

AFP (Europe) Limited

**Directors' report and financial
statements**

Registered number 3051270

30 June 2003



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2003.

Principal activities

The company has not traded during the year.

In September 2002 the company sold its land, building and fixtures generating a profit of €227,639.

Directors and directors' interests

The directors who held office during the year were as follows:

G S James
A Mawby
NG D Blake

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

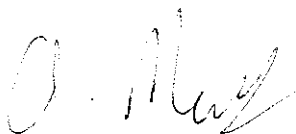
Political and charitable donations

The company made no charitable donations (2002 €39) during the year and no political donations.

Auditors

Pursuant to section 386 of the Companies Act 1985, a resolution is to be put to the forthcoming Annual General Meeting which, if passed, would result in the company not being required to reappoint its auditors annually. KPMG LLP would then continue as the company's auditors.

On behalf of the board



A Mawby
Director

Brighthouse Court
Barnett Way
Barnwood
Gloucester
Gloucestershire
GL4 3RT
20 April 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



100 Temple Street
Bristol
BS1 6AG
United Kingdom

Report of the independent auditors' to the members of AFP (Europe) Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
KPMG LLP
Chartered Accountants
Registered Auditor

20 April 2004

Profit and loss account
for the year ended 30 June 2003

| | <i>Note</i> | 2003 €000 | 2003 €000 | 2002 €000 |
|---|-------------|----------------------|----------------------|----------------------|
| Administrative expenses | | | (60) | (131) |
| Operating loss | 2 | | | |
| Continuing operations | | (1) | | - |
| Discontinued operations | | (59) | | (131) |
| | | | | |
| | | | (60) | (131) |
| Profit on sale of fixed assets – discontinued operations | 3 | | 373 | - |
| Interest payable and similar charges | 5 | | (295) | - |
| Profit / (loss) on ordinary activities before taxation | | | 18 | (131) |
| Tax on profit / (loss) on ordinary activities | 6 | | - | - |
| Profit / (loss) on ordinary activities after taxation | | | 18 | (131) |

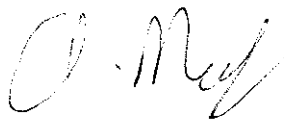
There are no recognised gains and losses other than those disclosed in the profit and loss account.

The accounts are prepared on an unmodified historical cost basis and the profit reported is based on historical cost.

Balance Sheet
at 30 June 2003

| | <i>Note</i> | 2003 €000 | 2003 €000 | 2002 €000 | 2002 €000 |
|---|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | | - | | (140) |
| Tangible assets | 8 | | - | | 145 |
| | | | <hr/> | | <hr/> |
| | | | - | | 5 |
| Current assets | | | | | |
| Asset held for resale | | - | | 630 | |
| Debtors | 9 | 79,892 | | 79,472 | |
| Cash at bank and in hand | | - | | 28 | |
| | | <hr/> | | <hr/> | |
| | | 79,892 | | 80,130 | |
| Creditors: amounts falling due within one year | 10 | (220) | | (481) | |
| | | <hr/> | | <hr/> | |
| Net current assets | | | 79,672 | | 79,649 |
| Total assets less current liabilities | | | <hr/> | | <hr/> |
| | | | 79,672 | | 79,654 |
| | | | <hr/> | | <hr/> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | 195,065 | | 195,065 | |
| Profit and loss account | | (115,393) | | (115,411) | |
| | | <hr/> | | <hr/> | |
| Equity shareholders' funds | 12 | | 79,672 | | 79,654 |
| | | | <hr/> | | <hr/> |

These financial statements were approved by the board of directors on 20 April 2004 and were signed on its behalf by:



A Mawby
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s.248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking included the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary, the company had taken advantage of the exemption in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Amcor Limited, within which this company is included, can be obtained from the address set out in note 14.

Fixed assets and depreciation

Depreciation is provided to write-off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|---------------------|-------------|
| Plant and machinery | 8.3% to 10% |
|---------------------|-------------|

Negative goodwill

Negative goodwill is recognised in the profit and loss account in the periods in which the non-monetary assets are depreciated or sold.

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. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Functional currency

As at 1 July 2002 the company's functional currency changed to euros following a transaction which resulted in the majority of the company's assets being denominated in euros. The opening balances have been translated using the net investment method.

Notes (continued)

2 Operating loss

Operating loss is stated after charging / (crediting):

| | 2003 €000 | 2002 €000 |
|------------------------------|--------------|--------------|
| Depreciation of owned assets | - | 32 |
| Loss on disposal of assets | 145 | 161 |
| Write-back negative goodwill | (140) | - |

All audit fees for the company were borne by its fellow subsidiary, Amcor Europe Group Management.

