

AMCOR FLEXIBLES UK LIMITED
(formerly Danisco Flexible Limited)

REPORT AND ACCOUNTS
FOR
THE YEAR ENDED 30 APRIL 2001

REGISTERED NO 2808801



AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2001**

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AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**DIRECTORS**

I R Bodie (resigned 1/9/01)
S A Ashforth (resigned 1/9/01)
H Jansdorf (resigned 27/10/00)
T T Møller (resigned 1/9/01)
P Nørgaard (resigned 1/9/01)
D Y Maitland
N G D Blake (appointed 18/7/01)
J Durston (appointed 27/10/00)
I H A Gunn (appointed 1/9/01)
G N S James (appointed 18/7/01)
A Mawby (appointed 18/7/01)

SECRETARY

S A Ashforth

REGISTERED OFFICE

Hill House
1 Little New Street
London
EC4A 3TR

AUDITORS

Deloitte & Touche
Chartered Accountants
39 George Street
Edinburgh
EH2 2HZ

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2001**

The Directors present their report and audited accounts for the year ended 30 April 2001.

Business Review

The profit after taxation for the year under review was £4,936,000 (2000: £7,311,000 as restated). A dividend of £184,000 is proposed (2000: £nil). The results and future prospects are regarded as satisfactory.

On 29th June 2001 Danisco A/S sold the entire share capital of Sidlaw Group Limited, of which Amcor Flexibles UK Limited is a wholly owned subsidiary, to Amcor Flexibles UK Holding Limited (formerly Amcor Flexibles UK Limited) and Amcor Flexibles Europe A/S (a company incorporated in Denmark).

Amcor Flexibles Europe A/S subsequently sold its share holding in Sidlaw Group Limited to Amcor Flexibles UK Holding Limited on 30th June 2001.

The company closed its Oakbank operation in December 2001. The estimated closure costs are £3.7 million.

Principal Activities

The principal activities of the company are the design, manufacture and printing of flexible packaging.

Directors

The names of the present directors appear on page 2.

Employee Involvement

Employees are provided with information on matters of concern to them, principally through the management structure and notice boards. Views of employees are sought as appropriate through the management structure.

Employment of Disabled Persons

The company policy recognises the importance of, and provides for, equality of opportunity in all aspects of employment for disabled persons.

Directors' Shareholdings

None of the Directors held any interests in the company in the year to 30 April 2001 (2000: £Nil). None of the Directors have any notifiable interest in the shares of the parent company.

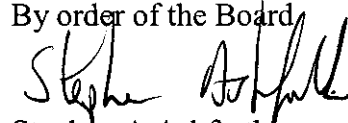
AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

**REPORT OF THE DIRECTORS (contd)
FOR THE YEAR ENDED 30 APRIL 2001**

Creditor Payment Policy

It is the Company policy to pay its suppliers in accordance with the terms of trade which may be agreed at the time of order. At the period end, the amount owed to trade creditors by the Company was equivalent to 45 days (2000: 55 days) of purchases from suppliers.

By order of the Board

A handwritten signature in black ink, appearing to read 'Stephen A. Ashforth', written over the printed name.

Stephen A Ashforth
Secretary

27 February 2002

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**DIRECTORS' RESPONSIBILITIES 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records 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. 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.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**REPORT OF THE AUDITORS
TO THE MEMBERS OF AMCOR FLEXIBLES UK LIMITED
(formerly Danisco Flexible Limited)****FOR THE YEAR ENDED 30 APRIL 2001**

We have audited the financial statements on pages 7 to 21 which have been prepared under the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5, the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

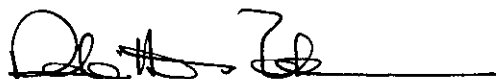
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE
Chartered Accountants and Registered Auditors
Manchester

28 February 2002

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2001**

	Notes	Year ended 30 Apr 01 £'000	Year ended 30 Apr 00 Restated* £'000
Turnover	1	118,451	111,893
Cost of Sales	2	(100,559)	(90,268)
Gross profit		17,892	21,625
Other operating expenses	3	(13,029)	(13,394)
Operating profit		4,863	8,231
Interest	4	(149)	(188)
Profit on ordinary activities before taxation		4,714	8,043
Taxation	6	222	(732)
Profit on ordinary activities after taxation		4,936	7,311
Dividends proposed		(184)	-
Retained profit for the financial year	18	4,752	7,311

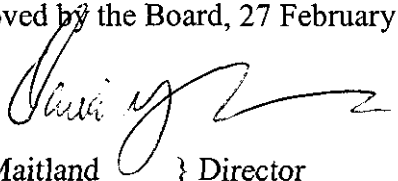
The results above relate entirely to continuing operations.

