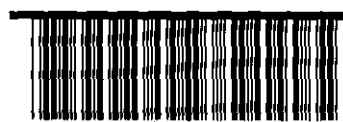


Amipak Limited

Directors' Report and Financial Statements

for the year ended 28 February 2002



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Company Registration No. 3708621 (England and Wales)

Amipak Limited

Company Information

Directors	M B Friedler P Schwitzer
Secretary	M B Friedler
Company number	3708621
Registered office	16/18 Factory Lane Croydon CR0 3RL
Auditors	Enoch & Partners Hillside House 2-6 Friern Park London N12 9BY

Amipak Limited

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Amipak Limited

Directors' Report for the year ended 28 February 2002

The directors present their report and financial statements for the year ended 28 February 2002.

Principal activities and review of the business

The principal activity of the company is the manufacture and processing of packaging materials.

Profitability in 2001/2002 was maintained despite the slightly lower turnover and the indications to date suggest a similar position for 2002/2003.

Results and dividends

The results for the year are set out on page 4.

Directors

The following directors have held office since 1 March 2001:

M B Friedler
P Schwitzer

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	28 February 2002	1 March 2001
M B Friedler	500	500
P Schwitzer	500	500

Both directors share the control of the company.

Auditors

Enoch & Partners were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Amipak Limited

Directors' Report for the year ended 28 February 2002

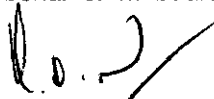
Directors' responsibilities

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 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;
- 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 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.

On behalf of the board



M B Friedler

Director

8 November 2002

Amipak Limited

Independent Auditors' Report to the Shareholders of Amipak Limited

We have audited the financial statements of Amipak Limited on pages 4 to 15 for the year ended 28 February 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

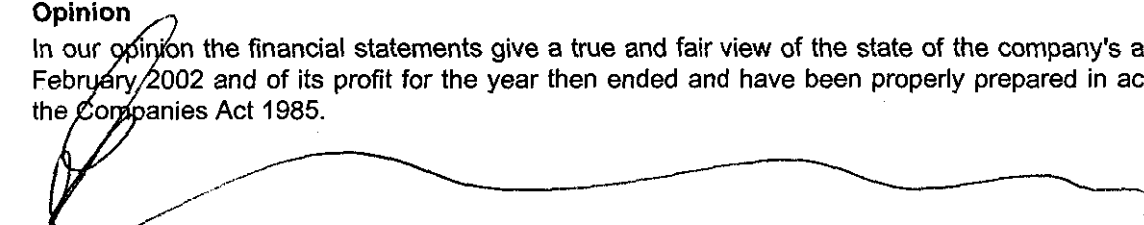
Basis of audit opinion

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 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 28 February 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Enoch & Partners

8 November 2002

Chartered Accountants
Registered Auditor

Hillside House
2-6 Friern Park
London
N12 9BY

Amipak Limited**Profit and Loss Account
for the year ended 28 February 2002**

	Notes	2002 £	2001 £
Turnover	2	5,886,527	6,005,301
Cost of sales		(5,152,014)	(5,265,995)
Gross profit		734,513	739,306
Distribution costs		(69,658)	(67,852)
Administrative expenses		(468,457)	(543,845)
Operating profit	3	196,398	127,609
Other interest receivable and similar income		5,954	4,437
Interest payable and similar charges	4	(14,515)	(20,744)
Profit on ordinary activities before taxation		187,837	111,302
Tax on profit on ordinary activities	5	(39,380)	(24,659)
Profit on ordinary activities after taxation		148,457	86,643
Dividends	6	(50,000)	(50,000)
Retained profit for the year	15	98,457	36,643

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

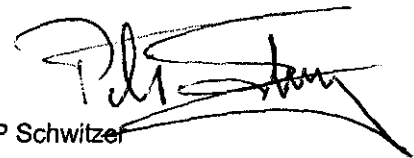
Amipak Limited

Balance Sheet as at 28 February 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	7		259,933		327,102
Current assets					
Stocks	8	289,545		333,828	
Debtors	9	1,254,599		1,256,961	
Cash at bank and in hand		361,653		65,714	
		<u>1,905,797</u>		<u>1,656,503</u>	
Creditors: amounts falling due within one year	10	<u>(1,100,202)</u>		<u>(997,370)</u>	
Net current assets			805,595		659,133
Total assets less current liabilities			<u>1,065,528</u>		<u>986,235</u>
Creditors: amounts falling due after more than one year	11		(65,469)		(80,826)
Provisions for liabilities and charges	12		<u>(2,579)</u>		<u>(6,386)</u>
			<u>997,480</u>		<u>899,023</u>
Capital and reserves					
Called up share capital	14		1,000		1,000
Share premium account	15		818,152		818,152
Profit and loss account	15		178,328		79,871
Shareholders' funds - equity interests	16		<u>997,480</u>		<u>899,023</u>

