

**Scapa Tapes UK Limited**

**Directors' Report and  
Financial Statements**

**31 March 2000**

**Company number: 3261510**



# **Scapa Tapes UK Limited**

## **Directors' report and financial statements**

### **Directors**

K Butler  
I Cooper  
C I C Smith

### **Secretary**

C I C Smith

### **Registered office**

Humphrys Road  
Woodside Industrial Estate  
Dunstable  
Beds  
LU5 4TP

### **Auditors**

PricewaterhouseCoopers  
101 Barbirolli Square  
Lower Mosley St  
Manchester  
M2 3PW

### **Bankers**

HSBC plc  
60 Church Street  
Blackburn  
Lancashire  
BB1 5AS

# Scapa Tapes UK Limited

## Directors' report for the year ended 31 March 2000

### Financial statements

The directors present their report and audited financial statements for the year ended 31 March 2000.

### Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the company as at the end of the accounting period 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; 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 ensuring that proper accounting records are kept 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 are also responsible for taking reasonable steps to safeguard the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activities and review of the business

The company's principle activity is the manufacture of adhesive foams, sealant and specialist tapes.

On 1 April 1999 the trade and net assets of Scapa Tapes plc, a fellow subsidiary undertaking, were acquired at book value.

Exceptional costs of £3.7 million were incurred as part of the strategic review of the business that was undertaken in the current year. Exceptional costs of £1.0 million were incurred in relation to a one-off additional pension cost payment to the group pension scheme.

The directors are content with the progress of the acquired operation and the existing company during the period. Further benefits are expected to accrue in the current year, however concerns remain with regard to currency factors.

### Results and dividends

The profit after taxation for the year amounted to £830,722 (year ended 31 March 1999 –profit of £1,803,036).

The directors recommend a dividend of £600,000 to be paid (1999: nil).

The retained profit of £230,722 (1999: profit of £1,083,036) has been taken to reserves.

# Scapa Tapes UK Limited

## Directors' report for the year ended 31 March 2000 (continued)

### Research & development

Investment in research and development is a prime consideration of the company and is focused on areas of potential growth where commercial relevance and future profitability are considered vital. The company's continuing success depends ultimately on its ability to develop and improve both the manufacture and performance of existing products and to invent new ones for both existing and new business. The company spent £1,102,173 on research and development during the year (1999 - £200,167).

### Future developments

The directors intend to continue the management policies of innovation and development.

### Directors

The directors during the year and to the date of this report were as follows:

K Butler	
I Cooper	
A C Wallwork	(resigned 30 September 1999)
J P Irwin	(resigned 30 September 1999)
M C Jackson	(resigned 28 September 2000)
C I C Smith	(appointed 28 September 2000)

### Directors' interests in shares

The directors who held office at 31 March 2000, had no interest in the shares of the company and had the following interests in the shares of the ultimate parent company at the end of the financial period:

	41.2/3p ordinary shares fully paid	Options to acquire 41.2/3p ordinary shares		
	31 March 2000	31 March 1999	31 March 2000	31 March 1999
I Cooper	1,792	2,987	115,282	37,287
K Butler	5,730	9,550	93,560	58,087

Details of the Long Term Incentive Plan and the Executives Share Option Plan are provided in the accounts of the ultimate parent company, Scapa Group plc.

Initial and Performance Awards of shares under the Scapa Group plc Long Term Incentive Plan which have been confirmed to date to the director listed below, are as follows:

Director	Initial 1996/97	Performance 1997/98	Performance 1998/9	TOTAL	Value at 31 March 2000
I Cooper	4,444	Nil	Nil	4,444	£5,333

These shares remain under the control of the Remuneration Committee and cannot be released without its prior consent.

During the year the following share options were granted or exercised:

Directors	Executive			SAYE		
	Granted	Lapsed	Exercised	Granted	Lapsed	Exercised
I Cooper	80,000	-	-	-	2,005	-
K Butler	40,000	4,126	-	-	401	-

# Scapa Tapes UK Limited

## Directors' report for the year ended 31 March 2000 (continued)

At no time in the year have there been any contracts or arrangements of significance entered into by the company in which a director has a significant interest.