* The profit and loss account for the year ended 30 April 2000 has been restated for the adoption of FRS 19 (See Note 15).

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**BALANCE SHEET AT 30 APRIL 2001**

	Notes	30 Apr 01 £'000	30 Apr 00 Restated* £'000
Fixed assets			
Tangible assets	7	52,905	51,217
Investments	8	165	165
		<hr/> 53,070	<hr/> 51,382
Current assets			
Stocks	11	16,069	14,507
Debtors	12	21,817	19,755
Cash at bank and in hand		2,045	6,346
		<hr/> 39,931	<hr/> 40,608
Creditors: amounts falling due within one year	13	59,480	22,215
Net current (liabilities)/assets		<hr/> (19,549)	<hr/> 18,393
Total assets less current liabilities		33,521	69,775
Creditors: amounts falling due after one year	14	499	39,363
Provisions for liabilities and charges	15	3,021	5,171
Net assets employed		<hr/> 30,001	<hr/> 25,241
Capital and reserves			
Share capital	16	15,719	15,719
Special reserve	17	4,809	4,809
Profit and loss account	18	9,473	4,713
Equity shareholders' funds		<hr/> 30,001	<hr/> 25,241

Approved by the Board, 27 February 2002


D Y Maitland } Director

* The balance sheet as at 30 April 2000 has been restated for the adoption of FRS 19 (See note 15).

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2001	2000
	£'000	Restated* £'000
Profit for the financial year	4,752	6,799
Exchange gains	8	-
Total recognised profit	4,760	6,799
Prior period adjustment (Note 15)	(5,171)	-
Total gains and losses since last annual report	(411)	6,799

* The statement of recognised gains and losses for the year ended 30 April 2000 has been restated for the adoption of FRS 19.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

BASIS OF ACCOUNTING

The Company's accounts are prepared on the basis of historical cost convention.

TURNOVER

Turnover is stated net of sales taxes and allowances.

DEPRECIATION

Depreciation is provided to write off the cost or revalued amounts of the assets, less estimated residual values in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Heritable freehold and long leasehold property, 2% per annum;
Leasehold property over the period of the lease;
Plant and machinery 7% to 10%;
Other equipment 20%.

STOCKS

Raw materials are valued at the lower of actual cost on a FIFO basis and net realisable value. Work-in-progress and finished goods are stated at the lower of cost and net realisable value. For manufactured stocks, cost comprises material plus direct conversion costs and attributable overheads at normal output levels.

DEFERRED TAX

The Company has adopted FRS 19 *Deferred tax* early. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

LEASED ASSETS

Monetary assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal annual amounts over the lease term.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**PRINCIPAL ACCOUNTING POLICIES****FOREIGN CURRENCY TRANSLATION**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the period end or the contracted rates for the underlying transaction, whichever is appropriate. Differences on exchange are included in the profit and loss account.

PENSIONS

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the schemes is shown as an asset or liability in the balance sheet.

CASH FLOW STATEMENT

At 30 April 2001, the Company was a wholly-owned subsidiary of Danisco A/S. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**NOTES ON THE ACCOUNTS****1) Turnover**

Turnover is based on goods invoiced less returns and allowances and is stated net of value added tax. It is analysed on the basis of destination. All turnover originates in the UK.

Geographical analysis	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
United Kingdom	104,190	103,764
Europe	11,990	6,969
Americas	552	461
Other	1,719	699
	<u>118,451</u>	<u>111,893</u>

2) Cost of sales

	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
Depreciation	5,517	4,960
Operating lease rentals		
Land and buildings	442	371
Plant and equipment	217	188
Other costs	94,383	84,749
	<u>100,559</u>	<u>90,268</u>

3) Other operating expenses

	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
Distribution costs	4,256	3,305
Administration expenses		
Depreciation	1,112	403
Operating lease rentals – equipment	711	673
Land and buildings	230	134
Other expenses	6,720	8,879
	<u>8,773</u>	<u>10,089</u>
	<u>13,029</u>	<u>13,394</u>

Auditors' remuneration is being met in full by the holding company.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**NOTES ON THE ACCOUNTS**

	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
4) Interest		
Payable on finance leases	149	188
	<u>149</u>	<u>188</u>
	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
5) Employees		
The average monthly number of employees during the year was 967 (2000 - 972).		
Employee costs during the year amounted to:		
Wages and salaries	26,036	24,742
Social security costs	2,137	2,022
Other pension costs	1,714	1,690
	<u>29,887</u>	<u>28,454</u>
	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
Directors remuneration:		
Salaries and benefits	199	189
Pension contributions	16	11
Bonuses	-	18
	<u>215</u>	<u>218</u>
Number of directors who:		
Are members of a defined benefit pension scheme	3	3

