

**Directors' Report**

The directors present their report and the accounts of the Company for the year ended 31 December 2000.

**Activities**

The Company is an investment Company and received bank interest during the year.

**Results and Dividends**

The profit for the year amounted to £83,000. The directors do not recommend payment of a final dividend.

**Directors**

The following persons held office during the year:

S A Bull  
 D W Gibson  
 C K J Bowmer (appointed on 4 January 2000)

**Directors' Interests**

The directors who held office at the end of the year were interested (as defined in the Companies Act 1985 and according to the Register maintained thereunder) in shares in Rexam PLC as follows:

	Ordinary Shares of 64 <sup>2</sup> / <sub>7</sub> p each		Share Options** Executive 1984		Share Options** Executive 1997		Share Options** SAYE		Share Options** Long Term Incentive (Maximum Shares)	
	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00	1.1.00*	31.12.00
C K J Bowmer	7,092	7,092	72,393	72,393	224,534	262,411	8,161	9,424	26,500	18,700
S A Bull	22,289	22,289	53,511	53,511	227,391	266,274	4,383	4,383	26,500	18,700
D W Gibson	22,118	29,918	18,852	18,852	256,492	317,712	10,714	10,714	78,700	145,800

\* or date of appointment if later

\*\* 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 4 to 8. 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.

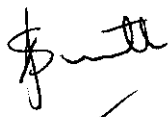
The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enables them to ensure that the accounts comply with the Companies Act 1985.

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**

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By order of the Board



B-R Secretariat Limited  
Secretary

Date 22 August 2001

## **Rexam (AK) Limited**

### **Report of the auditors to the members of Rexam (AK) Limited**

We have audited the accounts on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **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. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

### **Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditor

London

Date *12 September 2001.*

**Rexam (AK) Limited****Profit and Loss Account for the year ended 31 December 2000**

	Notes	2000 £000	1999 £000
Operating income/(charges)		<u>4</u>	<u>(4)</u>
<b>Operating profit/(loss)</b>		4	(4)
Profit on prior year disposal of surplus properties		64	71
Interest receivable		<u>15</u>	<u>11</u>
<b>Profit on ordinary activities before taxation</b>		83	78
Taxation on ordinary activities	(2)	<u>-</u>	<u>(1)</u>
<b>Profit retained for the financial year</b>	(7)	<u>83</u>	<u>77</u>

There are no recognised gains or losses other than the profit attributable to the shareholders of the Company of £83,000 in the year ended 31 December 2000 and the profit of £77,000 in the year ended 31 December 1999.

Details of reserve movements are shown in Note 7.

# Rexam (AK) Limited

## Balance Sheet as at 31 December 2000

	Notes	2000 £000	1999 £000
<b>Current assets</b>			
Debtors: receivable within one year	(3)	250	170
Cash at bank and in hand		<u>-</u>	<u>10</u>
		250	180
<b>Creditors : amounts falling due within one year</b>	(4)	-	(13)
<b>Net current assets and total assets less current liabilities</b>		<u>250</u>	<u>167</u>
<b>Creditors: amounts falling due after one year</b>			
Due to a parent undertaking		<u>(1,615)</u>	<u>(1,615)</u>
		<u>(1,365)</u>	<u>(1,448)</u>
<b>Capital and reserves</b>			
Non equity:			
Called up share capital	(5)	<u>5</u>	<u>5</u>
Equity:			
Called up share capital	(5)	91	91
Profit and loss account	(7)	<u>(1,461)</u>	<u>(1,544)</u>
		<u>(1,365)</u>	<u>(1,448)</u>

Approved by a board resolution dated 22 August 2001

*RBull*

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 2001, 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.

#### Properties surplus 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. Tax on profit on ordinary activities

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Prior year tax adjustment	<u>-</u>	<u>1</u>

The taxable profits for 2000 will be fully offset by group relief surrendered without payment.

### 3. Debtors: receivable within one year

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Other debtors	-	170
Due from a parent undertaking	<u>250</u>	<u>-</u>
	<u>250</u>	<u>170</u>

### 4. Creditors: amounts falling due within one year

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Accruals and deferred income	<u>-</u>	<u>13</u>

# Rexam (AK) Limited

## Notes to the Accounts

5. Share capital	2000 £	1999 £
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 attached 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:

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 of the shares.
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	2000 £000	1999 £000
Profit for the financial year	83	77
Opening shareholders' funds	<u>(1,448)</u>	<u>(1,525)</u>
Closing shareholders' funds	<u>(1,365)</u>	<u>(1,448)</u>

## Rexam (AK) Limited

### Notes to the Accounts

7. Profit and loss account £000

At 1 January 2000	(1,544)
Retained profit for the year	<u>83</u>
At 31 December 2000	<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.