

**Directors' Report**

The directors present their report and the accounts of the Company for the year ended 31 December 2001.

**Activities**

The principal activity of the Company is that of an investment company.

**Results and Dividends**

The result for the year amounted to nil (2000: profit £83,000). The directors do not recommend payment of a final dividend.

**Post Balance Sheet Events**

On 29 August 2002 the Company sold its Akenco House surplus property for a consideration of £230,000.

**Directors**

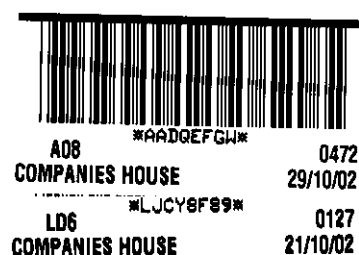
The following persons held office during the year:

S A Bull  
D W Gibson  
C K J Bowmer

**Directors' Interests**

Ordinary Shares	Share Options* of 64 $\frac{1}{2}$ p each		Share Options* Executive 1984		Share Options* Executive 1997		Share Options* SAYE		Long Term Incentive (Maximum Shares)	
	1.1.01	31.12.01	1.1.01	31.12.01	1.1.01	31.12.01	1.1.01	31.12.01	1.1.01	31.12.01
C K J Bowmer	7,092	6,000	72,393	49,052	262,411	227,416	9,424	9,424	0	0
S A Bull	22,289	22,289	53,511	42,566	266,274	154,063	4,383	6,640	0	0
D W Gibson	29,918	31,170	18,852	18,852	317,712	382,208	10,714	10,714	145,800	384,800

\* full details of the share option schemes can be found in the report and accounts of Rexam PLC.



## **Preparation of Accounts**

This statement, which should be read together with the auditors report overleaf, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that it is appropriate to use the going concern basis in preparing the accounts on pages 5 to 9. Appropriate accounting policies have been used, consistently applied and supported by reasonable and prudent judgements and estimates and all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enables them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## **Auditors**

Ernst & Young LLP remain in office as auditors.

By order of the Board

A handwritten signature in black ink, appearing to be 'B-R', followed by a long horizontal line extending to the right.

B-R Secretariat Limited  
Secretary

Date 1/10/02

## **Rexam (AK) Limited**

### **Independent Auditors' Report to the Members of Rexam (AK) Limited**

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described on page 2, the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and 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 affairs of the company as at 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditor

London

Date 7/12/02.

## Rexam (AK) Limited

### Profit and Loss Account for the year end 31 December 2001

	Notes	2001 £000	2000 £000
Operating income		<u>-</u>	<u>4</u>
<b>Operating profit</b>		-	4
Profit on prior year disposal of surplus properties		-	64
Interest receivable		<u>-</u>	<u>15</u>
<b>Profit on ordinary activities before and after taxation</b>		<u>-</u>	<u>83</u>
<b>Profit retained for the financial year</b>	(7)	<u>-</u>	<u>83</u>

There are no recognised gains or losses other than the profit attributable to shareholders of the company of nil in the year ended 31 December 2001 and the profit of £83,000 in the year ended 31 December 2000.

Details of reserve movements are shown in Note 7.

# Rexam (AK) Limited

## Balance Sheet as at 31 December 2001

	Notes	2001 £000	2000 £000
<b>Current assets</b>			
Debtors: receivable within one year	(2)	<u>251</u>	<u>250</u>
<b>Creditors: amounts falling due within one year</b>	(3)	<u>(1)</u>	<u>-</u>
<b>Net current assets and total assets</b>		<u>250</u>	<u>250</u>
<b>Creditors: amounts falling due after more than one year</b>			
Due to a parent undertaking	(4)	<u>(1,615)</u>	<u>(1,615)</u>
<b>Total assets less current liabilities</b>		<u><u>(1,365)</u></u>	<u><u>(1,365)</u></u>
<b>Capital and reserves</b>			
Non equity:			
Called up share capital	(5)	5	5
Equity:			
Called up share capital	(5)	91	91
Profit and loss account	(7)	<u>(1,461)</u>	<u>(1,461)</u>
		<u><u>(1,365)</u></u>	<u><u>(1,365)</u></u>

