

AMENDING COPY

**SPECIALITY PACKAGING (UK) PLC**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**31 DECEMBER 1994**  
**Registered Number: 2398420**



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# **SPECIALITY PACKAGING (UK) PLC**

## **DIRECTORS' REPORT**

The Directors present their report and the audited accounts for the year ended 31 December 1994.

## **PRINCIPAL ACTIVITY**

The principal activity of the Company is the manufacture and sale of tinplate based promotional packaging.

## **REVIEW OF THE BUSINESS**

The results for this year continue to be impacted by flat demand in the paint, DIY and industrial container markets.

The Company's immediate parent undertaking CarnaudMetalbox plc continues to support the Company.

The Directors expect future activity to continue in line with existing trends.

## **RESULTS AND DIVIDEND**

The Company made a profit after taxation of £795,000 (1993: £185,000). The Directors are not able to recommend payment of a dividend (1993 £nil).

## **DIRECTORS**

The names of the Directors who served during the year are as follows:

G Stricher (Chairman)

T S Kurwie

B Rolley

S S Timms

R A Evans

F J Lyttle

J Neill

(Appointed 31 January 1994)

(Resigned 31 January 1994)

(Resigned 31 January 1994)

During the year and at the balance sheet date no Director had any interest in the share capital of the Company, requiring disclosure under the Companies Act 1985, other than as shown in the table overleaf in options in the Company's non-voting £1 Ordinary Shares.

# **SPECIALITY PACKAGING (UK) PLC**

## **DIRECTORS' REPORT (CONTINUED)**

**1 January 1994 and 31 December 1994**

G Stricher	5500
S S Timms	2475
F J Lyttle	2628
T S Kurwie	2425
J Neill	2750
R A Evans	1900

There have been no changes in the above holdings between 31 December 1994 and the date of this report. All options above, that were granted under the Company's Share Option scheme, have an option price of £1 each, and are exercisable between the third and seventh anniversary of the date the option was granted.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to

- ❑ select suitable accounting policies and then apply them consistently;
- ❑ make judgements and estimates that are reasonable and prudent;
- ❑ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ❑ prepare the accounts 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 accounts 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.

### **TANGIBLE FIXED ASSETS**

Information relating to changes in tangible fixed assets of the Company is given in Note 10 to the Accounts.

### **RESEARCH AND DEVELOPMENT**

The Company makes use of the CarnaudMetalbox Group's research and development facilities at Wantage and Chatenay for product and process development.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the Company made charitable donations of £2,107 (1993: £582).

# **SPECIALITY PACKAGING (UK) PLC**

## **DIRECTORS' REPORT (CONTINUED)**

### **EMPLOYMENT POLICIES**

It is the Company's policy to keep employees fully informed on matters which affect them through direct face to face communications and collective procedures for joint consultation.

Throughout the year the development of communication skills at all levels of management has received a high priority. The drive for quality in all businesses has served as an important focus for improved communication with employees. It has provided opportunities for involving employees and enlisting their commitment through training and joint problem solving.

Delegation of management responsibility to the individual businesses has been fully accomplished and regular communications about financial performance and future plans have kept employees well informed and enabled them to identify the need for competitiveness for the success of the various enterprises.

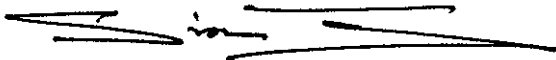
### **DISABLED PERSONS**

The Company's policy on the employment of disabled persons continues to be applied as positively as possible. In a year when there has been a substantial reduction in the numbers employed new opportunities have been limited but care has been taken to maintain jobs for the disabled and to search carefully against each limited new appointment.

### **AUDITORS**

A resolution to re-appoint Arthur Andersen under the provisions of Section 384 of the Companies Act 1985 will be proposed at the Annual General Meeting.

