SPIRAL PACKS (LONDON) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 APRIL 2000

Company No. 1105821



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SPIRAL PACKS (LONDON) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 April 2000

Company registration number:	1105821
Registered office:	Centurion Way Off Yarnton Way Erith Kent DA18 4AF
Directors:	R D Francis R S Brace A P Marchant I Samuels
Secretary:	Rix & Kay
Auditors:	Grant Thornton Registered auditors Chartered accountants Ashdown House 125 High Street Crawley West Sussex RH10 1DQ

SPIRAL PACKS (LONDON) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 April 2000

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REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 April 2000.

Principal activity

The company is principally engaged in the manufacture and distribution of food packaging materials.

Business review

The profit for the year after taxation amounted to £235,230 (1999: £196,824). The directors do not recommend a dividend (1999: £300,000), leaving £227,648 retained.

The directors look forward to developing significant opportunities for the company in the future.

Research and development

The entity carries out development of new products. Expenditure is written off in the year and amounted to £30,453 (1999: £20,585)

Directors

The directors in office during the year were as follows:

R D Francis
R S Brace
A P Marchant
I Samuels

The interests of the directors, who are all directors of the parent undertaking, Spiral Packs (Holdings) Limited, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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 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

Directors' responsibilities for the financial statements (continued)

- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Charitable contributions

No donations to charitable organisations were made during the year (1999: £700).

Year 2000 compliance

The company suffered no impact from the year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director

REPORT OF THE AUDITORS TO THE MEMBERS OF

SPIRAL PACKS (LONDON) LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements 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 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 at 30 April 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CRAWLEY

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company, which are set out below, have remained unchanged from the previous year.

TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as principal and for services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated on the reducing balance method and aims to write down the cost less estimated residual value of all tangible fixed assets over their expected useful economic lives. The rates generally applicable are:

Leasehold improvements	over the period of the lease
Plant and machinery	15%
Fixtures and fittings	between 15% and 33 1/3%
Motor vehicles	20%

RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to profits in the period in which it is incurred.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

PENSION COSTS

Defined contribution scheme
The provisions charged against profits represent the amount of the contribution payable to the scheme in respect of the accounting period.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

SPIRAL PACKS (LONDON) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 April 2000

	Note	£'000	2000 £'000	£'000	1999 £'000
Turnover	1		7,824		7,277
Cost of sales			(5,511)		(5,250)
Gross profit			2,313		2,027
Distribution costs		(746)		(645)	
Administrative expenses		(1,189)		(1,141)	
			(1,935)		(1,786)
Operating profit			378		241
Net interest	2		(60)		(9)
Profit on ordinary activities before taxation	1		318		232
Tax on profit on ordinary activities	4		(82)		(35)
Profit for the financial year			236		197
Dividends payable			0		(300)
Profit/(loss) transferred to/(from) reserves			236		(103)

There were no recognised gains or losses other than the profit for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

SPIRAL PACKS (LONDON) LIMITED

BALANCE SHEET

At 30 April 2000

	Note	£'000	2000 £'000	£'000	1999 £'000
Fixed assets					
Tangible assets	5		361		351
Current assets					
Stocks	6	497		441	
Debtors	7	2,420		2,976	
Cash at bank and in hand		107		20	
		3,024		3,437	
Creditors: amounts falling due within one year	8	(1,924)		(2,597)	
Net current assets			1,100		840
Total assets less current liabilities			1,461		1,191
Creditors: amounts falling due after more than one year	9		(34)		0
Provisions for liabilities and charges	10		(53)		(53)
			1,374		1,138
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		1,274		1,038
Shareholders' funds	14		1,374		1,138

The financial statements were approved by the Board of Directors on 2nd October 2000

Directors

The accompanying accounting policies and notes form an integral part of these financial statements.

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities are attributable to the manufacture and distribution of food packaging materials.

