pensions to employees through a defined benefit pension scheme operated by the parent company, Presspart Group Limited. The amount charged to the profit and loss account is the estimated regular cost of providing the benefits accrued in the period, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future pensionable payroll. Variations from regular cost are charged or credited to the profit and loss account so as to represent a constant percentage of pensionable payroll. The assets of the scheme are held separately from those of the company in trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet, if material.

### **Foreign currency**

Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction, or if hedged at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the year end (or, where appropriate, at the forward contract rate). All exchange differences are included in the profit and loss account.

### **Leases**

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis.



## Statement of accounting policies (continued)

### **Revaluation reserve**

Surpluses arising on the revaluation of individual fixed assets are credited to a non-distributable revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account. Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss reserve. On the disposal of a revalued fixed asset, any remaining revaluation surplus corresponding to the item is also transferred to the profit and loss reserve.

## Notes to accounts

31 December 2000

### 1 Segmental information

The geographical analysis of turnover by destination is as follows:

|                | 2000<br>£'000 | 1999<br>£'000 |
|----------------|---------------|---------------|
| United Kingdom | 5,729         | 8,226         |
| Rest of Europe | 8,197         | 7,745         |
| The Americas   | 749           | 689           |
| Other          | 692           | 923           |
|                | <u>15,367</u> | <u>17,583</u> |

### 2 Other operating expenses

|                                | 2000<br>£'000 | 1999<br>£'000 |
|--------------------------------|---------------|---------------|
| Selling and distribution costs | 1,195         | 1,251         |
| Administrative expenses        | 766           | 774           |
|                                | <u>1,961</u>  | <u>2,025</u>  |

### 3 Finance charges (net)

*Interest payable and similar charges*

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Finance leases and hire purchase contracts | 32            | 13            |
| Other loans and finance charges payable    | 33            | 1             |
|  | <u>65</u>     | <u>14</u>     |

*Finance charges (net)*

|  |              |              |
|--|--------------|--------------|
| Interest payable and similar charges               | 65           | 14           |
| Less: Other interest receivable and similar income | (740)        | (759)        |
|  | <u>(675)</u> | <u>(745)</u> |

Other interest receivable and similar income includes net exchange gains on foreign currency loans to fellow group undertakings of £142,000 (1999 - £43,000).

## Notes to accounts (continued)

### 4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting):

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Depreciation and amounts written off tangible fixed assets |               |               |
| - owned  | 918           | 882           |
| - held under finance leases                                | 53            | 16            |
| Exceptional items  | -             | (320)         |
| Operating lease rentals                                    |               |               |
| - land and buildings                                       | 20            | 24            |
| - other  | 176           | 123           |
| Auditors' remuneration                                     |               |               |
| - audit services   | 24            | 25            |
| - non-audit services                                       | 6             | 6             |
| Staff costs (note 5)                                       | <u>5,372</u>  | <u>5,682</u>  |

The prior year exceptional items relates to the release of a provision no longer required.

### 5 Staff costs

Particulars of employees (including directors) are as shown below:

|   | 2000<br>£'000 | 1999<br>£'000 |
|---|---------------|---------------|
| Employee costs during the year amounted to: |               |               |
| Wages and salaries                          | 4,564         | 4,797         |
| Social security costs                       | 387           | 426           |
| Other pension costs                         | 421           | 459           |
|   | <u>5,372</u>  | <u>5,682</u>  |

The average monthly number of persons employed by the company during the year was as follows:

|                          | 2000<br>Number | 1999<br>Number |
|--------------------------|----------------|----------------|
| Production               | 179            | 196            |
| Selling and distribution | 20             | 19             |
| Administration           | 19             | 21             |
|                          | <u>218</u>     | <u>236</u>     |

## Notes to accounts (continued)

### 5 Staff costs (continued)

#### *Directors' remuneration:*

The remuneration of the directors was as follows:

|                                 | 2000<br>£'000 | 1999<br>£'000 |
|---------------------------------|---------------|---------------|
| Emoluments                      | 380           | 396           |
| Compensation for loss of office | <u>75</u>     | <u>-</u>      |

#### *Pensions*

The number of directors who were members of pension schemes was as follows:

|                             | 2000<br>Number | 1999<br>Number |
|-----------------------------|----------------|----------------|
| Defined contribution scheme | 2              | 1              |
| Defined benefit scheme      | <u>5</u>       | <u>6</u>       |

#### *Highest paid director*

The above amounts for remuneration include the following in respect of the highest paid director:

|            | 2000<br>£'000 | 1999<br>£'000 |
|------------|---------------|---------------|
| Emoluments | <u>120</u>    | <u>124</u>    |

The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 31 December 2000 was £Nil (1999 - £Nil).