### Payment of creditors

The company sets its terms of payment in accordance with its conditions of order. All suppliers fulfilling these conditions of order will be paid in accordance with the terms of payment agreed. Other suppliers will be paid in accordance with contractual terms as agreed from time to time in the absence of a formal order. The average days' supplier payment at the year-end was 62 days (31 March 1999 – 56 days).

### Employees and employment policies

Information concerning employees and their remuneration is given in Note 21.

It is company policy to ensure that employees are aware of their individual roles and responsibilities and are informed about the trading performance and progress of the company.

The company recognises the essential contribution made by its employees and by encouraging progressive involvement and full use of individual skills promotes the fulfilment of their potential in improving their own and corporate performance.

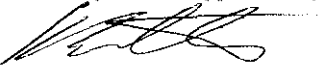
Complementing these arrangements designed for specific purposes are the established institutions such as team briefings and permanent consultative committees. Prominent amongst the latter are the health and safety committees, monitoring work-place procedures and practices, providing safety awareness, and contributing to effective responses to the growing body of health and safety legislation.

It is company policy that the disabled continue to receive consideration for employment equal to that given to the able-bodied, taking account of their particular abilities and job requirements. Every possible effort is made to maintain continuity of employment for existing employees who become disabled.

### Auditors

A resolution to re-appoint, PricewaterhouseCoopers, will be submitted to the Annual General Meeting.

This report was approved by the Board on 26 January 2001.



K Butler  
Director

# Scapa Tapes UK Limited

## Report of the Auditors to the members of Scapa Tapes UK Limited

We have audited the financial statements on pages 5 to 18, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 and 8.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

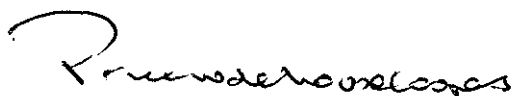
### Basis of opinion

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

### Opinion

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



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

26 January 2001

# Scapa Tapes UK Limited

## Profit and loss account for the year ended 31 March 2000

	2000 £	1999 £
<b>TURNOVER</b> (Note 2)	<b>65,468,239</b>	<b>24,549,566</b>
Operating costs		
- Exceptional (Notes 3, 4)	(3,986,980)	(220,067)
- Other (Note 3)	(60,323,719)	(22,692,963)
	<b>(64,310,699)</b>	<b>(22,913,030)</b>
<b>OPERATING PROFIT</b> (Note 3)	<b>1,157,540</b>	<b>1,636,536</b>
Loss on disposal of fixed assets (Note 4)	(762,000)	-
Profit on disposal of business (Note 10)	-	156,115
	<b>395,540</b>	<b>1,792,651</b>
Net interest receivable (Note 5)	<b>476,406</b>	<b>337,722</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>871,946</b>	<b>2,130,373</b>
Taxation (Note 6)	(41,224)	(327,337)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>830,722</b>	<b>1,803,036</b>
Dividends (Note 7)	(600,000)	-
<b>RETAINED PROFIT FOR THE YEAR</b> (Note 17)	<b>230,722</b>	<b>1,803,036</b>

The above results are derived from continuing operations.

There were no recognised gains or losses other than those shown in the above profit and loss account. There is no material difference between the reported and historical cost profits of the company.

On 1 April 1999, the company acquired the trade and net assets of Scapa Tapes plc, a fellow subsidiary of Scapa Group plc. The similar nature of the acquired trade and the subsequent restructuring of the company's operation means that it is not practicable to determine the post-acquisition results of the acquired trade for the current period. In the year to 31 March 1999, Scapa Tapes plc's turnover totalled £43,940,522 and operating profit totalled £3,129,245. The directors believe the acquired trade to have contributed a similar level of activity in the current year.

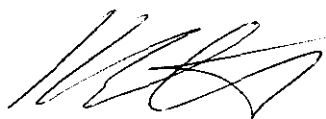
The notes on pages 7 to 18 form part of these financial statements.