The financial statements were approved by the Board on 8 November 2002


M B Friedler
Director


P Schwitzer
Director

Amipak Limited**Cash Flow Statement
for the year ended 28 February 2002**

	2002 £	2001 £
Net cash inflow from operating activities	363,578	168,337
Returns on investments and servicing of finance		
Interest received	5,954	4,437
Interest paid	(10,604)	(12,668)
Interest element of finance lease rentals	(3,911)	(8,076)
Net cash outflow for returns on investments and servicing of finance	(8,561)	(16,307)
Taxation	(27,287)	(15,173)
Capital expenditure		
Payments to acquire tangible assets	(19,475)	(45,479)
Net cash outflow for capital expenditure	(19,475)	(45,479)
Equity dividends paid	(50,000)	(50,000)
Net cash inflow before management of liquid resources and financing	258,254	41,378
Financing		
Adjustment to share premium	-	(67,180)
Repayment of long term bank loan	(4,179)	(3,548)
Capital element of finance lease contracts	(14,458)	(42,648)
Net cash outflow from financing	(18,637)	(113,376)
Increase/(decrease) in cash in the year	239,617	(71,998)

Amipak Limited

Notes to the Cash Flow Statement for the year ended 28 February 2002

1	Reconciliation of operating profit to net cash inflow from operating activities		2002	2001
			£	£
	Operating profit		196,398	127,609
	Depreciation of tangible assets		86,643	109,034
	Decrease/(increase) in stocks		44,283	(47,919)
	Decrease in debtors		2,362	35,922
	Increase/(decrease) in creditors within one year		33,892	(56,309)
	Net cash inflow from operating activities		<u>363,578</u>	<u>168,337</u>

2	Analysis of net funds/(debt)	1 March 2001	Cash flow	Other non-cash changes	28 February 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	65,714	295,939	-	361,653
	Bank overdrafts	(122,054)	(56,322)	-	(178,376)
		<u>(56,340)</u>	<u>239,617</u>	<u>-</u>	<u>183,277</u>
	Debt:				
	Finance leases	(49,064)	14,458	-	(34,606)
	Debts falling due within one year	(8,040)	3,861	-	(4,179)
	Debts falling due after one year	(46,220)	319	-	(45,901)
		<u>(103,324)</u>	<u>18,638</u>	<u>-</u>	<u>(84,686)</u>
	Net (debt)/funds	<u>(159,664)</u>	<u>258,255</u>	<u>-</u>	<u>98,591</u>

3	Reconciliation of net cash flow to movement in net funds/(debt)	2002	2001
		£	£
	Increase/(decrease) in cash in the year	239,617	(71,998)
	Cash outflow from decrease in debt and lease financing	18,638	46,196
	Movement in net funds/(debt) in the year	<u>258,255</u>	<u>(25,802)</u>
	Opening net debt	(159,664)	(133,862)
	Closing net funds/(debt)	<u>98,591</u>	<u>(159,664)</u>

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6 Pensions

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	86,643	109,034
Auditors' remuneration	12,750	12,000

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

4	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	3,884	4,784
	Other interest	6,720	7,884
	Lease finance charges	3,911	8,076
		<u>14,515</u>	<u>20,744</u>
5	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	43,200	27,300
	Adjustment for prior years	(13)	2,473
	Current tax charge	<u>43,187</u>	<u>29,773</u>
	Deferred tax		
	Deferred tax charge/credit current year	(3,807)	(5,114)
		<u>39,380</u>	<u>24,659</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>187,837</u>	<u>111,302</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	<u>37,567</u>	<u>22,260</u>
	Effects of:		
	Non deductible expenses	2,325	1,524
	Depreciation	17,329	21,807
	Capital allowances	(14,521)	(18,304)
	Other tax adjustments	487	2,486
		<u>5,620</u>	<u>7,513</u>
	Current tax charge	<u>43,187</u>	<u>29,773</u>
6	Dividends	2002	2001
		£	£
	Ordinary interim paid	<u>50,000</u>	<u>50,000</u>