### 6 Tax on profit on ordinary activities

The tax charge comprises:

|                                      | 2000<br>£'000 | 1999<br>£'000 |
|--------------------------------------|---------------|---------------|
| UK corporation tax                   | -             | -             |
| Group relief                         | 543           | 603           |
| Deferred tax                         | (134)         | 9             |
| Adjustment in respect of prior years |               |               |
| - corporation tax                    | <u>(4)</u>    | <u>21</u>     |
|                                      | <u>405</u>    | <u>633</u>    |

## Notes to accounts (continued)

### 7 Dividends paid and proposed

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Interim paid of £360 (1999 - Nil) per ordinary share | 9,000         | -             |

### 8 Tangible fixed assets

a) The movement in the year was as follows:

|  | Freehold<br>land and<br>buildings<br>£'000 | Plant,<br>machinery<br>and tooling<br>£'000 | Fixtures<br>and<br>fittings<br>£'000 | Computers<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|--|--|---|--------------------------------------|--------------------|----------------------------|----------------|
| <b>Cost or valuation</b>                   |  |   |                                      |                    |                            |                |
| Beginning of year                          | 1,749                                      | 12,062                                      | 694                                  | 634                | 27                         | 15,166         |
| Additions                                  | 26   | 166   | 89                                   | 23                 | 12                         | 316            |
| Disposals                                  | -  | (33)  | -                                    | -                  | (6)                        | (39)           |
| Transfers from other group<br>undertakings | -  | 17  | -                                    | -                  | -                          | 17             |
| Transfers to other group<br>undertakings   | -  | (79)  | -                                    | -                  | -                          | (79)           |
| End of year                                | 1,775                                      | 12,133                                      | 783                                  | 657                | 33                         | 15,381         |
| <b>Depreciation</b>                        |  |   |                                      |                    |                            |                |
| Beginning of year                          | 266  | 5,742                                       | 347                                  | 406                | 13                         | 6,774          |
| Charge                                     | 36   | 787   | 67                                   | 69                 | 12                         | 971            |
| Disposals                                  | -  | (29)  | -                                    | -                  | (6)                        | (35)           |
| Transfers to other group<br>undertakings   | -  | (8)   | -                                    | -                  | -                          | (8)            |
| End of year                                | 302  | 6,492                                       | 414                                  | 475                | 19                         | 7,702          |
| <b>Net book value</b>                      |  |   |                                      |                    |                            |                |
| Beginning of year                          | 1,483                                      | 6,320                                       | 347                                  | 228                | 14                         | 8,392          |
| End of year                                | 1,473                                      | 5,641                                       | 369                                  | 182                | 14                         | 7,679          |
| Leased assets included in the above:       |  |   |                                      |                    |                            |                |
| <b>Net book value</b>                      |  |   |                                      |                    |                            |                |
| Beginning of year                          | -  | 213   | -                                    | -                  | -                          | 213            |
| End of year                                | -  | 427   | -                                    | -                  | -                          | 427            |

Freehold land amounting to £400,000 (1999 - £400,000) has not been depreciated.

## Notes to accounts (continued)

### 8 Tangible fixed assets (continued)

#### b) Basis of valuation

Certain items of plant and machinery are shown at valuation, with subsequent additions at cost. The valuation was carried out by a professional firm of Chartered Surveyors in 1988.

Land and buildings are shown at valuation, with subsequent additions at cost. The valuation was performed in 1991 on an existing use basis by Weatherall, Green and Smith, Chartered Surveyors.