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

	Year to 30 Apr 01 £'000	Year to 30 Apr 00 £'000
6) Taxation (credit)/charge		
<i>Current taxation</i>		
Based on the taxable profits for the year:		
UK Corporation tax at 30% (2000: 30%)	888	826
Adjustment in respect of prior years	1,040	418
Total current tax	1,928	1,244
Deferred taxation – current year	433	709
Deferred taxation – adjustment in respect of prior years	(2,583)	(1,221)
	(222)	732

Adoption of FRS 19 has required a change in the method of accounting for deferred tax. As a result the comparative figure for the tax on profit on ordinary activities for 2000 has been restated from the previously reported amount of £1,244,000 to £732,000. The impact of adopting FRS 19 on the 2001 accounts is a reduction to the tax charge of £2,150,000.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year exceeds the standard rate for the reasons set out in the following reconciliation.

	Year to 30 Apr 2001 £'000	Year to 30 Apr 2000 £'000
Profit/(loss) on ordinary activities before tax	4,714	8,043
Tax on profit/(loss) on ordinary activities at standard rate	1,414	2,413
<i>Factors affecting the charge for the period:</i>		
Expenses not deductible for tax purposes	(93)	(810)
Capital allowances in excess of depreciation	(593)	(709)
Deductible movements on provisions	160	(68)
Adjustments to tax in respect of prior periods	1,040	418
Total actual amount of current tax	1,928	1,244

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

7)	Tangible Assets	Land and buildings £'000	Plant and equipment £'000	Total £'000
	Cost			
	At 1 May 2000	8,864	80,825	89,689
	Additions	574	9,124	9,698
	Disposals	-	(3,499)	(3,499)
	Transfers between asset categories	32	(32)	-
	At 30 April 2001	9,470	86,418	95,888
	Aggregate depreciation			
	At 1 May 2000	969	37,503	38,472
	Charge for year	132	6,497	6,629
	Disposals	-	(2,118)	(2,118)
	Transfers between asset categories	24	(24)	-
	At 30 April 2001	1,125	41,858	42,983
	Net book value			
	At 30 April 2001	8,345	44,560	52,905
	At 30 April 2000	7,895	43,322	51,217
	Consisting of:			
	Long leasehold	1,672		
	Short leasehold	506		
	Freehold	6,167		
		8,345		

The net book value of tangible assets includes an amount of £2,457,000 (2000 - £3,613,000) in respect of assets held under finance leases and hire purchase contracts. The depreciation on these assets was £448,000 (2000 - £457,000).

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

	30 Apr 01	30 Apr 00
	£'000	£'000
8) Investments		
Subsidiary undertaking:		
Cost at 30 April 2000 and 30 April 2001	165	165

The Company has taken advantage of S228 Companies Act 1985, and has not therefore prepared group accounts as it is a subsidiary of a larger group.

The subsidiary undertaking at 30 April 2000 and 30 April 2001 was:

	% owned	County of registration	Nature of business
S&R Gravure Limited	100	England	Dormant

	30 Apr 01	30 Apr 00
	£'000	£'000
9) Capital Commitments		
Contracted but not provided	1,995	142

10) Commitments under Operating Leases	Land & Buildings	Plant & Equipment
	30 Apr 01	30 Apr 00
	£'000	£'000
Annual commitments under non-cancellable operating leases expiring		
Within 1 year	9	5
Between 2-5 years	-	68
After 5 years	469	469
	478	542
	491	478

	30 Apr 01	30 Apr 00
	£'000	£'000
11) Stocks		
Raw materials	4,487	3,951
Work in progress and finished goods	11,582	10,556
	16,069	14,507

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

	30 Apr 01 £'000	30 Apr 00 £'000
12) Debtors		
Due within one year		
Trade debtors	19,196	17,928
Prepayments and accrued income	514	404
Other debtors	1,702	1,423
Corporation tax recoverable	405	-
	<u>21,817</u>	<u>19,755</u>

	30 Apr 01 £'000	30 Apr 00 £'000
13) Creditors due within one year		
Trade creditors	11,070	13,271
Other taxes and social security	1,590	1,497
Accruals and deferred income	3,184	3,970
Corporation tax	1,348	1,244
Finance leases	778	723
Other creditors	1,500	1,510
Due to other group companies	40,010	-
	<u>59,480</u>	<u>22,215</u>

The finance lease creditor is secured over the related assets.