# Scapa Tapes UK Limited

## Balance sheet as at 31 March 2000

	31 March 2000		31 March 1999	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets (Note 8)		15,346,555		5,603,166
<b>CURRENT ASSETS</b>				
Stocks (Note 11)	5,814,923		1,840,020	
Debtors (Note 12)	17,092,919		6,313,388	
Cash at bank and in hand	8,317,149		2,859,087	
	31,224,991		11,012,495	
<b>CREDITORS: amounts falling due within one year (Note 13)</b>	(33,846,281)		(4,315,548)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(2,621,290)		6,696,947
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,725,265		12,300,113
<b>CREDITORS: amounts falling due after more than one year (Note 14)</b>		(194,430)		-
<b>NET ASSETS</b>		12,530,835		12,300,113
<b>CAPITAL AND RESERVES</b>				
Called up share capital (Note 16)		2		2
Share premium account (Note 17)	11,945,999		11,945,999	
Profit and loss account (Note 17)	584,834		354,112	
<b>EQUITY SHAREHOLDERS' FUNDS (Note 18)</b>		12,530,835		12,300,113

APPROVED BY THE BOARD ON  
26 January 2001



K Butler  
DIRECTOR

The notes on pages 7 to 18 form part of these financial statements.



# Scapa Tapes UK Limited

## Notes to the financial statements

### 1 Accounting policies

#### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Goodwill

Amounts paid for businesses in excess of the fair value of net assets acquired are capitalised and amortised over the useful economic life. Prior to 1 April 1999, such amounts were taken to reserves in the year of acquisition.

#### Research and development

Expenditure incurred on the development of new products and the cost of normal research work is charged against the profits of the year in which such expenditure or cost is incurred. Plant and equipment acquired for this purpose is included within fixed assets and written off over its expected useful life.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at annual rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings and long	
leasehold land and buildings	- over 40 years
Plant, fixtures and vehicles	- over 5 to 15 years

#### Leased assets

Items of plant, fixtures and vehicles subject to finance leases are shown as fixed assets and depreciated as indicated above. The corresponding liability for the capital element is recorded as a loan and the interest element, which is calculated on the basis of the amount of the loan outstanding, is charged against profits over the primary lease period. The rental costs of all other leased assets are charged against profits as incurred.

#### Stocks

Stocks have been valued at the lower of cost and net realisable value on a first-in, first-out basis. Cost includes the cost of materials together with labour and appropriate overheads.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes to the extent that the directors consider that a liability to taxation is likely to crystallise.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### Pension costs

The employees of the company are eligible to be members of a retirement benefit scheme operated by the company in the United Kingdom. The funds of the scheme are administered by trustees and are completely separate from the funds of the company.

The company operates a defined benefit scheme. Contributions are paid in accordance with the recommendations of independent actuaries and are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. Variations from the regular cost are spread over the expected remaining service lives of current employees in the scheme.

#### Cash flow statement

The financial statements do not include a cash flow statement as the company is a wholly owned subsidiary of Scapa Group plc, a company registered in England and Wales. A consolidated cash flow statement is included within the consolidated financial statements of that company.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 2 Turnover

Segmental information	£	2000 £	1999 £
<u>External</u>			
Home	29,276,891	15,075,592	
Export	26,439,991	4,638,150	
TOTAL EXTERNAL		55,716,882	19,713,742
<u>Intra-group</u>			
Home	-	46,140	
Export	9,751,357	4,789,684	
TOTAL INTRA-GROUP		9,751,357	4,835,824
		65,468,239	24,549,566

The amounts shown as turnover represent the amounts receivable for goods and services provided in the UK and overseas, net of trade discounts, value added tax and other related taxes.

An analysis of operating profit and net assets and further analysis of turnover between geographical markets is not provided as, in the opinion of the directors, such disclosure would seriously prejudice the company's interests.

No analysis is provided of turnover, operating profit or net assets between the different classes of business, because in the opinion of the directors, such disclosure would seriously prejudice the company's interests.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 3 Operating profit