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 March 2001	823,889	213,270	146,686	1,183,845
Additions	17,047	2,427	-	19,474
At 28 February 2002	840,936	215,697	146,686	1,203,319
Depreciation				
At 1 March 2001	611,326	144,683	100,734	856,743
Charge for the year	57,402	17,753	11,488	86,643
At 28 February 2002	668,728	162,436	112,222	943,386
Net book value				
At 28 February 2002	172,208	53,261	34,464	259,933
At 28 February 2001	212,563	68,587	45,952	327,102

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 28 February 2002	35,562
At 28 February 2001	47,416
Depreciation charge for the year	
28 February 2002	11,854
28 February 2001	15,805

Amipak Limited**Notes to the Financial Statements
for the year ended 28 February 2002**

8	Stocks and work in progress	2002	2001
		£	£
	Raw materials and consumables	150,603	142,472
	Work in progress	4,079	36,074
	Finished goods and goods for resale	134,863	155,282
		<u>289,545</u>	<u>333,828</u>
9	Debtors	2002	2001
		£	£
	Trade debtors	1,249,164	1,251,900
	Prepayments and accrued income	5,435	5,061
		<u>1,254,599</u>	<u>1,256,961</u>
10	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank loans and overdrafts	182,555	130,094
	Net obligations under finance leases	15,038	14,458
	Trade creditors	730,156	686,612
	Corporation tax	43,200	27,300
	Other taxes and social security costs	70,656	45,505
	Other creditors	8,808	-
	Due to Amipak Limited Pension Scheme	2,600	34,280
	Accruals and deferred income	47,189	59,121
		<u>1,100,202</u>	<u>997,370</u>

The bank borrowings are secured by an unscheduled mortgage debenture dated 27 April 1999 incorporating a fixed and floating charge over all current and future assets of the company.

Amipak Limited**Notes to the Financial Statements
for the year ended 28 February 2002**

11 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	45,901	46,220
Net obligations under finance leases	19,568	34,606
	<u>65,469</u>	<u>80,826</u>
Analysis of loans		
Not wholly repayable within five years by instalments:	50,080	54,260
Included in current liabilities	(4,179)	(8,040)
	<u>45,901</u>	<u>46,220</u>
Loan maturity analysis		
In more than one year but not more than two years	4,179	8,040
In more than two years but not more than five years	16,716	32,160
In more than five years	25,006	6,020
	<u></u>	<u></u>
Net obligations under finance leases		
Repayable within one year	18,369	18,369
Repayable between one and five years	21,942	40,311
	<u>40,311</u>	<u>58,680</u>
Finance charges and interest allocated to future accounting periods	(5,705)	(9,616)
	<u>34,606</u>	<u>49,064</u>
Included in liabilities falling due within one year	(15,038)	(14,458)
	<u>19,568</u>	<u>34,606</u>

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 March 2001	6,386
Profit and loss account	(3,807)
Balance at 28 February 2002	2,579

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	2,579	6,386

13 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	20,784	82,249

14 Share capital

	2002 £	2001 £
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £ 1 each	1,000	1,000

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 March 2001	818,152	79,871
Retained profit for the year	-	98,457
Balance at 28 February 2002	818,152	178,328

16 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	148,457	86,643
Dividends	(50,000)	(50,000)
	98,457	36,643
Adjustment to share premium	-	(67,180)
Net increase in shareholders funds	997,480	(30,537)
Opening shareholders' funds	899,023	929,560
Closing shareholders' funds	997,480	899,023

17 Contingent liabilities

The company's bankers have given a terminable indemnity for £70,000 to HM Customs & Excise for which the bank has recourse to the company.

18 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	162,354	163,621
Company pension contributions to money purchase schemes	6,506	65,973
	168,860	229,594

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).

19 Transactions with directors

The company trades from two premises, both owned directly or indirectly by the Directors. Market rents are payable and these amounted to £179,958 (2000 : £161,833) in the year.

Amipak Limited

Notes to the Financial Statements for the year ended 28 February 2002

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Administration	9	9
Cost of Sales	46	45
	<u>55</u>	<u>54</u>

Employment costs

	£	£
Wages and salaries	825,373	910,397
Social security costs	65,727	74,324
Other pension costs	20,784	82,249
	<u>911,884</u>	<u>1,066,970</u>