By Order of the Board



S S Timms  
Secretary

Registered Office:  
Rock Valley Road  
Mansfield  
Nottinghamshire  
NG18 2EZ

26 October 1995

## **SPECIALITY PACKAGING (UK) PLC**

### **AUDITORS' REPORT**

#### **To the shareholders of Speciality Packaging (UK) PLC:**

We have audited the accounts on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

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

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit on those accounts and to report our opinion to you.

#### **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 the company's affairs at 31 December 1994 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

Arthur Andersen  
Chartered Accountants and Registered Auditors  
Fothergill House  
16 King Street  
Nottingham  
NG1 2AS

26 October 1995

# SPECIALITY PACKAGING (UK) PLC

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
<b>TURNOVER</b>	2	93104	92210
Cost of sales		(79593)	(78232)
<b>GROSS PROFIT</b>		13511	13978
Other operating income		-	145
Administration expenses		(4415)	(4761)
Selling and distribution expenses		(4311)	(4578)
Exceptional items	3	(2227)	(2539)
<b>OPERATING PROFIT</b>	4	2558	2245
Interest receivable and similar income	5	-	39
Interest payable and similar charges	6	(1240)	(1547)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1318	737
Taxation	7	(523)	(552)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	18	795	185

A statement of movements on reserves is given in Note 18.

The accompanying notes are an integral part of this profit and loss account.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1994

In both years, there were no recognised gains or losses other than the profit for the financial year.

## NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1994.

In both years, there were no differences between reported profits on ordinary activities before taxation and the profit for the financial year and their respective historical cost equivalents.

# SPECIALITY PACKAGING (UK) PLC

## BALANCE SHEET AT 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	1870	1921
Tangible assets	10	12843	12383
Investments	11	3236	3236
		<u>17949</u>	<u>17540</u>
<b>CURRENT ASSETS</b>			
Stocks	12	15218	18224
Debtors	13	16605	18166
Cash at bank and in hand		818	2
		<u>32641</u>	<u>36392</u>
<b>CREDITORS (amounts falling due within one year)</b>	14	(32366)	(43570)
		<u>(275)</u>	<u>(7178)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		18124	10362
<b>CREDITORS (amounts falling due after more than one year)</b>	15	(6976)	(684)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	16	(2366)	(1591)
<b>NET ASSETS</b>		<u>8882</u>	<u>8087</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	20721	20721
Profit and loss account	18	(11839)	(12634)
<b>TOTAL CAPITAL EMPLOYED</b>		<u>8882</u>	<u>8087</u>

The accompanying notes are an integral part of this Balance Sheet.

Approved by the Board of Directors on

G Stricher

S S Timms

DIRECTORS

26 October 1995

# SPECIALITY PACKAGING (UK) PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£'000	£'000
<b>Net cash Inflow from operating activities</b>	<b>22a</b>	9708	4075
<b>Returns on investments and servicing of finance</b>			
Interest received		-	39
Interest paid		(1130)	(1482)
Interest element of finance lease rentals		(110)	(65)
		-----	-----
<b>Net cash Outflow from returns on investments and servicing of finance</b>		(1240)	(1508)
<b>Taxation</b>			
UK Corporation Tax Paid		(192)	-
<b>Investing activities</b>			
Purchase of tangible fixed assets		(3097)	(2905)
Proceeds of sale of tangible fixed assets		2	24
Intra Group transfer of tangible fixed assets		270	7
		-----	-----
<b>Net cash Outflow from investing activities</b>		(2825)	(2874)
<b>Net cash Inflow/(Outflow) before financing</b>		5451	(307)
<b>Financing</b>			
Decrease in intra group funding	<b>22b</b>	(3646)	(1599)
Capital element of finance lease rental payments	<b>22b</b>	(236)	(302)
		-----	-----
<b>Net cash Outflow from financing</b>		(3882)	(1901)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>22c</b>	1569	(2208)
		-----	-----

The accompanying notes are an integral part of this statement.



# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994

### I ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, are set out below:

(a) Accounting convention

The accounts have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover is based on the invoiced value of sales excluding VAT, similar sales-related taxes and trade discounts.

(c) Research and development expenditure

Research and development expenditure is written off in the period in which it is incurred.