	2000 £	1999 £
Turnover (Note 2)	65,468,239	24,549,566
Change in stocks of finished goods and work in progress	76,004	39,513
Own work capitalised	15,921	-
Raw materials and consumables	(32,277,117)	(11,552,630)
- exceptional costs (Note 4)	(97,000)	-
Other external charges	(1,545,943)	(162,554)
	(33,828,135)	(11,675,671)
Depreciation:		
- owned fixed assets (Note 8)	(1,765,358)	(910,723)
- assets under finance leases (Note 8)	(222,183)	-
Operating lease rentals:		
- plant and machinery	(829,774)	(246,451)
- land and buildings	-	(377,500)
Director and employee costs (Notes 20, 21)	(14,947,113)	(5,846,605)
- exceptional costs: pension (see below, Note 21)	(1,041,000)	-
- exceptional costs: restructuring (Note 4)	(1,482,000)	-
Auditors' remuneration	(35,870)	(20,000)
Other operating charges	(8,792,286)	(3,616,013)
- exceptional costs (Note 4)	(1,366,980)	(220,067)
	(64,310,699)	(22,913,030)
<b>Operating profit</b>	<b>1,157,540</b>	<b>1,636,536</b>

"Directors and employee costs – exceptional costs" include £1,041,000 which relates to a one-off additional pension cost payment to the group pension scheme.

Research and development expenditure, which is charged in the profit and loss account as incurred, amounted to £1,102,173 (1999 - £200,167).

### 4 Exceptional costs of restructuring

The costs associated with the restructuring of the company as part of the strategic review undertaken in the current year, result from the transfer of production facilities between the company and other Scapa Group plc subsidiaries.

"Raw materials and consumables – exceptional costs" and "Exceptional loss on disposal of fixed assets" were incurred as part of this restructuring of the company's operations.

"Directors and employee costs-exceptional costs" include redundancy costs of £1,221,000 and £261,000 relating to salaries of staff employed on projects associated entirely with the restructuring of the company's operations.

"Other operating charges-exceptional costs" of £1,366,980 (1999: £220,067) relates to other restructuring costs, including plant moves, travel and legal and professional costs.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 5 Net interest receivable

	2000 £	1999 £
Interest receivable – from group undertakings	49,589	62,933
Interest receivable – external	426,817	274,789
	<b>476,406</b>	<b>337,722</b>

### 6 Taxation

	2000 £	1999 £
UK corporation tax at 30.0% (1999 – 31.0%)		
UK current year taxation	650,000	664,160
Adjustment in respect of prior years	(608,776)	(336,823)
	<b>41,224</b>	<b>327,337</b>

#### Deferred taxation liability

Deferred taxation has not been provided as timing differences are not expected to reverse in the foreseeable future. The full potential deferred tax liability at the Corporation Tax rate of 30% is as follows;

	2000 £	1999 £
Capital allowances in excess of depreciation	1,297,000	346,309
Short term timing differences	113,000	(172,877)
	<b>1,410,000</b>	<b>173,432</b>

### 7 Dividends

	2000 £	1999 £
Equity dividends proposed:-		
2000 – (£300,000 per share)	<b>600,000</b>	-

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 8 Tangible fixed assets

	Freehold land and buildings £	Long leasehold land and buildings £	Short leasehold land and buildings £	Plant, fixtures and vehicles £	Leased assets £	Assets in construction £	Total £
<b>Cost</b>							
1 April 1999*	2,205,529	-	506,696	13,692,573	100,767	-	16,505,565
Additions	3,005	-	-	1,309,042	-	1,525,181	2,837,228
Acquisition (Note 9)	330,486	1,579,342	-	17,683,382	-	778,855	20,372,065
Inter group transfers	-	-	-	550,204	-	-	550,204
Reclassifications	-	341,339	-	1,474,866	(100,767)	(1,715,438)	-
Disposals	(323)	(334,575)	-	(2,154,442)	-	(227)	(2,489,567)
<b>31 March 2000</b>	<b>2,538,697</b>	<b>1,586,106</b>	<b>506,696</b>	<b>32,555,625</b>	<b>-</b>	<b>588,371</b>	<b>37,775,495</b>
<b>Depreciation</b>							
1 April 1999*	518,953	-	381,064	9,901,615	100,767	-	10,902,399
Charge for the period	70,030	50,935	41,952	1,822,913	-	1,711	1,987,541
Acquisition (Note 9)	71,804	337,829	-	10,516,993	-	-	10,926,626
Inter group transfers	-	-	-	334,368	-	-	334,368
Reclassification	-	-	-	100,767	(100,767)	-	-
Disposals	(803)	(92,913)	-	(1,628,278)	-	-	(1,721,994)
<b>31 March 2000</b>	<b>659,984</b>	<b>295,851</b>	<b>423,016</b>	<b>21,048,378</b>	<b>-</b>	<b>1,711</b>	<b>22,428,940</b>
<b>Net book value</b>							
Owned assets	1,878,713	1,290,255	83,680	10,204,316	-	586,660	14,043,624
Leased assets	-	-	-	1,302,931	-	-	1,302,931
<b>31 March 2000</b>	<b>1,878,713</b>	<b>1,290,255</b>	<b>83,680</b>	<b>11,507,247</b>	<b>-</b>	<b>586,660</b>	<b>15,346,555</b>
Owned assets	1,686,576	-	125,632	3,790,958	-	-	5,603,166
Lease assets	-	-	-	-	-	-	-
<b>31 March 1999</b>	<b>1,686,576</b>	<b>-</b>	<b>125,632</b>	<b>3,790,958</b>	<b>-</b>	<b>-</b>	<b>5,603,166</b>

