

Registered Number: 3973457

BESPAK HOLDINGS LIMITED

REPORT AND ACCOUNTS

52 WEEKS ENDED 3 MAY 2003



BESPAK HOLDINGS LIMITED

OFFICERS AND ADVISERS

Directors	M P Hoperft A L Scott
Company Secretary	A L Scott
Registered Office	Blackhill Drive Featherstone Road Wolverton Mill South Milton Keynes Bucks MK12 5TS
Registered Number	3973457
Auditors	PricewaterhouseCoopers LLP Cambridge
Bankers	Barclays Bank plc

BESPAK HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements of the Company for the 52 weeks ended 3 May 2003.

Principal activities

The Company's principal activity is to act as a holding company. There has been no significant change in the activity during the year.

Review of business and future developments

The directors do not anticipate any significant change in activity in the foreseeable future.

Results and dividends

The loss after taxation for the year was £3,849,000 (2002: profit of £2,100,000). A preferential dividend of 3.791 pence per share (2002: 3.5 pence per share) is due for the period. Due to the fact that the Company does not have any distributable reserves, the amount of the preference dividend has not been accrued but has been credited into non-equity shareholders' funds. A retained loss of £3,849,000 (2002: profit £2,100,000) was transferred from reserves.

Directors and their interests

The directors who served during the year are shown below:-

A L Scott

M P Hopcroft (appointed 25 November 2002)

R J Preece (resigned 25 November 2002)

No director held any interest in the Company during the period.

Mr Hopcroft was also appointed a director of Bepak plc on 5 November 2002.

The interests of the directors in the shares of the holding company at 3 May 2003 and at 3 May 2002 (or at date of appointment, where applicable) are shown below:

Directors' interests in shares

The beneficial interests of the directors in the shares of the parent company, Bepak plc, at 3 May 2003 together with their interests at 3 May 2002 (or at date of appointment) were as follows:

	Ordinary shares of 10p each	
	At 3 May	At 3 May
	2003	2002*
	Number	Number
A L Scott	2,028	1,905
M P Hopcroft	NIL	NIL

* or at date of appointment

BESPAK HOLDINGS LIMITED

REPORT OF THE DIRECTORS

Directors' interests in share options

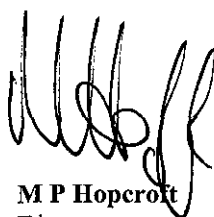
Details of the interests of the directors of the Company, who are also directors of the parent company, in share options over ordinary 10p shares of Bepak plc at 3 May 2003 are given in the parent's consolidated financial statements. Details of the interests of the directors of the Company, who are not directors of the parent company, are given below:

	Options at 3 May 2002 Number	Granted during the year Number	Exercised during the year Number	Options at 3 May 2003 Number
A L Scott	62,723	38,000	207	100,516

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers, to a Limited Liability Partnership (LLP) with effect from 1 January 2003, PricewaterhouseCoopers resigned before the year end and the directors appointed its successor, PricewaterhouseCoopers LLP, as 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



M P Hopcroft
Director

15 August 2003

BESPAK HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes in respect of income from the sale of tooling and equipment and income from amounts invoiced by reference to the Company's level of capital investment as explained on page 10 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 3 May 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 for the prevention and detection of fraud and other irregularities.

BESPAK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BESPAK HOLDINGS LIMITED

We have audited the financial statements on pages 7 to 13.

Respective responsibilities of Directors and Auditors

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

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. This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 the 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 as at 3 May 2003 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge

15 August 2003

BESPAK HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT**

52 weeks ended 3 May 2003

	<i>Notes</i>	2003 £000	2002 £000
Operating expenses	2	(590)	(135)
Provision against carrying value of investment	4	(3,281)	-
Operating (loss)		(3,871)	(135)
Income from shares in Group undertakings		-	2,066
Interest payable and similar charges	5	-	(27)
(Loss)/profit on ordinary activities before taxation		(3,871)	1,904
Taxation on (loss)/profit on ordinary activities	6	22	196
(Loss)/profit for the financial year		(3,849)	2,100
Dividends – non-equity	7	(251)	(232)
Retained(loss)/profit for the financial year		(4,100)	1,868

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

52 weeks ended 3 May 2003


	2003 £000	2002 £000
(Loss)/profit for the financial year	(3,849)	2,100
Exchange gain on translation of matching currency loan	1,139	298
Total gains and losses for the year	(2,710)	2,398

BESPAK HOLDINGS LIMITED**BALANCE SHEET**

At 3 May 2003

	<i>Notes</i>	2003 £000	2002 £000
Fixed assets			
Investments	8	16,891	20,172
Current Assets			
Debtors	9	2,039	2,276
Creditors: amounts falling due within one year	10	(12,484)	(13,882)
Net current liabilities		(10,445)	(11,606)
Net assets		6,446	8,566
Capital and reserves			
Share capital	11	8,021	7,431
Profit and loss account	12	(1,575)	1,135
Total shareholders' funds		6,446	8,566
Analysis of shareholders' funds			
Equity		(1,265)	1,445
Non-equity		7,711	7,121
		6,446	8,566

Approved by the Board of directors on 15 August 2003

**M P Hopcroft***Director*

BESPAK HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. Principal accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements have been prepared in respect of the 52 weeks ending 3 May 2003 (2002: 53 weeks ending 3 May 2002). The principal accounting policies are set out below.