3 Profit on sale of fixed assets – discontinued operations

In December 2000 the plant in Northern Ireland ceased trading. The land and buildings of this plant were sold in September 2002 generating a profit on disposal as follows:

| | €000 |
|--------------------------------|------------|
| Proceeds, net of selling costs | 1,003 |
| Net book value at date of sale | 630 |
| Profit on sale | <u>373</u> |

4 Directors' remuneration and staff costs

The average number of persons employed during the year was 1 (2002: 1).

The aggregate payroll costs of these persons were as follows:

| | 2003 €000 | 2002 €000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 14 | 45 |
| Social security costs | 1 | 5 |
| | <u>15</u> | <u>50</u> |

The directors did not receive any fees or emoluments.

5 Interest payable and similar charges

| | 2003 €000 | 2002 €000 |
|---------------------|--------------|--------------|
| Net exchange losses | 295 | - |

Notes (continued)

6 Taxation

Analysis of the charge in period:

| | 2003 | 2002 |
|--|-------------|------|
| | €000 | €000 |

UK Corporation tax

Current tax on income for the period

Tax on profit on ordinary activities

| | 2003 | 2002 |
|--|-------------|-------|
| | €000 | €000 |
| <i>Current tax reconciliation</i> | | |
| Profit / (loss) on ordinary activities before taxation | 18 | (131) |
| Current tax at 30% (2002:30%) | 5 | (39) |

Effects of:

| | | |
|---|--------------|------|
| Items not deductible for tax purposes | 2 | 58 |
| Utilisation of brought forward capital losses | (112) | - |
| Group relief for no payment | 105 | 3 |
| Movement in provisions (unprovided) | - | (22) |

Current tax charge

7 Intangible assets

| | 2003 | 2002 |
|-----------------------------------|--------------|-------|
| | €000 | €000 |
| At beginning of year | (140) | (140) |
| Credit to profit and loss account | 140 | - |
| At end of year | - | (140) |

Notes (continued)

8 Tangible fixed assets

| | Plant and Machinery €000 | Total €000 |
|-----------------------|--------------------------------|---------------|
| Cost | | |
| At beginning of year | 190 | 190 |
| Disposal | (190) | (190) |
| At end of year | <u>-</u> | <u>-</u> |
| Depreciation | | |
| At beginning of year | 45 | 45 |
| Disposal | (45) | (45) |
| At end of year | <u>-</u> | <u>-</u> |
| Net book value | | |
| At 30 June 2003 | <u>-</u> | <u>-</u> |
| At 30 June 2002 | <u>145</u> | <u>145</u> |

9 Debtors: amounts falling due within one year

| | 2003 €000 | 2002 €000 |
|-------------------------------------|---------------|---------------|
| Amounts owed by group undertakings: | 79,892 | 79,468 |
| Other debtors | - | 5 |
| | <u>79,892</u> | <u>79,472</u> |

At the end of the year there was a €61,000 (2002: €65,000) deferred tax asset not provided for.

10 Creditors: amounts falling due within one year

| | 2003 €000 | 2002 €000 |
|------------------------------------|--------------|--------------|
| Bank loans and overdrafts | 16 | 16 |
| Amounts owed to group undertakings | 2 | 223 |
| Other creditors | 202 | 242 |
| | <u>220</u> | <u>481</u> |

Notes (continued)

11 Called up share capital

| | 2003 €000 | 2002 €000 |
|---|-------------------|-------------------|
| <i>Authorised</i> | | |
| Equity: Ordinary shares of £1 each | 310,366 | 310,366 |
| | <u> </u> | <u> </u> |
| <i>Allotted, called up and fully paid</i> | | |
| Equity: Ordinary shares of £1 each | 195,065 | 195,065 |
| | <u> </u> | <u> </u> |

12 Movement in shareholders' funds

| | Share capital €000 | Profit and Loss €000 | Total €000 |
|--------------------------------|-----------------------|----------------------------|---------------|
| At 1 July 2002 | 195,065 | (115,416) | 79,649 |
| Foreign exchange on conversion | - | 5 | 5 |
| Restated at 1 July 2002 | 195,065 | (115,411) | 79,654 |
| Retained profit | - | 18 | 18 |
| At 30 June 2003 | 195,065 | (115,393) | 79,672 |

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Amcor Holding No 1 Limited registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Amcor Limited, incorporated in Australia. The consolidated accounts of this group are available to the public and may be obtained from Amcor Limited, 679 Victoria Street, Abbotsford, Victoria 3067, Australia. The smallest group in which they are consolidated is that headed by Amcor Holding. The consolidated accounts of this group are available to the public and may be obtained from Amcor Holding, Brighthouse Court, Barnwood, Gloucester GL4 3RT.