(d) Government grants

Government grants of a capital nature are treated as deferred income and credited to the profit and loss account over the estimated useful lives of the related assets.

(e) Foreign currencies

In the Company's accounts transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

(f) Goodwill

Purchased goodwill arising on the acquisition of businesses, representing the excess of the fair value of the consideration given over the fair value of separable net assets acquired, is amortised over a period of 40 years.

(g) Tangible fixed assets

Tangible fixed assets are written off using the straight line method over their estimated useful lives which, for the major categories, are:

Plant and machinery	3 - 10 years
Fixtures, fittings, tools and equipment	3 - 15 years

(h) Investments

Investments are carried at cost less any provisions for permanent diminution in value.

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 CONTINUED

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (i) Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. The cost of work in progress and finished goods comprises material, labour and attributable manufacturing overheads.

Provision is made for obsolete, slow moving or defective items where appropriate.

#### (j) Finance and operating leases

Assets acquired under finance leases are included under the relevant category of tangible fixed assets and depreciated in accordance with that accounting policy. The capital element of future lease rentals payable is included as appropriate under creditors due within or after more than one year.

The interest element of lease rentals is charged to the profit and loss account over the term of the relevant lease.

Rentals paid under operating leases are charged to income as incurred.

#### (k) Deferred taxation

Deferred taxation is provided, using the liability method, in respect of the taxation effect of all timing differences, which in the Directors' opinion will crystallise in the near future.

#### (l) Corporation tax

Corporation tax payable is provided on taxable profits at the current rate. The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses and/or advanced corporation tax by fellow group companies. The tax benefits arising from group relief from the surrender of losses and/or advanced corporation tax, are not recognised in the accounts of the surrendering companies.

#### (m) Retirement benefits

Pension costs and post retirement medical costs for the group's benefit schemes are charged to the profit and loss account.

Pension and post retirement medical costs are spread over the expected service lives of the employees.

#### (n) Consolidated accounts

The Company has not prepared group accounts, as permitted by Section 228 of the Companies Act 1985, since group accounts have been prepared by the ultimate parent company.

### 2 SEGMENTAL INFORMATION

	1994 £'000	1993 £'000
Geographical analysis of turnover, all of which arises from the Company's principal activity:		
United Kingdom	79952	76549
North America	3430	5274
Rest of Europe	9722	10387
	-----	-----
	93104	92210
	-----	-----

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 3 EXCEPTIONAL ITEMS

	1994 £'000	1993 £'000
Redundancy	(116)	2246
Other closure and reorganisation costs	2343	317
	-----	-----
Profit on disposal of fixed assets	2227	2563
	-	(24)
	-----	-----
	2227	2539
	-----	-----

The charge for 1994 relates to reorganisation projects started in 1994 and continuing into 1995.

### 4 OPERATING PROFIT

	1994 £'000	1993 £'000
Operating profit is stated after charging:		
Goodwill amortisation	51	53
Depreciation of owned assets	2306	2318
Depreciation of assets held under finance leases	59	59
Hire of plant and machinery		
- under operating leases	698	632
- other	426	143
Auditors' remuneration - audit services	95	73
Auditors' remuneration - non-audit services	-	-
Research and development	40	264
Staff costs (see note 8)	27845	29463
	-----	-----

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	1994 £'000	1993 £'000
Interest receivable from fellow Group undertakings	-	39
	-----	-----

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	1994 £'000	1993 £'000
On bank loans; overdrafts and other loans wholly repayable within five years	87	8
On loans from fellow Group undertakings	1043	1474
On finance leases	110	65
	-----	-----
	1240	1547
	-----	-----

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 7 TAXATION

The tax charge is based on profits for the year and comprises:

	1994 £'000	1993 £'000
<b>Current year</b>		
Corporation tax at 33 %	197	133
Deferred taxation	266	119
	<u>463</u>	<u>252</u>
<b>Adjustments in respect of prior year:</b>		
Corporation tax	59	-
Deferred taxation	1	-
Brought forward deferred taxation written off as a result of a change in the group policy for accounting for group relief	-	300
	<u>523</u>	<u>552</u>