Consolidated financial statements and cash flow statement

The Company is a wholly owned subsidiary of Bepak plc and is included in the consolidated financial statements of Bepak 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

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

Transactions 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 differences are taken to the profit and loss account.

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

As permitted by FRS8, the Company has not disclosed related party transactions with fellow Group companies.

BESPAK HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****2. Operating expenses**

	2003	2002
	£000	£000
Foreign exchange loss	590	135

3. Employees

The Company had no employees during the year.

4. Provision against carrying value of investment

A provision has been made against the carrying value of the Company's investments in other Group companies.

5. Interest payable and similar charges

	2003	2002
	£	£
Interest paid to Group company under cross currency swap	-	27

6. Taxation

	2003	2002
	£	£
Corporation tax credit at 30% (2002: 30%)	22	196

Reconciliation to UK statutory rate

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below.

	2003	2002
	£	£
(Loss)/profit on ordinary activities before tax	(3,871)	1,904
Tax at UK corporation tax rate of 30%	(1,161)	571
Permanent differences	1,161	(557)
Prior year adjustments	(22)	(210)
	(22)	(196)

BESPAK HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

7. Dividends

	2003 £000	2002 £000
Preference dividend of 3.791 (2002: 3.5 pence) pence per share	251	193

In accordance with Financial Reporting Standard 4, the Company has appropriated through the profit and loss account a preference dividend for the period on the Company's preference shares. However, as the Company does not have sufficient distributable reserves in order to pay such preference share dividends, these dividends have been credited back within the profit and loss account reserves (note 10).

8. Investments

	£000
Cost	
At 3 May 2003 and 4 May 2002	20,172
Provisions	
At 4 May 2002	-
Charge for the period	3,281
At 3 May 2003	3,281
Net book value	
At 3 May 2003	16,891
At 3 May 2002	20,172

The Company's investments are as follows:

Company	Country of incorporation and operation	% of ordinary shares	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

BESPAK HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****9. Debtors**

	2003	2002
	£000	£000
Amounts due from Group undertakings	2,031	2,276
Taxation recoverable	8	-
	<hr/>	<hr/>
	2,039	2,276
	<hr/>	<hr/>

10. Creditors: amounts falling due within one year

	2003	2002
	£000	£000
Amounts due to parent company	12,484	13,636
Corporation tax	-	14
Proposed dividend	-	232
	<hr/>	<hr/>
	12,484	13,882
	<hr/>	<hr/>

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.

11. Share capital

Authorised:	2003	2002
	£000	£000
311,000 ordinary shares of £1 each	311	311
6,620,763 redeemable preference shares of £1 each	6,621	6,621
Total	<hr/> 6,932	<hr/> 6,932
 Allotted, called up and fully paid:		
310,100 ordinary shares of £1 each	310	310
6,620,763 redeemable preference shares of £1 each	7,711	7,121
Total	<hr/> 8,021	<hr/> 7,431

As part of a refinancing arrangement the Company created and issued 6,620,763 redeemable preference shares of £1 each to its parent company, Bepak 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.

BESPAK HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

11. Share capital continued

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.

12. Profit and loss account

	2003 £000	2002 £000
At 4 May 2002	1,135	(838)
(Loss)/profit for the year	(3,849)	2,100
Dividends – non-equity	(251)	(232)
Proposed dividend credited/(charged) to profit and loss reserve	251	(193)
Exchange gain on translation of matching currency loan	1,139	298
	<hr/>	<hr/>
At 3 May 2003	(1,575)	1,135

13. Movements in shareholders' funds

	2003 £000	2002 £000
Opening shareholders funds'	8,566	5,925
(Loss)/profit for the year	(3,849)	2,100
Dividends – non-equity	(251)	(232)
Proposed dividend credited/(charged) to profit and loss reserve	251	(193)
Exchange gain/(loss) on translation of matching currency loan	1,139	298
Issue of share capital	-	310
Revaluation of share capital	590	358
	<hr/>	<hr/>
Closing shareholders funds'	6,446	8,566

14. Contingent liabilities

There are cross guarantees on bank loans and overdrafts between all Group companies.

15. Ultimate parent company

The immediate and ultimate parent company and controlling party of Bepak Holdings Limited is Bepak plc. The accounts of Bepak plc can be obtained from the Company Secretary, Blackhill Drive, Featherstone Road, Wolverton Mill South, Milton Keynes, Buckinghamshire MK12 5TS.