

Bespak Holdings Limited

Report and Accounts 2002



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Bespak Holdings Limited

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Bespak Holdings Limited

Registered No. 3973457

Registered Office:

Blackhill Drive

Featherstone Road

Wolverton Mill South

Milton Keynes

Bucks. MK12 5TS

Bespak Holdings Limited

Directors' report

The directors present their report for 53 weeks ended 3 May 2002.

Principal activities

The Company acts as a holding company.

Results and dividends

The profit after tax for the year was £2,100,000 (2001: loss after tax £158,000). A preferential dividend of 3.5 pence per redeemable preference share totalling £232,000 will be paid on 6 January 2003. The retained profit for the year of £1,868,000 was transferred to reserves.

Directors and their interests

The directors who served during the period are shown below:

R J Preece (resigned 25 November 2002)

A L Scott

No director held any interest in the Company during the period. Mr Preece was a director of the holding company, Bespak plc, until 5 November 2002 when he resigned. His interests in the shares of the holding company are disclosed in that company's accounts.

Mr M P Hopcroft was appointed a director of Bespak Holdings Limited on 25 November 2002. Mr Hopcroft was also appointed a director of Bespak plc on 5 November 2002.

The interests of A.L.Scott in the ordinary shares of the Company's parent company, Bespak plc are as follows:

Beneficial		Options	
27 April 2001	3 May 2002	27 April 2001	3 May 2002
1,507	1,905	52,516	62,723

R J Preece was, and A L Scott is, remunerated by the parent company, Bespak plc.

Directors' and officers' liability insurance

Insurance cover has been arranged in respect of the personal liabilities which may be incurred by directors and officers of the Company in the course of their service with the Group.

Employees

The Company has no employees.

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

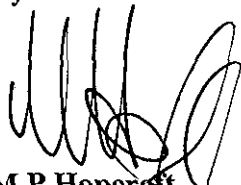
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditors

A resolution pursuant to section 386 of the Companies Act 1985 dispensing with the obligation to appoint auditors was passed on 18 May 2000.

By order of the Board

A handwritten signature in black ink, appearing to read 'M P Hopcroft', written over a horizontal line.

M P Hopcroft

Director

19 December 2002

Independent auditors' report to the members of Bepak Holdings Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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 at 3 May 2002 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

Cambridge

19 December 2002

Bespak Holdings Limited

Profit and loss account

For the 53 weeks ended 3 May 2002

	Notes	2002 £000	2001 £000
Administration expenses		(135)	-
Operating loss		<u>(135)</u>	<u>-</u>
Income from shares in Group undertakings		2,066	-
Interest payable and similar charges	2	(27)	(158)
Profit/(loss) on ordinary activities before taxation		<u>1,904</u>	<u>(158)</u>
Taxation	3	196	-
Profit/(loss) for the financial year		<u>2,100</u>	<u>(158)</u>
Dividends - non-equity	4	(232)	(193)
Retained profit/(loss) for the financial year		<u>1,868</u>	<u>(351)</u>

All amounts relate to continuing operations.

The comparable period was the period from 14 April 2000 to 27 April 2001.

Bespak Holdings Limited

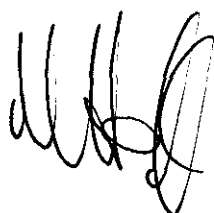
Balance Sheet

At 3 May 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Investments	5	<u>20,172</u>	<u>19,862</u>
		<u>20,172</u>	<u>19,862</u>
Current assets			
Debtors	6	2,276	-
Creditors			
Amounts falling due within one year	7	(13,882)	(13,937)
Net current (liabilities)		<u>(11,606)</u>	<u>(13,937)</u>
Net assets		<u>8,566</u>	<u>5,925</u>
Capital and reserves			
Called up share capital	8	7,431	6,763
Profit and loss account	9	<u>1,135</u>	<u>(838)</u>
Shareholders' funds		<u>8,566</u>	<u>5,925</u>
Analysis of shareholders' funds			
Equity		1,445	(838)
Non-equity		<u>7,121</u>	<u>6,763</u>
		<u>8,566</u>	<u>5,925</u>