### 8 EMPLOYEES

	1994 No's	1993 No's
<b>(a) Average weekly number of employees (including Executive Directors):</b>		
Full time	1541	1634
Part time	343	500
	<u>1884</u>	<u>2134</u>
	1994 £'000	1993 £'000
<b>(b) Staff costs (including Executive Directors):</b>		
Wages and salaries	24321	24215
Social security costs	3524	5047
Other	-	201
	<u>27845</u>	<u>29463</u>

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### (c) Emoluments of Directors

Directors receive no fees, remuneration or other emoluments in respect of the office of Director. Any emoluments paid to such individuals are solely in respect of other employment within the Company.

	1994 £'000	1993 £'000
Emoluments of the Directors of the Company:		
Other emoluments and pension contributions	71	153

The emoluments of the Chairman and the highest paid Director, excluding pension contributions were as follows:

	1994 £'000	1993 £'000
Chairman	-	-
Highest paid Director	66	68

The number of Directors whose emoluments, excluding pension contributions, were within each of the following bands were as follows:

	1994 No's	1993 No's
£0 to £5000	5	5
£5001 to £10000	1	-
£20001 to £25000	-	1
£55001 to £60000	-	1
£65001 to £70000	1	1

## 9 INTANGIBLE ASSETS

	<u>Goodwill</u> £'000
<u>Cost</u>	
At 1 January 1994 and at 31 December 1994	2134
<u>Amortisation</u>	
At 1 January 1994	213
Charge for year	51
At 31 December 1994	264
<u>Net Book Value</u>	
At 31 December 1994	1870
At 1 January 1994	1921

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 10 TANGIBLE ASSETS

	Plant and Machinery	Fixtures, Fittings, Tools & Equipment	Total
<u>Cost</u>	£'000	£'000	£'000
At 1 January 1994	34502	4915	39417
Additions	2935	162	3097
Disposals	(1046)	(135)	(1181)
Transfers to fellow group undertakings	(270)	-	(270)
Reclassifications	1798	(1798)	-
At 31 December 1994	37919	3144	41063
<u>Depreciation</u>			
At 1 January 1994	23371	3663	27034
Charge for year	2149	216	2365
Disposals	(1046)	(133)	(1179)
Reclassifications	982	(982)	-
At 31 December 1994	25456	2764	28220
<u>Net Book Value</u>			
At 31 December 1994	12463	380	12843
At 1 January 1994	11131	1252	12383

Plant and machinery includes the cost of assets in the course of construction of £1,755,000 (1993 - £244,000).

Tangible fixed assets include the following assets held under finance leases at 31 December 1994:

	Plant and Machinery	Fixtures, Fittings, Tools & Equipment	Total
	£'000	£'000	£'000
Cost	3525	40	3565
Accumulated depreciation	(3231)	(34)	(3265)
Net Book Value	294	6	300

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 11 INVESTMENTS

	Cost £'000
At 1 January 1994 and 31 December 1994	3236

The principal shareholdings in subsidiary undertakings at 31 December 1994 were:

	Country of Registration	Nature of Business	Proportion of equity held
Barnsley Canister Co Limited	England	Non Trading	100%
Quitmann Limited	Eire	Packaging Manufacturer	100%
Tyneside Printer Limited	England	Non Trading	100%

The Company's investments in these subsidiary undertakings are recorded at cost.