\* The cost and accumulated depreciation of tangible fixed assets at 1 April 1999 has been re-stated in order to reflect the original cost of the assets when first acquired by fellow group companies. This has not affected the net book value of tangible fixed assets at that date.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 8 Tangible fixed assets (continued)

#### Capital Commitments

At 31 March 2000 the company was committed to capital expenditure of £nil (1999 - £771,161).

### 9 Acquisition of trade and net assets

On 1 April 1999, the company acquired the trade and net assets of Scapa Tapes plc, a fellow subsidiary of Scapa Group plc.

The purchase price of £12,679,963 was equivalent to the book value and fair value of the net assets and was settled by means of an interest free loan payable on demand from Scapa Tapes plc.

The following table sets out the book values and fair values of the identifiable assets and liabilities acquired.

	£
<b>Fixed Assets</b>	
Tangible assets	9,445,439
<b>Current Assets</b>	
Stock	4,226,409
Debtors	12,185,902
Cash	5,145,050
<b>Total Assets</b>	31,002,800
<b>Creditors: amounts falling due within one year</b>	(17,836,836)
<b>Creditors: amounts falling due after more than one year</b>	(486,001)
<b>Net Assets</b>	12,679,963

### 10 Disposal of business

During the prior year the company disposed of its Filler manufacturing business. The net proceeds for the business were £289,830 recording a profit on disposal of £156,115.

### 11 Stocks

	2000 £	1999 £
Raw materials and consumables	1,598,284	429,382
Work in progress	1,128,858	311,871
Finished goods	3,087,781	1,098,767
	5,814,923	1,840,020

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 12 Debtors

	2000 £	1999 £
Trade debtors	12,034,357	3,946,905
Amounts due from Group undertakings	4,645,591	2,012,836
Other debtors	168,496	199,530
Prepayments and accrued income	244,475	154,117
	<b>17,092,919</b>	<b>6,313,388</b>

### 13 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	500,922	16,736
Obligations under finance leases (Note 15)	292,295	-
Trade creditors	8,411,780	2,568,255
Amounts owed to Group undertakings	21,012,789	134,171
Corporation tax	650,000	664,160
Other taxes and social security costs	314,840	130,256
Other creditors	1,937,787	546,255
Accruals and deferred income	125,868	255,715
Dividends payable	600,000	-
	<b>33,846,281</b>	<b>4,315,548</b>

### 14 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Obligations under finance leases (Note 15)	194,430	-

### 15 Obligations under finance leases

The net obligation under finance leases is repayable as follows:-	2000 £	1999 £
In one year or less	292,295	-
Between one and two years	194,430	-
	<b>486,725</b>	<b>-</b>



# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 16 Share capital

	2000	Authorised 1999	Allotted, called up and fully paid 2000	1999
	£	£	£	£
Equity				
Ordinary shares of £1 each	100	100	2	2

### 17 Reserves

	Share premium £	Profit and loss account £
31 March 1999	11,945,999	354,112
Profit for the year	-	230,722
<b>31 March 2000</b>	<b>11,945,999</b>	<b>584,834</b>