Subsequent additions were made at cost as follows:

|   | 2000<br>£'000 | 1999<br>£'000 |
|---|---------------|---------------|
| Valuations                              | 607           | 794           |
| Cost                                    | 7,072         | 7,598         |
| Cost or revaluation at 31 December 2000 | <u>7,679</u>  | <u>8,392</u>  |

If stated under historical cost principles, the comparable amounts for the total of tangible fixed assets at 31 December 2000 would be:

|                          | 2000<br>£'000 | 1999<br>£'000 |
|--------------------------|---------------|---------------|
| Cost                     | 13,043        | 12,513        |
| Accumulated depreciation | (5,972)       | (4,915)       |
| Net book value           | <u>7,071</u>  | <u>7,598</u>  |

### 9 Fixed asset investments

The following is included in the net book value of fixed asset investments:

|                        | 2000<br>£'000 | 1999<br>£'000 |
|------------------------|---------------|---------------|
| Subsidiary undertaking | <u>1,690</u>  | <u>1,690</u>  |

At 31 December 2000 the company owned 100% of the ordinary share capital of Presspart Inc., a company incorporated in North Carolina, USA. The principal activity of Presspart Inc. is the manufacture of deep drawn pressings.

## Notes to accounts (continued)

### 10 Stocks

|                                     | 2000<br>£'000 | 1999<br>£'000 |
|-------------------------------------|---------------|---------------|
| Raw materials and consumables       | 799           | 545           |
| Finished goods and goods for resale | 834           | 1,068         |
|                                     | <u>1,633</u>  | <u>1,613</u>  |

### 11 Debtors

The following amounts are included in the net book value of debtors:

|   | 2000<br>£'000 | 1999<br>£'000 |
|---|---------------|---------------|
| Amounts falling due within one year:          |               |               |
| Trade debtors                                 | 1,878         | 1,848         |
| Other debtors                                 | 90            | 66            |
| Corporation tax recoverable                   | -             | 73            |
| Prepayments and accrued income                | 135           | 144           |
|   | <u>2,103</u>  | <u>2,131</u>  |
| Amounts falling due after more than one year: |               |               |
| Amounts owed by group undertakings            | 4,734         | 6,485         |
|   | <u>6,837</u>  | <u>8,616</u>  |

### 12 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Obligations under finance leases and hire purchase contracts | 102           | 48            |
| Bank overdraft   | 1,451         | -             |
| Trade creditors  | 1,313         | 1,948         |
| Amounts owed to group undertaking                            | 543           | 603           |
| Bills of exchange payable                                    | 273           | 587           |
| Other creditors  |               |               |
| - UK corporation tax payable                                 | -             | -             |
| - social security and PAYE                                   | 166           | 145           |
| - VAT  | 110           | 138           |
| Accruals and deferred income                                 | 579           | 410           |
|  | <u>4,537</u>  | <u>3,879</u>  |

## Notes to accounts (continued)

### 13 Creditors: Amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Obligations under finance leases and hire purchase contracts | <u>279</u>    | <u>144</u>    |

Finance leases and hire purchase contracts are repayable as follows:

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| Amounts payable:                                   |               |               |
| - Due within 1 year                                | 119           | 61            |
| - Due within 2-5 years                             | 300           | 163           |
| - Less finance charges allocated to future periods | <u>(38)</u>   | <u>(32)</u>   |
|  | <u>381</u>    | <u>192</u>    |

### 14 Provisions for liabilities and charges

Provisions for liabilities and charges comprise the following:

|                   | 2000<br>£'000 | 1999<br>£'000 |
|-------------------|---------------|---------------|
| Deferred taxation | <u>863</u>    | <u>997</u>    |

The movement on the provision for deferred taxation during the year was as follows:

|   | 2000<br>£'000 | 1999<br>£'000 |
|---|---------------|---------------|
| Beginning of year                             | 997           | 988           |
| (Credited) charged to profit and loss account | <u>(134)</u>  | <u>9</u>      |
| End of year                                   | <u>863</u>    | <u>997</u>    |



## Notes to accounts (continued)

### 14 Provisions for liabilities and charges (continued)

Deferred taxation provided was as follows:

|                                | 2000<br>£'000 | 1999<br>£'000 |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 851           | 985           |
| Short term timing differences  | 12            | 12            |
|                                | <u>863</u>    | <u>997</u>    |

No deferred taxation has been provided by the company in the current year in respect of the revaluation reserve since the directors consider that no liability to taxation will arise in the foreseeable future. There was no other unprovided deferred taxation at either year end.