Approved by the Board
19 December 2002

Director:
M P Hopcroft



Bespak Holdings Limited

Statement of total recognised gains and losses

	2002 £000	2001 £000
Profit/(loss) on ordinary activities after tax	2,100	(158)
Exchange gain/(loss) on translation of matching currency loan	298	(680)
Total gains and losses for the period	2,398	(838)

Reconciliation of movements in shareholders' funds

For the 53 weeks ended 3 May 2002

	Notes	2002 £000	2001 £000
Shareholders' funds brought forward		5,925	-
Profit/(loss) on ordinary activities after tax		2,100	(158)
Dividends - non-equity		(232)	(193)
Dividends accrued (charged)/credited to profit and loss account	4	(193)	193
Exchange gain/(loss) on translation of matching currency loan		298	(680)
Issue of share capital	8	310	6,621
Re-valuation of share capital	8	358	142
Shareholders' funds carried forward		8,566	5,925

Bespak Holdings Limited

Notes to the Accounts

1. Principal accounting policies

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been reviewed by the Board in accordance with the Financial Reporting Standard ('FRS') 18 'Accounting policies' and which have been applied consistently is set out below.

Consolidated financial statements and cash flow statement

The Company is a wholly owned subsidiary of Bespak plc and is included in the consolidated financial statements of Bespak plc, which are publicly available. Consequently, the Company is exempted from producing consolidated accounts by section 228 of the Companies Act 1985. The Company is also exempt from preparing a cash flow statement as part of these financial statements in accordance with FRS 1 (revised 1996) 'Cash flow statements'.

Fixed asset investments

Investments are shown at cost less provision in respect of impairments. Impairment write-downs are determined by reference to the higher of the post-tax realisable value of the investment and its ongoing value in use.

Deferred taxation

The Company adopted UK Financial Reporting Standard 19 – "Deferred Tax" in the year. Adoption of this standard did not have any impact on the financial statements. In accordance with FRS 19, provision is made for deferred tax liabilities and assets, using full provision accounting, otherwise known as the incremental liability method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transaction in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange ruling at the balance sheet date. Exchange differences on matching currency loans against fixed asset investments are dealt with in reserves. All other exchange gains and losses are dealt with in the profit and loss account.

Bespak Holdings Limited

Notes to the Accounts

1. Principal accounting policies continued

Financial instruments

Cross currency swaps are translated at year-end exchange rates; gains and losses arising are included in the measurement of the related assets and liabilities and dealt with in the profit and loss account. Interest arising under cross currency swaps is dealt with on an accruals basis.

Related party transactions

The Company has taken advantage of the exemption available to 90% subsidiaries under FRS 8 "Related party disclosures" not to disclose transactions with other Group companies. The directors do not consider that the Company entered into any transactions during the period with any other related parties.

Bespak Holdings Limited

Notes to the accounts

2. Net interest payable

	2002 £000	2001 £000
Interest paid to Group company in respect of cross currency swap	<u>(27)</u>	<u>(158)</u>

3. Taxation

	2002 £000	2001 £000
UK corporation tax at 30%	<u>196</u>	<u>-</u>

Reconciliation to UK statutory rate

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £000	2001 £000
Profit/(loss) on ordinary activities before taxation	<u>1,904</u>	<u>(158)</u>
Taxation charge at UK corporation tax rate of 30% (2001: 30%)	571	(47)
Effects of:		
Permanent differences	(557)	-
Other	-	47
Prior year adjustments:		
UK corporation tax	<u>(210)</u>	<u>-</u>
	<u>(196)</u>	<u>-</u>

4. Dividends payable

	2002 £000	2001 £000
Preference		
Proposed dividend of 3.5 pence (2001: 2.9 pence) per share on redeemable preference shares payable on 6 January 2003.	<u>232</u>	<u>193</u>

In the 2001 accounts and in accordance with FRS 4 'Capital instruments', the Company appropriated through the profit and loss account, a preference dividend for the period on the Company's preference shares. However, as the Company did not have sufficient distributable reserves in order to pay such preference share dividends, the dividend was credited back within the profit and loss account reserves (note 9). In the 2002 accounts, now that the Company has sufficient distributable reserves, the dividend has been restated and charged to the profit and loss account reserve.