Approved by a board resolution dated 7 October 2002

Director



# Rexam (AK) Limited

## Notes to the Accounts

### 1. Accounting policies

#### Accounting convention

These accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### Going concern

The directors have received satisfactory assurances from the parent undertaking, valid to 31 December 2002, to the effect that it will provide or procure adequate facilities for the Company to meet all liabilities which cannot be met out of the Company's existing resources.

#### Surplus Property to requirements

Properties held for disposal are included in current assets at net book value at the date of classification as surplus less provisions to reduce to net realisable value where appropriate.

2. Debtors: receivable within one year	<b>2001</b> <b>£000</b>	<b>2000</b> <b>£000</b>
Due from a parent undertaking	<u>251</u>	<u>250</u>
3. Creditors: amounts falling due within one year	<b>2001</b> <b>£000</b>	<b>2000</b> <b>£000</b>
Other creditors	<u>(1)</u>	<u>-</u>
4. Creditors: amounts falling due after more than one year.		
Due to a parent undertaking	<u>(1,615)</u>	<u>(1,615)</u>

## Rexam (AK) Limited

### Notes to the Accounts

5. Share capital	2001 £	2000 £
Non equity:		
Authorised, allotted, called up and fully paid		
4,500 5.25% Cumulative Preference shares of £1 each	<u>4,500</u>	<u>4,500</u>
Equity:		
Authorised		
80,300 'A' Ordinary shares of £1 each	80,300	80,300
152,000 'B' Ordinary shares of 10 pence each	<u>15,200</u>	<u>15,200</u>
	<u>95,500</u>	<u>95,500</u>
Allotted, called up and fully paid		
76,000 'A' Ordinary shares of £1 each	76,000	76,000
152,000 'B' Ordinary shares of 10 pence each	<u>15,200</u>	<u>15,200</u>
	<u>91,200</u>	<u>91,200</u>

The cumulative preference shares hold a right to a fixed cumulative preference dividend. They rank in priority to the ordinary shares on a return of capital, but do not confer the right to any further participation in profits or assets. The holders of cumulative preference shares do not have any voting rights, except on any resolution which will directly or adversely modify or vary any of the special rights and privileges to the cumulative preference shares.

A' Ordinary and 'B' Ordinary shares rank pari passu except that the 'B' Ordinary shares shall have the right to receive:



# Rexam (AK) Limited

## Notes to the accounts

1. On a distribution by way of dividend out of profits or capital, an amount of ninety five times the amount which would otherwise have been paid on the basis of the nominal value

2. On a distribution of surplus assets, an amount of ninety five times the amount which would otherwise have been paid on the basis of the nominal value of the shares.

6. Movement in shareholders' funds	2001 £000	2000 £000
Profit for the financial year	-	83
Opening shareholders' funds	(1,365)	(1,448)
Closing shareholders' funds	<u>(1,365)</u>	<u>(1,365)</u>

7. Profit and loss account	2001 £000	2000 £000
At 1 January	(1,461)	(1,544)
Retained profit for the year	-	83
At 31 December	<u>(1,461)</u>	<u>(1,461)</u>

8. The Company is a wholly owned subsidiary undertaking of Rexam PLC and therefore has not prepared a cash flow statement and is exempt from making additional disclosure of related party transactions.

9. As a member of the Rexam PLC Group for VAT purposes, the Company has joint and several liability for all amounts due to H.M. Customs and Excise under this arrangement. The Group continues to trade profitably and the directors do not foresee the crystallisation of any liability under this arrangement.

10. The Company's ultimate parent undertaking is Rexam PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the Group accounts can be obtained from Rexam PLC, 4 Millbank, London, SW1P 3XR.