### 12 STOCKS

	1994 £'000	1993 £'000
Raw materials and consumables	7005	8774
Work in progress	5741	5930
Finished goods	2472	3520
	15218	18224

### 13 DEBTORS

	1994 £'000	1993 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	11938	14515
Amounts owed by fellow group undertakings (interest free)	1974	721
Other debtors	638	1029
Prepayments and accrued income	555	401
	15105	16666
<b>Amounts falling due after more than one year</b>		
Loan to Speciality Packaging Diamond Trustees Limited	1500	1500
	16605	18166

Speciality Packaging Diamond Trustees Limited acts as trustee to the Speciality Packaging (UK) PLC Employee Share Trust, which was established on 5 February 1992 to encourage and facilitate the holding of shares in Speciality Packaging (UK) PLC by employees of the Company. The loan of £1.5 million above was made to enable the Trustee to fund the acquisition of 1,500,000 non voting ordinary shares of £1 each in the Company. During 1992 and 1993 options were granted over these shares to employees at an option price of £1 per share. The earliest and latest dates on which these options may be exercised is the third and seventh anniversaries of the date the option was granted.

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

On exercise, employees may either hold their shares in the Company or sell them to the Trustee at a 'market' price determined under the scheme rules. At 31 December 1994 this 'market' price would have been less than the option price of £1 (1993: less than £1).

The loan of £1.5m is interest free and has no fixed repayment terms. In addition the Company bears all administration and other sundry costs of the Trustee in relation to the operation of the Trust.

### 14 CREDITORS (Amounts falling due within one year)

	1994 £'000	1993 £'000
Bank borrowings	45	798
Amounts owed under finance leases (Note 19)	14	254
Trade creditors	16421	18144
Amounts owed to fellow group undertakings	913	896
Loans owed to fellow group undertakings	9536	19470
Other creditors	1476	797
VAT, payroll tax and social security	955	943
Accruals and deferred income	2809	2135
Corporation tax	197	133
	<u>32366</u>	<u>43570</u>

Loans owed to fellow group undertakings bear interest at commercial rates.

### 15 CREDITORS (Amounts falling due after more than one year)

	1994 £'000	1993 £'000
Amounts due under finance leases:		
Repayments due between one and two years (Note 19)	15	32
Repayments due between two and five years (Note 19)	21	-
Loans owed to fellow group undertakings (interest free)	6940	652
	<u>6976</u>	<u>684</u>

Loans owed to fellow Group undertakings have no fixed repayment date and are interest free.

### 16 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Reorganisation and redundancy £'000	Other £'000	Total £'000
At 1 January 1994	419	1111	61	1591
Transfer from profit and loss account	267	2227	-	2494
Utilised in period	-	(1658)	(61)	(1719)
At 31 December 1994	<u>686</u>	<u>1680</u>	<u>-</u>	<u>2366</u>



# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 16 PROVISIONS FOR LIABILITIES AND CHARGES (continued)

"CarnaudMetalbox plc has provided for post retirement health care benefits, in accordance with UITF abstract 6, on behalf of the CarnaudMetalbox UK sub group, of which this Company forms a part. Group policy is that the Company will bear its share of this provision once the information required to allocate this provision between the members of the CarnaudMetalbox UK sub group is available. In the opinion of the directors the application of this policy will not be material to the Company's financial statements.

### 17 SHARE CAPITAL

	1994 £'000	1993 £'000
<b>Authorised:</b>		
15,000,000 ordinary shares of £1 each (Equity)	15000	15000
1,000 5% cumulative preference shares of £1 each (Non-Equity)	1	1
1,500,000 non voting ordinary shares of £1 each (Equity)	1500	1500
5,000,000 preference shares of £1 each (Non-Equity)	5000	5000
	<u>21501</u>	<u>21501</u>
	1994 £'000	1993 £'000
<b>Allotted, called up and fully paid</b>		
15,000,000 ordinary shares of £1 each (Equity)	15000	15000
1000 5% cumulative preference shares of £1 each (Non-Equity)	1	1
1,500,000 non voting ordinary shares of £1 each (Equity)	1500	1500
4,220,000 preference shares of £1 each (Non-Equity)	4220	4220
	<u>20721</u>	<u>20721</u>

### 18 PROFIT AND LOSS ACCOUNT

	1994 £'000	1993 £'000
At beginning of year	(12634)	(12819)
Profit for the financial year	795	185
At end of year	<u>(11839)</u>	<u>(12634)</u>