Bespak Holdings Limited

Notes to the accounts

5. Investments

	2002 £000	2001 £000
Cost		
At 28 April 2001	19,862	-
Investment in Group company	310	19,862
Net book value 3 May 2002	20,172	19,862

In June 2001 the Company acquired 3,100,000 ordinary shares of 10p each in Bespak Europe Limited in exchange for the issue of 310,000 ordinary shares of £1 each. In the opinion of the directors no provision is required in respect of any permanent diminution in value of the investments.

The Company's investments are as follows:

Company	Country of incorporation and operation	% of ordinary shares held	Nature of business
Bespak Holdings Inc	USA	100	Holding company
Bespak Inc *	USA	100	Manufacturing and distribution
Bespak Europe Limited	Great Britain	20.7	Product development and manufacturing

* Indicates companies that are indirectly held through subsidiary undertakings of the parent company

6. Debtors

	2002 £000	2001 £000
Amounts due from Group undertakings	2,276	-

7. Creditors - amounts falling due within one year

	2002 £000	2001 £000
Amounts owing to parent undertaking	13,636	13,937
Proposed dividend	232	-
Taxation	14	-
	13,882	13,937

The amount due to the parent company includes a US dollar loan of \$20 million. The loan is interest free with no fixed date of repayment. The loan is used as a hedge against the investment in the US subsidiary companies.

Bespak Holdings Limited

Notes to the accounts

8. Share capital

	2002 £000	2001 £000
Authorised:		
311,000 ordinary shares of £1 each	311	-
6,620,763 redeemable preference shares of £1 each	6,621	6,621
Total	<u>6,932</u>	<u>6,621</u>
Allotted, called up and fully paid:		
310,100 ordinary shares of £1 each	310	-
6,620,763 redeemable preference shares of £1 each	7,121	6,763
Total	<u>7,431</u>	<u>6,763</u>

In June 2001 the Company issued 310,000 ordinary shares of £1 each in exchange for 3,100,000 ordinary shares of 10p each in Bespak Europe Limited (see note 5).

As part of a refinancing arrangement the Company created and issued 6,620,763 redeemable preference shares of £1 each to its parent company, Bespak plc, on 6 June 2000 for cash. The preference shares entitle the holders to vote only in the event that a resolution is proposed to abrogate, vary or modify any of the rights and privileges attaching to the preference shares. Holders of the preference shares are entitled to a preferential dividend in priority to any dividend payable in respect of the ordinary shares of the Company. The annual rate of the dividend is 3.255% on an amount in Swiss Francs equal to the Sterling amount paid up on the preference shares calculated by reference to the exchange rate which applied on the date of issue of the shares.

The preference shares shall be redeemed upon the Company giving prior notice in writing to the holder at any time on or after 20 April 2001 but not later than 21 April 2005 at an amount in Swiss Francs equal to the Sterling amount paid up on the preference shares calculated by reference to the exchange rate which applied on the date of issue of the shares. Since the Company has a Swiss Franc exposure associated with the final amount payable on redemption of the preference shares, the share capital is retranslated at the year end exchange rate in the accounts. Exchange gains or losses arising on retranslation are taken to the profit and loss account. On a winding up the holders have a priority before all other classes of shares to receive repayment of capital plus any arrears of dividend.

9. Profit and loss account

	2002 £000	2001 £000
At 28 April 2001	(838)	-
Retained profit/(loss) for the period	1,868	(351)
Proposed dividend (charged)/credited to profit and loss reserve (see note 4)	(193)	193
Exchange gain/(loss) on translation of matching currency loan	298	(680)
At 3 May 2002	<u>1,135</u>	<u>(838)</u>

Bespak Holdings Limited

Notes to the accounts

10. Ultimate parent company

The Company is a subsidiary undertaking of Bespak plc, the immediate and ultimate parent company and controlling party, which is registered in England and Wales. Copies of the parent's consolidated financial statements may be obtained from the Secretary, Blackhill Drive, Featherstone Road, Wolverton Mill South, Milton Keynes, Bucks. MK12 5TS