An analysis of turnover by geographical market is given below:

	2000 £'000	1999 £'000
United Kingdom	6,615	6,036
Rest of Europe	1,019	981
Rest of World	190	260
	7,824	7,277

Profit on ordinary activities is stated after:

	2000 £'000	1999 £'000
Auditors' remuneration	13	13
Depreciation	65	62
Pension costs	23	27

2 NET INTEREST

	2000 £'000	1999 £'000
On bank loans and overdrafts	(61)	(18)
Interest receivable	1	9
	(60)	(9)

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2000 £'000	1999 £'000
Wages and salaries	1,393	1,232
Social security costs	105	98
Other pension costs	23	27
	1,521	1,357

The average number of employees of the company during the year was:	2000 Number	1999 Number
Management	4	4
Administration	8	8
Production	85	80
	97	92

Remuneration in respect of directors was as follows:	2000 £'000	1999 £'000
Emoluments	248	224
Pension contributions	8	9
Compensation for loss of office	0	0
Management remuneration	256	233

During the year 2 (1999: 2) directors participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid directors as follows:

	2000 £'000	1999 £'000
Emoluments	110	94

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and is made up as follows:	2000 £'000	1999 £'000
UK corporation tax at 30% (1999: 20%)	82	36
Deferred taxation	0	(1)
	82	35

5 TANGIBLE FIXED ASSETS

	Leasehold improve-ments £'000	Plant and machinery £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 May 1999	13	703	329	59	1,104
Additions	0	67	8	0	75
At 30 April 2000	13	770	337	59	1,179
Depreciation					
At 1 May 1999	3	494	227	29	753
Charge for year	2	36	21	6	65
At 30 April 2000	5	530	248	35	818
Net book amount at 30 April 2000	8	240	89	24	361
Net book amount at 30 April 1999	10	209	102	30	351

6 STOCKS

	2000 £'000	1999 £'000
Raw materials	323	308
Finished goods	174	133
	497	441

There were no significant differences between the replacement cost and the values disclosed for stocks.

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	1999 £'000
Trade debtors	1,410	1,729
Other debtors	23	15
Amounts owed by group undertaking	938	1,163
Prepayments and accrued income	49	69
	2,420	2,976

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	1999 £'000
Bank overdraft	17	192
Advances against trade debtors	588	652
Trade creditors	954	1,211
Loans repayable within one year	18	0
Amounts due to parent undertaking	0	0
Corporation tax	83	36
Social security and other taxes	177	67
Proposed dividends	0	300
Other creditors	31	50
Accruals	56	87
Pension contributions	0	2
	1,924	2,597

Advances against trade debtors are secured by a fixed charge over the book debts and a floating charge over other assets of the company.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £'000	1999 £'000
Loans repayable after more than one year	34	0

10 PROVISION FOR LIABILITIES AND CHARGES

	Deferred taxation (note 11) £'000
At 1 May 1999 and 30 April 2000	53

11 DEFERRED TAX

	2000 £'000	1999 £'000
Provided		
Accelerated capital allowances	53	53
Unprovided		
Accelerated capital allowances	0	0

12 SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised, allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100	100

13 PROFIT AND LOSS ACCOUNT

	£'000
At 1 May 1999	1,038
Profit for the year	236
At 30 April 2000	1,274

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Profit for the financial year	236	197
Dividends	0	(300)
Net increase/(decrease) in shareholders' funds	236	(103)
Shareholders' funds at 1 May 1999	1,138	1,241
Shareholders' funds at 30 April 2000	1,374	1,138

15 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2000 or at 30 April 1999.

16 CONTINGENT LIABILITIES

The company has provided an unlimited guarantee to Spiral Packs (Holdings) Limited, in favour of the group's bankers.

17 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

As a wholly owned subsidiary of Spiral Packs (Holdings) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Spiral Packs (Holdings) Limited.

18 CONTROLLING RELATED PARTIES

The directors consider the ultimate holding undertaking of Spiral Packs (London) Limited is its parent company, Spiral Packs (Holdings) Limited.

Spiral Packs (Holdings) Limited is the company's controlling related party by virtue of being the ultimate parent undertaking.

The largest and smallest group of undertakings for which group accounts have been drawn up is headed by Spiral Packs (Holdings) Limited.