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 19 LEASE OBLIGATIONS

	1994 £'000	1993 £'000
Finance leases due:		
Within one year	18	319
Within two to five years	41	40
	<hr/>	<hr/>
Finance charges	59	359
	(9)	(73)
	<hr/>	<hr/>
	50	286
	<hr/>	<hr/>
Falling due within one year (Note 14)	14	254
Falling due after more than one year (Note 15)	36	32
	<hr/>	<hr/>
	50	286
	<hr/>	<hr/>
Operating leases on plant and machinery		

	1994 £'000	1993 £'000
Annual commitments which expire:		
Within one year	47	13
Between two and five years	572	745
	<hr/>	<hr/>
	619	758
	<hr/>	<hr/>

### 20 CAPITAL EXPENDITURE COMMITMENTS

	1994 £'000	1993 £'000
Authorised but not contracted for	-	87
Contracted for but not provided	173	200
	<hr/>	<hr/>
	173	287
	<hr/>	<hr/>

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 21 RETIREMENT BENEFITS

#### (a) Pension Scheme

The Company participates in the UK pension schemes operated by CarnaudMetalbox Group UK Limited. These schemes are defined benefit schemes providing benefits to certain employees within the Group. The assets of these fully funded schemes are held separate from the Group's assets in Trustee administered funds.

The latest actuarial valuation of the UK Group schemes was carried out as at 31 March 1992. Details of this valuation are contained in the financial statements of CarnaudMetalbox Group UK Limited.

The normal contributions payable by the Company for the year ended 31 December 1994 were £Nil (1993 : £Nil).

#### (b) Post Retirement Medical Costs

The company participates in private post retirement schemes for certain retired senior executives, and in some instances their dependents.

The latest actuarial valuation of the UK schemes was carried out as at 31 December 1994. Details of this valuation are contained in the accounts of CarnaudMetalbox plc.

### 22 CASH FLOW INFORMATION

#### (a) Reconciliation of operating profit to net cash Inflow from operating activities.

	1994	1993
	£'000	£'000
Operating profit	2558	2245
Depreciation charges and goodwill amortisation	2416	2430
Profit on sale of tangible fixed asset	-	(24)
Decrease/(Increase) in stocks	3006	(2144)
Decrease/(Increase) in debtors	1561	(2213)
(Decrease)/Increase in creditors	(341)	3251
Increase in provisions excluding deferred taxation	508	530
<b>Cash Inflow from operating activities</b>	<b>9708</b>	<b>4075</b>

# SPECIALITY PACKAGING (UK) PLC

## NOTES TO THE ACCOUNTS - 31 DECEMBER 1994 (CONTINUED)

### 22 CASH FLOW INFORMATION (CONTINUED)

#### (b) Analysis of changes in financing

	Intra Group £'000	Finance lease obligations £'000
Balance at 31 December 1992	21721	588
Net Cash Outflow from financing	(1599)	(302)
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Balance at 31 December 1993	20122	286
Net Cash Outflow from financing	(3646)	(236)
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Balance at 31 December 1994	16476	50
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#### (c) Analysis of changes in cash and cash equivalents during the year

	Cash at Bank and in hand £'000	Bank Overdrafts £'000	Net £'000
Balance at 31 December 1992	1412	-	1412
Net cash Outflow	(1410)	(798)	(2208)
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Balance at 31 December 1993	2	(798)	(796)
Net cash Inflow	816	753	1569
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Balance at 31 December 1994	818	(45)	773
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### 23 ULTIMATE PARENT UNDERTAKING

CarnaudMetalbox, a Company incorporated in France, is the parent undertaking of both the smallest and largest Group to consolidate these accounts and is also the ultimate parent undertaking of the Company.

The Company's immediate parent undertaking, CarnaudMetalbox plc, has undertaken to continue to finance the Company.

Copies of the Group accounts of CarnaudMetalbox may be obtained from CarnaudMetalbox Group UK Limited, Woodside, Perrywood Walk, Worcester. WR5 1EG.