	30 Apr 01 £'000	30 Apr 00 £'000
14) Creditors due after one year		
Repayable 1 - 2 years		
Finance leases	499	775
Due to fellow subsidiary undertakings	-	18,421
Due to parent undertaking	-	19,668
	<u>499</u>	<u>38,864</u>
Repayable 2 - 5 years		
Finance leases	-	499
	<u>-</u>	<u>499</u>
Total creditors due after one year	<u>499</u>	<u>39,363</u>

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

	30 Apr 01 £'000	30 Apr 00 £'000
15) Deferred taxation		
Provision for deferred taxation consists of the following amounts:		
Capital allowances in excess of depreciation	3,088	5,051
Other timing differences	(67)	120
	<u>3,021</u>	<u>5,171</u>

The movements during the year on deferred tax provided were:

Balance at 1 May	5,171	5,683
Current year charge/(credit)	433	709
Prior year adjustment	(2,583)	(1,221)
	<u>3,021</u>	<u>5,171</u>

The adoption of FRS 19 *Deferred Taxation* has required changes in the method of accounting for deferred tax assets and liabilities. As a result of these changes in accounting policy the comparatives have been restated as follows:

	Deferred Taxation	Profit and loss reserve	Shareholders Funds
	£'000	£'000	£'000
2000 as previously reported	-	9,884	30,412
Adoption of FRS 19 at 1 May 1999	5,683	(5,683)	(5,683)
Deferred tax movement during the year ended 30 April 2000	(512)	512	512
Adoption of FRS 19 at 30 April 2000	5,171	(5,171)	(5,171)
2000 restated	<u>5,171</u>	<u>4,713</u>	<u>25,241</u>

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)

NOTES ON THE ACCOUNTS

	30 Apr 01 £'000	30 Apr 00 £'000
16) Share Capital		
Authorised		
15,719,011 Ordinary shares of £1 each	15,719	15,719
Called-up and fully paid		
15,719,011 Ordinary shares of £1 each	15,719	15,719
17) Special Reserve		
At 1 May 2000 and 30 April 2001	4,809	4,809

The special reserve arose from the cancellation of the share premium account in 1995. The company cannot distribute the special reserve until all creditors outstanding at the time of the cancellation have been paid.

	2001 £'000	2000 £'000
18) Profit and Loss Account		
Retained profit/(loss) brought forward	4,713	(2,598)
Retained profit for the year	4,752	7,311
Exchange differences	8	-
At 30 April 2001	9,473	4,713

Balance of profit and loss account for the company as at 1 May 2000 has been restated for the adoption of FRS 19. See Note 15 for details.

	2001 £'000	2000 Restated* £'000
19) Reconciliation of Movements in Equity Shareholders' Funds		
Opening equity shareholders' funds *	25,241	17,930
Retained profit for the year	4,752	7,311
Exchange differences	8	-
Closing equity shareholder's funds	30,001	25,241

* The opening shareholders funds at 1 May 2000 as previously reported amounted to £30,412,000 before the prior year adjustment of £5,171,000 (see Note 15).

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**NOTES ON THE ACCOUNTS****20) Pension Schemes**

The parent company, Sidlaw Group Limited, operates on a group basis, a defined benefit pension scheme for the majority of employees.

The Scheme is administered by Trustees and its funds are separate from the Company. The fund is valued at least every three years by an independent qualified actuary and the total contributions are paid on the basis of this advice. The last actuarial valuation of the scheme was as at 5 April 2001. The valuation used a projected unit method and the actuarial value of the assets was £67.0 million. The report also shows that on an ongoing basis, the value of the past service liabilities exceeds the value of the assets by £6,831,000, equivalent to a funding level of 91% at the valuation date.

The principal actuarial assumption used in the valuation was that over the long term the annual rate of return on investments would exceed the annual rate of increase in pensionable remuneration by 1.5%.

The parent company has agreed to make a one-off special contribution of approximately £4 million together with special contributions of £300,000 per annum to improve the funding position. No provision is made in the financial statements in respect of the deficiency shown in the 5 April 2001 valuation.

21) Post Balance Sheet Event

The company closed its Oakbank operation in December 2001. The estimated closure costs are £3.7 million.

AMCOR FLEXIBLES UK LIMITED (formerly Danisco Flexible Limited)**NOTES ON THE ACCOUNTS****22) Contingent Liabilities**

The company is party to a cross-guarantee arrangement with its parent company in respect of bank borrowings.

23) Ultimate Parent Company

At 30 April 2001, the Company's ultimate parent company was Danisco A/S, a company incorporated in Denmark. Copies of the group financial statements of Danisco A/S are available from Langebrogade 1, PO Box 17, DK-1001, Copenhagen K, Denmark.

On 29th June 2001 Amcor Limited, a company incorporated in Australia became the Company's ultimate parent company.

24) Related Party Transactions

In accordance with FRS8 'Related Party Disclosures' the Company has taken advantage of the exemptions not to disclose transactions with other Group companies as it was a wholly owned subsidiary of Danisco A/S at 30 April 2001.