### 18 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Retained profit for the financial year	230,722	1,803,036
Issue of shares (including share premium)	-	11,946,000
	230,722	13,749,036
Opening equity shareholders' funds/(deficit)	12,300,113	(1,448,923)
Closing equity shareholders' funds	12,530,835	12,300,113

### 19 Financial commitments

#### Operating leases

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2000	1999	Plant, fixtures & vehicles 2000	1999
	£	£	£	£
Expiry date:				
Within one year	-	-	78,093	44,512
Between one and five years	377,500	377,500	282,129	177,709
	377,500	377,500	360,222	222,221

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 20 Directors' emoluments

The emoluments of the directors for their services to the company are:

	2000 £	1999 £
<b>All directors</b>		
Aggregate emoluments	330,028	-
<b>Highest paid director</b>		
Aggregate emoluments	114,318	-
Defined benefit pension scheme:		
Accrued pension at end of year	43,356	-

The directors received no emoluments in respect of their services to the company in the prior year.

Retirement benefits are accruing to four (1999: nil) directors under the defined benefit scheme.

### 21 Employees

#### (a) Number of employees

The average weekly number of persons, including directors, employed by the company during the year was:

	2000 No	1999 No
Weekly paid	442	104
Monthly paid	139	127
	581	231

#### (b) Employment costs

	2000 £	1999 £
Wages and salaries	14,299,001	5,180,223
Social security costs	1,168,886	394,894
Other pension costs (Note 22)	2,002,226	271,488
	17,470,113	5,846,605

Within other pension costs £1,041,000 relates to a one off additional pension cost payment to the group pension scheme.

# Scapa Tapes UK Limited

## Notes to the financial statements (continued)

### 22 Pension schemes

The Company operates several defined benefit schemes for employees. The schemes are funded in advance by contributions from members at the rate defined in the schemes' rules and by the Employing Company at a rate assessed by the Scheme Actuary, using the Projected Unit method, as sufficient to meet the balance of costs determined following the triennial fund reviews. In addition the Company also operates one defined contribution scheme. The assets of all the schemes are held separately from Company assets under Trust.

The total pension costs for the Company were £961,226 (1999 £271,488) excluding the one-off payment noted below.

The funding positions of the two Scapa Group schemes were reassessed as at 1 October 1998 by an independent qualified actuary. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that investment return would be 9% per annum, salary increases would average 7% per annum and future pensions would increase at a rate of 4.5% per annum. As at the date of the valuation the combined actuarial value of the schemes was £39.7 million which represented 87% of actuarial liabilities. Scapa Group made a payment to the schemes to make up the deficit in the year ended 31 March 2000, of which Scapa Tapes UK Ltd contributed £1,041,000.

An actuarial valuation of the Scapa Tapes UK pension scheme was conducted as at 5 April 1997 and used the projected unit credit method. The principal assumptions were that salaries would increase by 7% per annum, the return on the scheme's investments would be 9% per annum and salaries would increase by 5% per annum. The total market value of the assets of the scheme was £15.6 million. The actuarial value of the assets of the scheme exceeded the actuarial value of the liabilities by 27%. On this basis, the current employers' contribution rate of 6.8% of pensionable earnings has been continued.

A provision of £212,988 (1999 £96,028) is included in the creditors, this being the excess of the accumulated pension cost to the amount funded.

### 23 Ultimate parent company

The ultimate parent company is Scapa Group plc, which is the only company that includes the results of the company in its consolidated financial statements. Copies of the group financial statements may be obtained from:

Scapa Group plc  
Oakfield House  
93 Preston New Road  
Blackburn  
Lancashire  
BB2 6AY

### 24 Related party transactions

The immediate controlling party is Scapa Group plc. In accordance with the exemptions available under Financial Reporting Standard Number 8 "Related party transactions" the company has not disclosed transactions with other companies within the group as the consolidated financial statements of Scapa Group plc, in which the company is included, are available at the address shown above.

# **Scapa Tapes UK Limited**

## **Notes to the financial statements (continued)**

### **25 Contingent liability**

The company participates in a cross guarantee arrangement with the ultimate holding company and certain fellow subsidiary undertakings in respect of a group financing facility. As at 31 March 2000, the group financing facility amounted to £7,559,382 (1999 - £30,067,962).