### 15 Called-up share capital

|  | 2000<br>£'000 | 1999<br>£'000 |
|--|---------------|---------------|
| <i>Authorised, allotted, called up and fully paid</i><br>25,000 ordinary shares of £1 each | <u>25</u>     | <u>25</u>     |

### 16 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

|                           | 2000<br>£'000 | 1999<br>£'000 |
|---------------------------|---------------|---------------|
| Non-distributable         |               |               |
| - Revaluation reserve     | 607           | 794           |
| Distributable             |               |               |
| - Profit and loss account | 11,937        | 19,877        |
|                           | <u>12,544</u> | <u>20,671</u> |

## Notes to accounts (continued)

### 16 Reserves (continued)

The movement on reserves during the year was:

|                                     | Revaluation<br>reserve<br>£'000 | Profit and<br>loss account<br>£'000 | Total<br>£'000 |
|-------------------------------------|---------------------------------|-------------------------------------|----------------|
| Beginning of year                   | 794                             | 19,877                              | 20,671         |
| Retained loss for the year          | -                               | (8,127)                             | (8,127)        |
| Amortisation of revaluation surplus | (187)                           | 187                                 | -              |
| End of year                         | <u>607</u>                      | <u>11,937</u>                       | <u>12,544</u>  |

### 17 Reconciliation of movement in equity shareholder's funds

The movement in equity shareholders' funds was as follows:

|   | 2000<br>£'000 | 1999<br>£'000 |
|---|---------------|---------------|
| (Loss) profit for the financial year                      | (8,127)       | 1,467         |
| Net (reduction in) addition to equity shareholder's funds | (8,127)       | 1,467         |
| Opening equity shareholder's funds                        | <u>20,696</u> | <u>19,229</u> |
| Closing equity shareholder's funds                        | <u>12,569</u> | <u>20,696</u> |

### 18 Guarantees and other financial commitments

#### a) Capital commitments

At the end of the year there were capital commitments contracted for, but not provided for of £20,000 (1999 - £20,000).

#### b) Lease commitments

The minimum annual rentals under operating leases are as follows:

|                                | Property<br>2000<br>£'000 | Plant and<br>machinery<br>2000<br>£'000 | Property<br>1999<br>£'000 | Plant and<br>machinery<br>1999<br>£'000 |
|--------------------------------|---------------------------|---|---------------------------|---|
| Operating leases which expire: |                           |   |                           |   |
| - within 1 year                | -                         | 31                                      | -                         | 23                                      |
| - within 2 - 5 years           | -                         | 134                                     | -                         | 106                                     |
| - after 5 years                | <u>24</u>                 | <u>-</u>                                | <u>24</u>                 | <u>-</u>                                |
|                                | <u>24</u>                 | <u>165</u>                              | <u>24</u>                 | <u>129</u>                              |

## Notes to accounts (continued)

### **18 Guarantees and other financial commitments (continued)**

#### *c) Pension arrangements*

The qualifying employees of the company are members of a defined benefit scheme arrangement operated by the parent company, Presspart Group Limited. The assets are held independently of the group in trustee administered funds.

The details of the latest actuarial valuation are disclosed in the accounts of the parent company, Presspart Group Limited.

The current year pension cost of £421,000 (1999 - £459,000) represents the regular cost of pensionable payroll less variations from this regular cost arising from the pension surplus. The surplus is being spread over the average remaining service lives of the relevant employees.

#### *d) Other commitments*

Commitments under outstanding forward foreign exchange contracts amount to £42,000 (1999 - £204,000).

### **19 Ultimate parent company**

The company is a subsidiary undertaking of Presspart Group Limited. The only group of which Presspart Manufacturing Limited is a member and for which group accounts are drawn up is that headed by Presspart Group Limited, whose principal place of business is at Whitebirk Estate, Blackburn, Lancashire, BB1 5RF. The consolidated accounts of the group are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

As a subsidiary undertaking of Presspart Group Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Presspart Group Limited.